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TAXES

Tax survival 101: your guide to filing in 2025

From deadlines to deductions, use these tips to breeze through tax season, avoid mistakes and save money.

By the Advice+ team
March 18, 2025

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Key takeaways:

- You need to file your taxes if you earned income, want to claim credits or owe taxes.
- Tax filing deadline this year is Wednesday, April 30, 2025.
- Basic personal amount (BPA) for 2025 is $16,129.[1]
- Tax credits and deductions — claim everything you're eligible for.
- File taxes on time to avoid penalties and report all income, including side gigs.
- CRA offers payment options if you can't pay your taxes on time.

Filing taxes in Canada might not be the most thrilling task, but it's an unavoidable part of adulting — kind of like doing laundry, but for your wallet. Completing your tax return can seem like deciphering a secret code, but it's really just about reporting your income and figuring out what you owe or what's owed to you — hello, refund! With a bit of guidance, tackling taxes can feel less like a chore and more like checking off an important life task. Read on to understand the basics that can help make tax season simpler.

How does tax filing work in Canada?

Most people living and working in Canada are required to pay taxes. Every year, you will file a tax return where you report your income from the previous year to the **Canada Revenue Agency** (CRA). You must list all forms of income, including any self-employment earnings, tips or business income, and then check your eligibility for tax deductions or credits.

Even if you haven't earned any money in a given year, filing a tax return still allows you to access benefits like the goods and services tax/harmonized sales tax (GST/HST) credit, among others. The CRA may assess your return and determine that you're squared up and don't need to pay any tax, that you are owed money back with a refund cheque or that you still have outstanding taxes to pay.

Who needs to file taxes in Canada?

Filing taxes is mandatory for Canadian residents and newcomers, including immigrants, international students and temporary foreign workers.

You must file Canadian taxes if:

- You received Canadian-sourced income
- You owe the government money
- You want to claim a refund or benefit, such as Canada Child Benefit (CCB)

Did you know?

Filing together with your spouse helps you maximize credits and benefits like the GST/HST credit and spousal amounts.

What is the basic personal amount (BPA)?

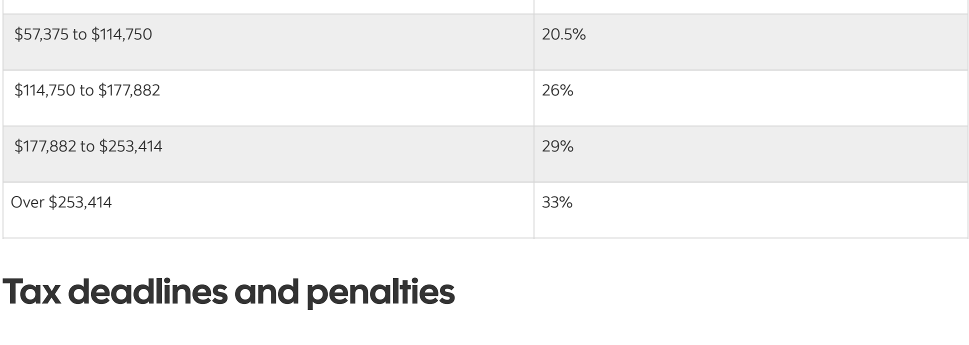
The Canadian government has established a basic personal amount (BPA), which is the income threshold you can earn before needing to pay any federal income tax. The BPA aims to allow individuals with taxable income below the BPA amount, which is $16,129[1] for 2025, to benefit from a complete exemption from federal income tax.

In simpler terms, if your annual income is $16,129 or less in 2025, you are not required to pay federal taxes. The BPA also offers a partial tax reduction for taxpayers whose taxable income exceeds that amount. You can review the federal tax brackets below and find more information on the **CRA website**.

Federal Income tax brackets for 2025

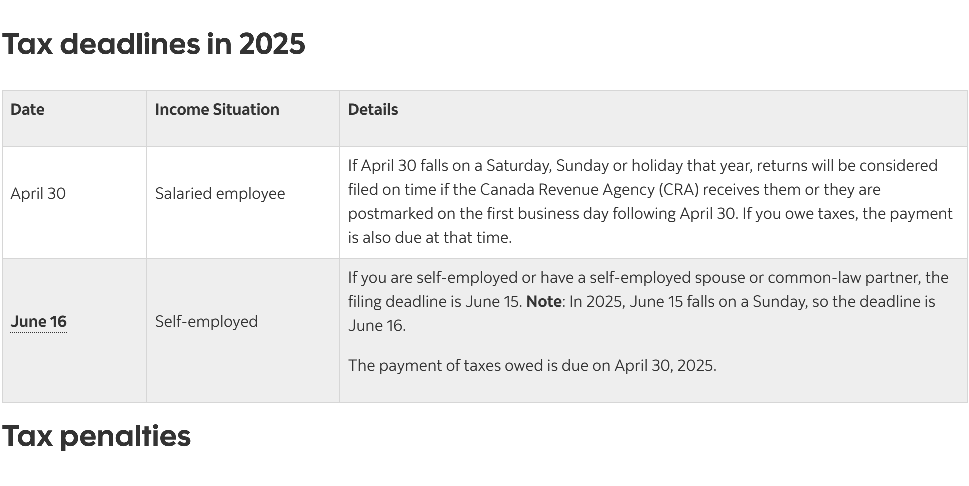
In **Canada, we use a graduated personal tax system**, which means that different tax rates apply to different portions of income (up to a certain income level).

If you want to understand the tax rates that will apply to your income, you can review the Canadian federal tax brackets (shown below) in addition to the tax brackets at the provincial and territorial levels. For a comprehensive list of **provincial and territorial tax brackets**, visit the CRA website.



Income level	Federal tax rate
$57,375 or less	15%
$57,375 to $114,750	20.5%
$114,750 to $177,882	26%
$177,882 to $253,414	29%
Over $253,414	33%

Tax deadlines and penalties



Tax deadlines in 2025

Date	Income Situation	Details
April 30	Salaried employee	If April 30 falls on a Saturday, Sunday or holiday that year, returns will be considered filed on time if the Canada Revenue Agency (CRA) receives them or they are postmarked on the first business day following April 30. If you owe taxes, the payment is also due at that time.
June 16	Self-employed	If you are self-employed or have a self-employed spouse or common-law partner, the filing deadline is June 15. **Note**: In 2025, June 15 falls on a Sunday, so the deadline is June 16. The payment of taxes owed is due on April 30, 2025.

Tax penalties

If you file late, you'll face interest on any taxes you owe, plus a late filing penalty. But don't worry — if you can't afford to pay right away, still be sure to file by April 30 and then contact the CRA to discuss your payment options. They're there to help.

What should I include in my tax return?

In addition to your financial reporting, you are required to provide basic information, such as your name and address and your Social Insurance Number (SIN). All newcomers to Canada need a SIN. If you have requested an SIN and are still waiting for your documentation, still file your taxes to avoid penalty charges or benefit delays.

Filing a paper tax return

If you are filing a paper return, you should include one copy of all relevant documents, including:

T4 slips: If you are employed in Canada, you will receive a T4 slip from your employer, which outlines your total remuneration and source deductions for the year (such as Employment Insurance, Canada Pension Plan and income tax withheld).

Business receipts: If you' are self-employed, you will need to keep business receipts and invoices to accurately report your income and claim deductions. You may need them in case CRA has any follow-up questions.

Dependants' details: This includes basic information about your spouse, children and/or elderly parents. You may be eligible for certain tax credits.

Receipts for deductions/credits: Examples include medical expenses, childcare costs, charitable donations and tuition payments (T2202 slip).

RRSP contributions: Your Registered Retirement Savings Plan (RRSP) deduction limit and receipts for contributions made during the year.

Tax slips for investments: Capital gains or losses, dividends or interest earnings.

Proof of residency: For claiming certain provincial or territorial credits.

Direct deposit info: To get your refund even faster.

Filing taxes through the CRA's My Account

If you file electronically through the CRA's **My Account**, you'll need the same information listed above but still must keep copies of all your documents and supporting paperwork in case the CRA needs to see them.

Additional earnings and tax credits

Don't forget that in addition to reporting all the income you earn in Canada, there are other financial earnings and tax credits that need to make their way onto your forms, too. For example:

Foreign income: If you have income from a different country, it must be reported in Canadian dollars on your Canadian tax return. If you have already paid taxes on the income you received outside of Canada, you might qualify for the federal foreign tax credit.

Moving expenses: Generally, you cannot deduct expenses incurred to move to Canada. You may be able to claim moving expenses if you moved to work or to run a business at a new location or to study courses as a **full-time student** enrolled in a post-secondary program at a university, a college or another education institution. If this is the case, your new home must be at least 40 km closer to your new work location or school.

Support payments: Even if your former spouse or common-law partner does not live in Canada, you may be able to deduct support payments made.

Most newcomers will be able to file electronically through E-FILE or mail, though there are some E-FILE exclusions for certain individuals and non-residents.

I filed my taxes: Now what?

Congrats — you have filed your taxes! If you're expecting a **tax refund**, it might be tempting to treat yourself, but also consider putting some of that cash towards your financial goals instead. It's an excellent opportunity to tackle money-smart plans, like paying down some debt or **building a forget you fund**. Either way, you've made a smart move toward financial wellness — nice work.

Ready to get your finances on track for your future? Come in and speak to a Scotia advisor today

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Sources:

1 Canada Revenue Agency. https://www.canada.ca/en/revenue-agency/services/forms-publications/payroll/t4032-payroll-deductions-tables/t4032on-jan/t4032on-january-general-information.html. Accessed on 27th January, 2025.

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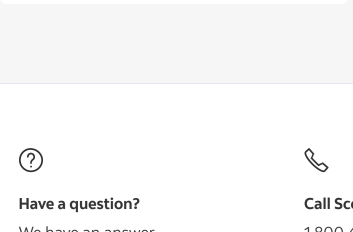
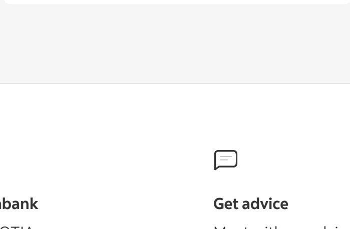


New to Canada? Here's how to file your first tax return

Handle taxes like a pro with this step-by-step guide to where you should file, what you can claim and how to make the most of your money.



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