



## THE PROPOSED FEDERAL GOODS AND SERVICES TAX CREDIT

- Please complete Areas D and E on the reverse side of this form and attach the form to your completed income tax return.

### Area A – How it works

- The proposed federal Goods and Services Tax Credit will be paid to families with low and modest incomes.
- **Please complete Areas D and E.** This information and your income tax return are needed to establish your potential eligibility for the credit.
- Revenue Canada, Taxation will calculate the credit and will advise you in the fall of 1990 of the amount to which you are entitled.
- The credit will NOT be included in your income tax refund.

### Area B – Who applies

- You may apply for this credit if, at the end of 1989, you were resident in Canada and were 19 years of age or older. If you were under 19 years of age at the end of 1989 and resident in Canada you may apply for this credit if you were married or a parent.
- Eligible individuals may apply for the Goods and Services Tax Credit for themselves, their spouse or an "other supporting person" with whom they reside, and their "qualified children".
- **If you are married or residing with an "other supporting person", you must decide which one of you will apply.** However, if you are married, the spouse who claims the Federal Sales Tax Credit on Schedule 7 on their income tax return must be the spouse who applies for the Goods and Services Tax Credit.
- **Certain individuals do not qualify for this credit and may not apply.** They include those who:
  - were confined to a prison or other penal institution on December 31, 1989 and had been confined for at least six months during 1989,
  - were exempt from 1989 tax in Canada under Section 149 of the Income Tax Act. This applies to diplomats from other countries, their families and their employees.

### Area C – Terms used in this form

- **Other Supporting Person** – If you were married on December 31, 1989, an "other supporting person" is any person, other than you or your spouse, who claims a personal amount on their return for a qualified child you are claiming in Area D.
  - If you were a **widow(er), divorced, separated or single** on December 31, 1989, an "other supporting person" is:
    - (a) The other parent of a qualified child you are claiming in Area D if you were residing with that parent on December 31, 1989, and
    - (b) any person who claims a personal amount on their return for a qualified child you are claiming in area D, even if you were not residing with that person on December 31, 1989.
- **Qualified Children** – A "qualified child" is a child who:
  - (a) was under 19 years of age at the end of 1989, and
  - (b) was not married and was not a parent, and
  - (c) was claimed as a dependant by only you or by only you and your spouse, or
  - (d) if (c) does not apply, was your child who lived with you at the end of 1989.
- **Personal Amount** – A "personal amount" for Goods and Services Tax Credit purposes is:
  - a Non-Refundable Tax Credit for a dependent child (see line 304 in the 1989 T1 Guide), or
  - an Equivalent-to-Married Non-Refundable Tax Credit (see line 305 in the 1989 T1 Guide).
- **Equivalent-to-Married Credit** – You are eligible to claim an equivalent-to-married credit if:
  - (a) you were not married and were not residing with an "other supporting person" at the end of 1989, and
  - (b) you have a qualified child born in 1971 or later, and
  - (c) no other person will claim a Goods and Services Tax Credit for the same qualified child, and
  - (d) no other person will claim an Equivalent-to-Married Credit in respect of the same dwelling.

**NOTE:** The legislation necessary for implementing the Goods and Services Tax Credit was not introduced at the time this package went to print. The legislation will ultimately determine eligibility for and the amount of the credit. Revenue Canada, Taxation will advise you in the fall of 1990 of any amount to which you are entitled.

**YOU SHOULD COMPLETE AREAS D AND E BELOW AND SUBMIT THIS FORM WITH YOUR TAX RETURN IF YOU ARE ELIGIBLE ACCORDING TO AREA B AND IF:**

a) your net income (yours, plus your spouse's and other supporting person's) is less than \$36,000 and you have no qualified children,

or

b) your net income (as above) is less than \$45,000 and you have from one to four qualified children,

or

c) you have five or more qualified children.

### Area D - Family information

Please complete the following:

At the end of 1989,

1. Your marital status was:

(if married only one spouse may make a claim, see Area B on reverse side)

Married 1     Widow(er) 2     Divorced 3     Separated 4     Single 5

2. Did you reside with an "other supporting person":

(see Area C on reverse side)

Yes 1     No 2

3. Please enter the number of your "qualified children":

(see Area C on reverse side)

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4. Are you eligible for an "equivalent-to-married" credit:

(see Area C on reverse side)

Yes 1     No 2

5. If someone is an "other supporting person" of your "qualified children", please enter the Social Insurance Number of that person:

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### Area E - Income information

Enter your net income from line 236 on your income tax return

6.

Enter your spouse's net income (if negative, enter zero)

195 7.

Enter other supporting person's net income plus their net federal supplements (Box (H) on the T4A(OAS)), social assistance payments and workers' compensation payments received in the year

196 8.

Enter the net federal supplements (Box (H) on the T4A(OAS)), social assistance payments and workers' compensation payments received in the year by you and your spouse

197 9.

Income to be used for the proposed Goods and Services Tax Credit (Add lines 6, 7, 8 and 9)

10.

Please sign here

Date

Your Social Insurance Number