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### ***Non-Resident Tax Returns***

Once you have become a non-resident of Canada as defined by the Canada Customs and Revenue Agency, you have to file a return only if you receive certain types of Canadian-source income, such as income from employment earned in Canada, from a business carried on in Canada, or from the sale of taxable Canadian property. Certain income you receive as a non-resident is subject to non-resident withholding tax. Non-resident withholding tax is generally considered a final tax liability to Canada. However, on rental income and pension-type incomes, you may be entitled to a refund if you file a return and your taxable income is low enough.

### ***Tax Treaties***

The tax situation of Canadians living abroad is complicated to some extent by the fact that each country bases its income tax system on different principles. Canada and the United States both tax "factual residents" on their worldwide income and also tax non-residents on some types of domestic income. Many other countries tax only income from local sources, partly because they lack the resources to

assess worldwide income. A few countries do not tax income at all, relying instead on consumption taxes and import duties.

Fortunately, the situation is simplified if you move to a country with which Canada has a tax agreement. Canada has tax conventions or agreements (commonly referred to as tax treaties) with more than 75 countries. These tax treaties often eliminate double taxation for those who would otherwise have to pay tax on the same income in two countries. Generally, tax treaties determine how much each country can tax income such as salaries, wages, pensions and accrued interest. For further information, visit the CCRA site [www.ccra-adrc.gc.ca/tax/nonresidents/treaty-e.html](http://www.ccra-adrc.gc.ca/tax/nonresidents/treaty-e.html).

If you move to a country that does not have a tax treaty with Canada, you may be subject to double taxation. Carefully research the tax laws of the country where you intend to retire. If you will be taxed on your Canadian-source income, find out if the withholding taxes you pay in Canada will be credited against your tax liability in that country.

### ***Estate Tax***

Canada does not levy an estate tax. But many other countries do, including