

Income tax: Is it a friend or a foe to foreign students?

If you are an international student living in Canada, you should file your income-tax return to claim income-tax benefits, including GST credits, rent (property) tax credits and education credits. Canada Revenue Agency (CRA) will give these credits to you in the form of tax refunds.

The GST credits amount to \$253 for 2010 and is the same for every student. The rent tax credit depends on the rent you paid to your landlord for the whole tax year. The more rent you paid, the



Forest Li

more tax refund you will get. The rent tax refund is about \$400 each year.

The education credit is calculated based on the T2202A slip, which shows the eligible tuition

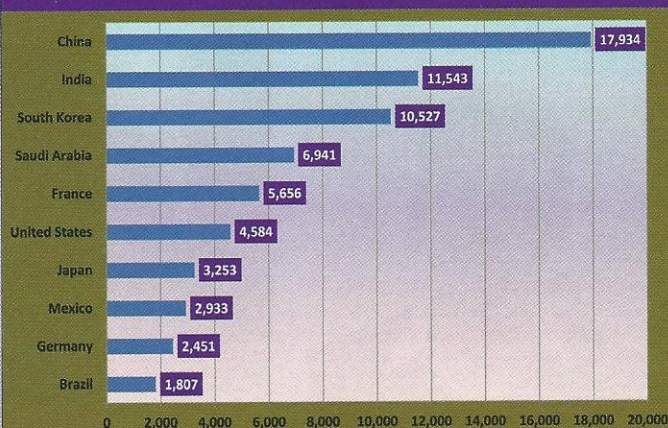
paid and the number of months of your full-time or part-time studies in the school. T2202A can be printed out directly from your student account kept on the university's website. You will not receive the cash value for the education credits; it will be used to allow you to pay less income tax or get more refund in the future. The tax-saving benefit can be as high as \$20,000 for a four-year, full-time university student.

When filing your tax return, you need to get these documents ready:

- Social Insurance Number (SIN) or Individual Tax Number (ITN)
- Passport (if you do not have SIN or ITN)
- T2202A (Tuition, Education and Textbook Amounts Certificate)
- Rent Receipts
- Bank Account Information
- Other slips such as T4, T4A, T5

The income-tax return is filed with the CRA. It takes about two months for the CRA to process your return. You will always get a refund, and CRA can deposit the refunds directly into

WHERE INTERNATIONAL STUDENTS COME FROM, 2010



Source: Citizenship and Immigration Canada

your bank account if your bank information is provided. Your return may be selected by CRA for review, so you need

to keep the above-mentioned information for six years.

If you need more infor-

SPENDING OF LONG-TERM* INTERNATIONAL STUDENTS IN CANADA, 2008

China	\$1,300,856,778
South Korea	\$846,788,205
United States	\$349,238,415
France	\$263,942,402
India	\$225,707,322
Japan	\$204,506,758
Saudi Arabia	\$144,176,184
Taiwan	\$127,357,687
Hong Kong	\$127,326,827
Mexico	\$118,902,148
Others	\$1,791,216,274
TOTAL	\$5,500,019,000

Sources: Citizenship and Immigration Canada; Poslyn Kunin and Associates Inc.
*At least six months

mation, you may go to CRA's website at www.cra-arc.gc.ca. You may also contact Wensten Accounting at (705)

749-9288 if you need help with your income-tax return. – *By Forest Li, certified income-tax consultant*