TAXFILINGS
CANADA

FREE GUIDE FOR STUDENTS

The Student & First-Job Tax Guide

Filing a tax return at 19 with almost no income feels pointless, and it is the single most profitable boring thing you will do this year.

Look at what a first return actually is: one form, an hour of your evening, no fee — and it turns your name into an address the government can send money to. Skip it and the quarterly credit payments never start, your benefit file stays blank, and the tuition you paid sits in a drawer doing nothing for you. Nobody writes to tell you what you missed. The money simply goes to the people who filed.

Five reasons to file the return you think is pointless — yes, even at zero income

1	**The quarterly sales-tax credit.** Canada pays a credit to adults with low and modest incomes, four times a year. There is no application form. The return is the application. No return, no payments, and no letter explaining why your friend got one and you did not.
2	**Your name in the system.** Almost every federal and provincial support is decided by the income on your last filed return. Filing at zero income is how you prove the zero. Not filing looks like no information, and no information pays nothing.
3	**RRSP room that starts stacking now.** Every year you report money you worked for, you earn contribution room. It does not expire. You are quietly building a deduction to spend later, when your salary — and your tax rate — are much larger than today.
4	**Tuition you have already paid for.** A tuition slip with no tax to cancel does not go to waste; it goes on hold. But it only goes on hold from returns you actually sent in. Unfiled years leave the slip stranded in your email.
5	**Provincial extras you have never heard of.** Depending on where you live there are credits tied to rent, sales tax or living in the north. They are claimed on the same return you were about to skip, on lines most students never scroll down to.

This guide explains the mechanics in plain language and leaves the amounts out on purpose — credit values, brackets and thresholds move. Look up the current numbers at canada.ca, run your own through the free calculators at taxfilings.ca/tools, or ask a tax professional.

01 A return is a claim, not a bill

Most people picture a tax return as the government asking them for something. For a student it is usually the opposite: you are the one asking, and the return is the only form that counts as asking.

It is how you get paid

The sales-tax credit arrives by direct deposit on a set quarterly rhythm once you are 19 and once a return is on file. You never apply again. You just have to keep filing each year, because each year's payments are set from that year's return.

It is how you get counted

Provincial credits, student aid reviews, housing programs and, later, benefits for your own kids all read your filed income. A missing return is not read as a small income. It is read as an unknown, and unknowns get held up.

WHAT ONE HOUR BANKS FOR YOU

Reporting a summer job you barely remember creates RRSP room in your name. That room waits, year after year, until you have a real salary to shelter with it. A student who files five thin years walks into their first career job with a deduction already loaded. A student who skipped those years starts from nothing. Do this today: list every year since you turned 18 and mark the ones you never filed.

THE DATE TO PUT IN YOUR PHONE

April 30 is the personal filing date for most people. File by then and your credit payments continue without a gap. File late and payments can pause until the return is processed, which is how students end up with a suddenly empty bank account in August. If you owe money and file late, the penalty starts at 5% of the balance and adds 1% for each full month the return is late — confirm current figures at canada.ca, since penalty and interest rules are updated from time to time.

02 Your first paycheque, decoded

The number in the offer letter is not the number in your account. Three things come off before you see it, and only one of them can come back to you.

Income tax — a guess, not a verdict

Your employer estimates your yearly income from your pay rate and takes a slice off every cheque. It is only an estimate. Work eight months of the year, or hold two part-time jobs that each assume they are your only one, and the estimate is wrong. Filing is what settles it: too much taken means a refund, too little means a balance. The TD1 forms you sign on day one are what steer that guess.

CPP — you are buying a pension you cannot see

A slice goes to the Canada Pension Plan and your employer adds a matching slice of its own money on top. Contributions start once your pay passes a small yearly floor. You will not get this back on your return, and you should not want to: it buys credits toward a pension and toward disability coverage decades before you think about either.

EI — insurance for the job you still have

A premium goes to Employment Insurance, and your employer pays more than you do. It buys access to payments if you are laid off, get sick, or take parental leave later. It is a premium, not savings, so it does not come back in April.

THE ROOKIE MISTAKE

Signing your TD1 forms without reading them, then wondering in April why you owe. The other version: starting a second job and letting both employers apply the same basic personal amount, so together they under-withhold all year. Do this: put your first pay stub beside the take-home pay calculator at taxfilings.ca/tools. If the two disagree by a lot, walk your TD1 forms back to payroll this week, not next April.

03 When moving costs count

Moving for school or a job can be deductible, but only against money you make in the new place. Move for a summer job and the costs come off that job's pay. Move to attend school full time and the costs come off taxable award money such as a bursary or research grant. There is also a distance test: the move has to bring you much closer to the new campus or workplace, and canada.ca states the current measure.

04 Tuition: use it, bank it, or hand it over

The slip is not the claim

Your school posts a tuition slip to its student portal each winter. It is a receipt for the tax system, nothing more. Downloaded and forgotten, it does exactly nothing. Entered on a filed return, it becomes a credit with your name on it and a permanent record at the CRA.

Three doors, and you choose in this order

First, the credit cancels tax you owe this year — if you owe none, it cannot make a refund appear. Second, whatever is left over is banked in your own file and carried forward with no end date. Third, part of the current year's tuition may instead be transferred to a parent, grandparent or spouse who can use it now.

Transfer is a one-year window that closes

Only tuition from the current year can be transferred, and only in that year. Once an amount has been carried forward it is yours for life and can never be handed to a parent later. Once transferred, it is gone from your file for good. Before you sign the back of the slip, ask whether your family needs the money this year more than you will need it at your first full salary.

The graduate's move

Your first good salary is the year those banked credits finally pay. Ask for your carry-forward totals from your notice of assessment before you file, and use them the year your income is highest, not the first year you have any.

> DO THIS BEFORE YOU GRADUATE
>
> Open your last notice of assessment and find the carry-forward lines. They tell you, in the CRA's own numbers, how much unused tuition and how much RRSP room you already hold. Screenshot it. That screenshot is your starting position in every salary and savings decision for the next five years.

05 Side money is taxed from the first dollar

Tutoring, reselling sneakers, a delivery app, editing videos for someone's channel — there is no slip, no company name and no payroll, but it is business income the day it lands. Being small does not make it invisible, and platforms report what they pay their sellers and drivers.

- [ ] Report all of it, slip or no slip, from the first payment
- [ ] Set aside a share of every payment — nobody withholds for you
- [ ] Open a second account so side money and pizza money never mix

> TWO MISTAKES THAT COST REAL MONEY
>
> The first is treating the $30,000 line as permission to ignore your side hustle. That threshold is only about when you must register to charge GST/HST — roughly, once your sales pass it over four quarters. Income tax has no such floor; it applies from your first dollar of profit. The second is spending everything as it arrives. Move a fixed share of every payment into the second account the same day, and April becomes paperwork instead of panic. Confirm current figures and registration rules at canada.ca, and the registration checker at taxfilings.ca/tools will tell you where you stand.

06 Three things people your age get told, and what is true

MYTH	FACT
"I earned almost nothing, so there is nothing to file."	Low income is the reason to file, not a reason to skip. Credits, benefit registration and RRSP room are handed out through the return, and a return showing very little income is exactly what unlocks them.
"My parents claim me, so I do not need my own return."	A parent cannot transfer your tuition to their return unless your return exists. Your credits and your room live in your file. Filing your own return is what protects both.
"Cash jobs and app payments are invisible."	Platforms report seller and driver earnings, and deposits leave a trail. Reporting it now costs you tax on the profit. Fixing it later costs tax plus penalties plus interest.

Structural figures in this guide — the $30,000 sales-tax registration line, the six-year record rule and the shape of the late-filing penalty — are stable but not permanent. Confirm current figures at canada.ca before you rely on them.

07 The five-minute self-check

Count your YES answers.

1. I have filed a return for every year since I turned 18, including the thin ones.	YES / NO
2. I know whether the quarterly sales-tax credit is being paid to me.	YES / NO
3. I have my tuition slips, and I know if each one is used, banked or transferred.	YES / NO
4. I have read my notice of assessment past the refund line, down to the carry-forwards.	YES / NO
5. I have checked a real pay stub against a take-home pay calculator.	YES / NO
6. Side money lands in its own account, and I set a share aside the same day.	YES / NO
7. I know my filing date and what it costs me to miss it while owing money.	YES / NO

6–7 · Green
You are handling this better than most adults twice your age. Keep filing every single year.

3–5 · Yellow
The bones are there. Start with the unfiled years and your tuition slips.

0–2 · Red
There is probably money waiting for you already. One evening of filing usually finds it.

08 Your first-month plan

Week 1
Set up CRA My Account and add direct deposit. Everything later depends on this login working.

Week 2
Collect your slips: T4s from every job, tuition from the student portal, interest from the bank. File this year.

Week 3
Check a pay stub against the take-home pay calculator. Fix your TD1 forms with payroll if they disagree.

Week 4
Open the side-money account, start the receipts album, and put next April 30 in your calendar with an alert.

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Written and fact-checked by Udit Gupta

Ex Big 4 — Ernst & Young and Deloitte · International & Cross-Border Tax Specialist · CPA Canada In-Depth Tax Training · Chartered Accountant, ICAI (India) and MIA (Malaysia)

Udit Gupta has over 15 years of experience helping corporations and business owners with corporate structuring, corporate tax filing, bookkeeping, payroll, GST/HST, cross-border tax and CRA representation. Big 4 trained at Ernst & Young and Deloitte, and qualified as a chartered accountant in India and Malaysia, he founded Tax Filings Canada in 2019 to serve entrepreneurs, startups and non-resident business owners across Canada. View Full Member Bio — including step-by-step instructions to verify each membership on the issuing body's public register.

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Editorial policy. Every guide is researched against primary sources — the Income Tax Act, CRA publications and CPA Canada materials — fact-checked by Udit Gupta, and updated when the rules change.

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