

Name: _____

Date: _____

BLM 4-5

Chapter 4 Test

1. What is the purpose of each tax form?

a) T4 _____

b) T1 _____

c) Schedule 1 _____

2. a) What is Lee's approximate annual gross income if he earns about \$375 every week?

b) Lee's net income is approximately 94% of his gross income. What is his net income?

Use Andrea's T4 to answer #3 and #4.

Employer's name – Nom de l'employeur Andrea		Canada Revenue Agency / Agence du revenu du Canada		T4 STATEMENT OF REMUNERATION PAID / ÉTAT DE LA RÉMUNÉRATION PAYÉE	
Payroll Account Number (15 characters) / Numéro de compte de revenus (15 caractères) 54 _____		Year / Année _____		Employment income – line 101 / Revenus d'emploi – ligne 101 14 24 999 00	
Social insurance number / Numéro d'assurance sociale 12 _____		Province of employment / Province d'emploi 10 ON		Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437 22 2659 54	
Exempt – Exemption CPR/PP EI PPIP 28 _____		Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308 16 1064 18		EI insurable earnings / Gains assurables d'AE 24 _____	
Employee's name and address – Nom et adresse de l'employé Last name (in capital letters) – Nom de famille (en lettres majuscules) First name – Prénom Initials – Initiales ► Corner Cafe		Employee's QPP contributions – line 308 / Cotisations de l'employé au RRO – ligne 308 17 _____		CPP/PPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRO 26 _____	
		Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312 18 432 38		Union dues – line 212 / Cotisations syndicales – ligne 212 44 418 55	
		RPP contributions – line 207 / Cotisations à un RPA – ligne 207 20 1248 00		Charitable donations – see over / Don de bienfaisance – voir au verso 46 _____	
		Pension adjustment – line 206 / Facteur d'équivalence – ligne 206 52 _____		RPP or CPPSP registration number / N° d'agrément d'un RPA ou d'un RPOB 50 _____	
		Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso 55 _____		PPP insurable earnings / Gains assurables du RPAP 56 _____	

3. Fill in each value using the T4.

a) Employment income _____	b) RPP _____
c) Income tax deducted _____	d) CPP _____



Name: _____

Date: _____

BLM 4-5
(continued)

4. a) Use the T4 to record the amounts that apply on the appropriate line on page 3 of the T1 General. Assume that Andrea's total income is from her job.

Attach your Schedule 1 (federal tax) and Form 428 (provincial or territorial tax) here. Also attach here any other schedules, information slips, forms, receipts, and documents that you need to include with your return. **3**

Net income

Enter your **total income** from line 150. 150 _____

Pension adjustment (box 52 on all T4 slips and box 34 on all T4A slips) 206 _____

Registered pension plan deduction (box 20 on all T4 slips and box 32 on all T4A slips) 207 _____

RRSP deduction (see Schedule 7 and **attach** receipts) 208+ _____

Saskatchewan Pension Plan deduction (maximum \$600) 209+ _____

Deduction for elected split-pension amount (see the guide and **attach** Form T1032) 210+ _____

Annual union, professional, or like dues (box 44 on all T4 slips, and receipts) 212+ _____

Universal Child Care Benefit repayment (box 12 on all RC62 slips) 213+ _____

Child care expenses (**attach** Form T778) 214+ _____

Disability supports deduction 215+ _____

Business investment loss Gross 228 _____ Allowable deduction 217+ _____

Moving expenses 219+ _____

Support payments made Total 230 _____ Allowable deduction 220+ _____

Carrying charges and interest expenses (**attach** Schedule 4) 221+ _____

Deduction for CPP or QPP contributions on self-employment and other earnings (**attach** Schedule 8) 222+ _____

Exploration and development expenses (**attach** Form T1229) 224+ _____

Other employment expenses 229+ _____

Clergy residence deduction 231+ _____

Other deductions Specify: 232+ _____

Add lines 207 to 224, 229, 231, and 232. 233= _____

Line 150 minus line 233 (if negative, enter "0"). This is your **net income before adjustments**. 234= _____

Social benefits repayment (if you reported income on line 113, 119, or 146, see line 235 in the guide) Use the federal worksheet to calculate your repayment. 235= _____

Line 234 minus line 235 (if negative, enter "0"). If you have a spouse or common-law partner, see line 236 in the guide. This is your **net income**. 236= _____

Taxable income

Canadian Forces personnel and police deduction (box 43 on all T4 slips) 244 _____

Employee home relocation loan deduction (box 37 on all T4 slips) 248+ _____

Security options deductions 249+ _____

Other payments deduction (if you reported income on line 147, see line 250 in the guide) 250+ _____

Limited partnership losses of other years 251+ _____

Non-capital losses of other years 252+ _____

Net capital losses of other years 253+ _____

Capital gains deduction 254+ _____

Northern residents deductions (**attach** Form T2222) 255+ _____

Additional deductions Specify: 256+ _____

Add lines 244 to 256. 257= _____

Line 236 minus line 257 (if negative, enter "0") This is your **taxable income**. 260= _____

b) What is her taxable income? _____

5. Circle the tax deductions. Draw a box around the tax credits.

Moving expenses

Charitable donations

Child care expenses

Tuition fees

Medical expenses

Union dues



Name: _____

Date: _____

BLM 4-5
(continued)

6. David has a landscaping business. Record each amount on the appropriate line of page 4 of his T1 General tax return.

- The net federal tax (from Schedule 1) is \$1977.
- The provincial tax (from ON428) is \$1085.
- The total amount of income tax deducted is \$2350.

Refund or balance owing		4
Net federal tax: enter the amount from line 55 of Schedule 1 (attach Schedule 1, even if the result is "0")	420	
CPP contributions payable on self-employment and other earnings (attach Schedule 8)	421 +	
Social benefits repayment (enter the amount from line 235)	422 +	
Provincial or territorial tax (attach Form 428, even if the result is "0")	428 +	
Add lines 420 to 428.		
This is your total payable , 435 =		
Total income tax deducted (see the guide)	437	•
Refundable Quebec abatement	440 +	•
CPP overpayment (enter your excess contributions)	448 +	•
Employment Insurance overpayment (enter your excess contributions)	450 +	•
Refundable medical expense supplement (use federal worksheet)	452 +	•
Working Income Tax Benefit (WITB) (attach Schedule 6)	453 +	•
Refund of investment tax credit (attach Form T2038(IND))	454 +	•
Part XII.2 trust tax credit (box 38 on all T3 slips)	456 +	•
Employee and partner GST/HST rebate (attach Form GST370)	457 +	•
Tax paid by instalments	476 +	•
Provincial or territorial credits (attach Form 479 if it applies)	479 +	•
Add lines 437 to 479.		
These are your total credits , 482 =		
Line 435 minus line 482		
If the result is negative, you have a refund . If the result is positive, you have a balance owing . Enter the amount below on whichever line applies.		
Generally, we do not charge or refund a difference of \$2 or less.		
Refund 484		•
Balance owing (see line 485 in the guide) 485		•
Amount enclosed 486		•

a) What is the total payable? _____

b) Does David have a refund or a balance owing? _____

c) What is the amount? _____

d) Identify 1 thing that David can do to reduce his taxes payable.

7. a) Where do tax deductions appear on a tax return? _____

b) Where do tax credits appear on a tax return? _____

