

Canada's tax system worksheet

Tax legislation

The federal government uses these guidelines to develop tax legislation:

Fairness – ensures the tax burden is shared fairly. Individuals with similar financial circumstances should receive the same tax treatment. Products with similar purposes should have the same rate of sales tax.

Stability – guarantees a stable and dependable source of tax revenue to manage the country's economy.

Canadian priorities – meets the national/provincial/territorial and economic needs that are priorities for most Canadians.

Consultation – holds discussions with Canadians before making tax amendments that affect them.

Tax administration

Department of Finance: initiates tax policy

Parliament: passes laws

Canada Revenue Agency:

- administers tax laws for the Government of Canada and for most of the provinces and territories
- administers various social and economic benefit and incentive programs delivered through the tax system
- collects:
 - federal, provincial, and territorial income taxes
 - the goods and services tax/harmonized sales tax (GST/HST)
 - Canada Pension Plan contributions
 - employment insurance premiums

Revenu Québec:

- collects and administers provincial income taxes and the GST/HST
- administers the Quebec Pension Plan