Taxation for Canadians travelling, living or working outside Canada

Canadians travelling extensively, living or working abroad may still have to pay Canadian and provincial or territorial income taxes. It is important that you know your residency status and the income tax rules that apply to you while you are outside Canada.

Your residency status depends on why and how long you are staying outside Canada, the ties you establish in your new country, how long and how often you return to Canada and your residential ties to Canada.

This will determine whether you will be considered a factual resident, deemed resident, a non-resident, or a deemed non-resident of Canada for income tax purposes and will assess the amount of Canadian income tax you will pay.

If you are planning to be outside Canada for an extended period of time, you must inform the Canada Revenue Agency (CRA) before you leave to determine your residency status.

If you are not sure of your residency status, you can complete Form NR73, Determination of Residency Status (Leaving Canada).

If you are outside Canada or the United States and need more information, call the CRA at 613-940-8495. Otherwise, call 1 800 959 8281.

Factual residents of Canada for income tax purposes

You are a factual resident of Canada if you keep significant residential ties to Canada while you are living or travelling outside of the country. You could be a factual resident of Canada if you are:

- working temporarily outside Canada
- teaching or attending school in another country
- commuting (going back and forth daily or weekly) from Canada to your place of work in the United States, or
- vacationing outside Canada.

This is also the case if you spend part of the year in the United States for health reasons or on vacation, and you still maintain residential ties to Canada.

For more information, see Individuals – Leaving or entering Canada and non-residents. You will find information about certain income tax requirements that may affect you.

Deemed residents of Canada for income tax purposes

Certain people who live outside Canada and who sever their residential ties with Canada may be may be considered to be deemed residents of Canada for tax purposes.

You may be a deemed resident of Canada if you are:

- a federal, provincial or territorial government employee who was a resident of Canada just before being posted abroad or who received a representation allowance for the year
- a member of the Canadian Forces
- a member of the Canadian Forces overseas school staff who chooses to file a return as a resident of Canada
- working under a Canada International Development Agency assistance program if you were a resident of Canada at any time during the three-month period just before you began your duties abroad
- a dependent child of one of the four persons described above and your net income for the year was not more than the basic personal amount (line 300 in the General Income Tax and Benefit Guide) or
- a person who, under an agreement or convention (including a tax treaty) between Canada and another country, is exempt from tax in that other country on 90 percent or more of their income from all sources because of their relationship to a resident (including a deemed resident) of Canada

For more information, see Individuals – Leaving or entering Canada and non-residents. You will find information about certain income tax requirements that may affect you.

Non-residents of Canada for income tax purposes

Generally, when you leave Canada to live in another country (emigrate), you become a non-resident of Canada for income tax purposes. For more information about the tax rules that apply for the year you become an emigrant from Canada, see Individuals – Leaving or entering Canada and non-residents

You are a non-resident of Canada for income tax purposes if you:

- normally or routinely live in another country and are not considered a resident of Canada
- do not have significant residential ties to Canada, and
  - live outside Canada throughout the tax year, or
  - stay in Canada for less than 183 days in the tax year

Non-residents of Canada are required to pay taxes only on certain income from Canadian sources.

For more information, see Individuals – Leaving or entering Canada and non-residents. You will find information about certain income tax requirements that may affect you.

Deemed non-residents of Canada for income tax purposes

If you are a factual resident or a deemed resident of Canada and are considered to be a resident of another country that has a tax treaty with Canada, you may be considered a deemed non-resident of Canada for income tax purposes.

If you are a deemed non-resident, you must follow the same rules as a non-resident of Canada and declare your income from Canadian sources.

For more information please visit the Individuals – Leaving or entering Canada and non-residents. You will find information about certain income tax requirements that may affect you.

Related links

- Studying abroad
- Retiring abroad
- Working abroad
- Dual citizenship (or dual nationality)
- Certificate of Canadian citizenship
- Travelling with a Permanent Resident Card

Other resources

- Folio S5-F1-C1, Determining an Individual's Residence Status (Canada Revenue Agency)
- Representatives for non-resident accounts (Canada Revenue Agency)

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