

Name: _____

Date: _____

SP BLM 8

Completing a Tax Return

- Use paper and pencil or tax preparation software to complete tax returns for #1 and #2.
- If you use software, you will likely need to enter your personal information to get started. This information includes your name, address, date of birth, and social insurance number.

1. a) Complete a tax return for Mark.

- Mark is 20, is single, and works full-time.
- He moved to the city for his job.
- This is his tax information.

Total income: \$25 000	Union dues: \$900
Income tax deducted: \$2200	Moving expenses: \$500
CPP contributions: \$1064	Registered pension plan contribution: \$2000
EI premiums: \$432	Apply for the GST/HST credit.

(Input the RRSP allowable limit at \$2000.)

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

What is the amount? _____

2. a) Complete a tax return for Janie.

- Janie is 19, is single, and lives with her parents.
- She works part-time and goes to school part-time.
- This is her tax information.

Total income: \$18 000	Tuition fees: \$850
Income tax deducted: \$1300	Medical expenses: \$225
CPP contributions: \$717	Apply for the GST/HST credit.
EI premiums: \$311	



Name: _____

Date: _____

SP BLM 8

(continued)

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

What is the amount? _____

c) Janie decides to contribute to an RRSP to reduce her taxes. Determine the impact of making a contribution of

- \$750 _____
- \$1000 _____
- \$1500 _____

(Input the RRSP allowable limit at \$1500.)

d) Compare the amounts of tax payable in each case. What advice would you give Janie about the best level of contribution to an RRSP?

e) What are 2 advantages of making contributions to an RRSP?

3. Mark operates his own business. What advice would you give Mark about how to reduce his taxable income?

4. Do you prefer using paper and pencil or software to complete a tax return? Explain why.

