

If you choose to, you can submit Form NR73, "Residency Determination for Leaving Canada", to the CCRA for their opinion of your residency status. Further information is available from the Agency's Interpretation Bulletin IT-221, *Determination of an Individual's Residence Status*, and its special release.

Canadian Departure Taxes

Taxpayers who emigrate from Canada are generally deemed to have disposed of almost all of their property at fair market value on the date they leave. Capital gains taxes, if any, are assessed at this time. Assets affected by this provision include shares in Canadian corporations, but not Canadian real estate. Deemed disposition is triggered by your declaration that you have left the country, which you make on your final income tax return, filed by April 30 of the year following your departure. Those with assets valued at more than \$25,000 must file a special form with their return.

Receiving Canadian Public Pensions Abroad

Canada Pension Plan (CPP), Quebec Pension Plan (QPP) and Old Age Security (OAS) benefits can be paid to you when you are living outside the country, subject to certain conditions.

OAS is paid outside Canada if the pensioner lived in Canada for at least 20 years after age 18. Guaranteed Income Supplement (GIS) and Spouse's Allowance (SPA) benefits are paid for six months plus the month of departure. CPP/QPP benefits are paid outside Canada as long as all conditions of eligibility continue to be met. Canada's OAS system is intended to guarantee a minimum income to retirees, and benefits are subject to an income test. You can receive OAS benefits outside Canada, but generally you must file an annual return reporting your worldwide income. For detailed information, consult www.canadabenefits.gc.ca.

Canadian Non-Resident Withholding Taxes

Canada imposes a withholding tax on "passive" income paid to non-residents from Canadian sources. Canadian-source income subject to non-resident withholding tax includes interest, dividends, rental income, registered retirement savings plan income, registered retirement income fund income, and pension income.

The rate of non-resident withholding tax is 25 percent. This tax may be reduced according to the terms of tax treaties between Canada and other countries. Non-resident withholding