

Tax Tips For Students

It's Income Tax Time again, so the Cadre presents for your enjoyment and confusion, tax information for students from the District Taxation Office. Rowena MacKinnon, Public Relations Officer, has additional booklets and Interpretation Bulletins on "Income Tax and the Student", "Moving Expenses", "Scholarships, etc.", and "Tuition Fees". She also has a packet entitled "Teaching Taxes" and reminds us that UPEI is a designated educational institute for purposes of claiming the education deduction. Rowena can be reached by phone at 894-5556 or ZSmith 0-4000, or by mail at the District Taxation Office, Dominion Bldg., Charlottetown. You can also visit the office through the side door of the Ch'town Post Office on Richmond Street.

The questions and answers in this section deal with the following items of special interest to students:

Tuition Fees

- payments to several schools
- receipts for fees
- fees allowable as deduction
- related to student's status as a dependant
- fees paid by employer

Education Deduction

Moving Expenses for Travel to University

P.S. No, you cannot claim a rebate for sales tax paid on dope deals.

Q. I realize I may not claim tuition fees paid to an educational institution if the fee does not exceed \$25. However, last year I took several courses, each with a fee of \$10 or less, but the total for the year is more than \$25. May I claim these tuition fees when filing my income tax return?

A. Provided they otherwise qualify, these fees would be deductible if they were paid to the same educational institution. It is the total of fees paid to the educational institution that counts.

Q. What receipts or certificates must I enclose with my income tax form when claiming my tuition fees? How do I calculate the amount of tuition I can claim?

A. The educational institution you attend will provide you with an official receipt or certificate approved for income tax purposes.

Tuition fees supported by receipts or certificates may be claimed for any 12-month period beginning in the taxation year. If you claim fees paid for the academic year, simply attach the certified receipt to your tax return. If you claim fees paid for the calendar year only, here's what you can do:

- 1) The amounts paid for September - December of 1975 are usually only a part of the amount shown on the certified receipt. If so, specify this partial amount on your receipt.
- 2) Amounts paid for last term studies (January - April of 1975) can also be claimed provided, of course, you hadn't claimed them on last year's return.

Q. I am a student at a Canadian university. How do I calculate the tuition fees allowable?

A. Tuition fees supported by the proper certificate may be claimed for any 12-month period beginning in the taxation year, which means for 1975 you could claim either on the calendar year or the academic year 1975-76.

Q. I am a student at university and have a part-time job which becomes a full-time job during the summer months. My earnings are more than \$1,800 a year. I pay my own tuition fees out of my earnings and understand that only I can deduct these fees from my income for tax purposes. If I do this, my income will be reduced to \$1400. Does this mean that my father can claim me as a dependant?

A. Yes, if your father supported you during the year. However, his \$646 exemption is reduced by the amount that your income exceeds \$1,332.

Example:
Maximum exemption...\$646
Deduct income over \$1,332 (\$1,400 less \$1332)...68
Allowable exemption...\$578

In addition, a special

exemption of \$50 a month is allowable for full-time trainees and students attending a wide range of schools and post secondary institutions.

Q. My employer sent me a T4 slip showing the amount of tuition fees he paid on my behalf last year. Do I have to report this on my return?

A. Yes, but if you attended a qualified educational institution, you should be entitled to claim tuition when making this claim.

Q. Last year my wife attended university for eight months. She did not earn any income and did not receive an allowance of any kind. Does this mean I can claim the education deduction on her behalf?

A. Yes, under these circumstances, you would be entitled to an education deduction of \$400.

Q. I was a student at the university from September until the end of December, a period of four months. However, I did

not start classes until the middle of September. May I claim the education deduction of \$50.00 a month even though I did not attend for the whole month of September?

A. Yes. As long as you attended the institution for at least one day in a month, you would qualify for the \$50.00 education deduction for that month.

Q. I am a full-time university student and have obtained temporary employment some 200 miles away. I am required to pay my own travel expenses to get to this temporary job. Can I deduct this expense from income I earn during the summer?

A. Yes. If you have been in full-time attendance at a university or other post-secondary education institution in Canada, and you move to take a job, including summer employment, you may claim moving expense deduction. This applies only to moving expenses to get to the employment and not to those for your return to the university.

World Youth Offers Chance To Participate in World Development

To all young Canadians interested in knowing about the Third World and experiencing international development in both Canada and a developing nation: CANADA WORLD YOUTH is offering the opportunity of living and working for 8 months with other young Canadians and young people from 12 African, Asian and Latin American countries. CANADA WORLD YOUTH is a non-profit organization which, for its fifth consecutive year, is offering 700 young people from Canada and 12 other countries an educational programme aimed at promoting an understanding of international development, while encouraging a deeper awareness of the role and place of young people in the world. During the autumn of 1975, approximately 100 Canadian communities hosted groups made up of young Canadians and young people from 12 Third World countries in work projects, which were prepared in such a way as to expose the participants to the techniques and skills involved in such fields as agricult-

ure, small industry, social work, etc.... CANADA WORLD YOUTH is now accepting applications from young people between the ages of 17 and 20 to join the exchange programmes starting in June, September, and next January. Information documents and application forms are available at CWY Regional Offices, at Canada Manpower Centres, at schools, colleges and universities, and at many recreation centres across Canada. CANADA WORLD YOUTH is also offering young people over the age of 23 as field staff for these programmes. All young people in excellent health, and between the ages of 17 and 20 can apply. The selection process aims at obtaining a true cross-section of Canadian society (students and workers, urban and rural, English-speaking and French-speaking, from all provinces and territories).

The Atlantic Regional Office
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