

Earlier this year when we discussed income, employment and pay stubs, we looked at deductions that included provincial tax and federal tax.

Do you remember the difference between net pay and gross pay?

1.Kahoot

2.  <https://www.youtube.com/watch?v=lr-1p2uEoVM>

We pay taxes based on our earnings. The more we earn, the more taxes we pay. You are required to report your total income when you file your tax return. This includes:

- employment income
- dividends
- interest
- taxable capital gains
- business/professional income

As we learned earlier, some sources of income aren't taxed. These were referred to as deductions and we subtracted them before calculating the tax percentages.

How were these tax percentages calculated?

<https://www.canada.ca/en/financial-consumer-agency/services/financial-toolkit/taxes/tax>

Where does this money go?

Our taxes are collected by the CRA (Canada Revenue Agency). This includes provincial tax, federal tax, GST (goods and services tax=5%), PST (provincial sales tax=6%), CPP contributions and EI contributions.

In some provinces (NB, NFL, NS, Ont, PEI) the GST and PST are combined to form a harmonized sales tax (HST).

Income Tax Bracket Worksheet

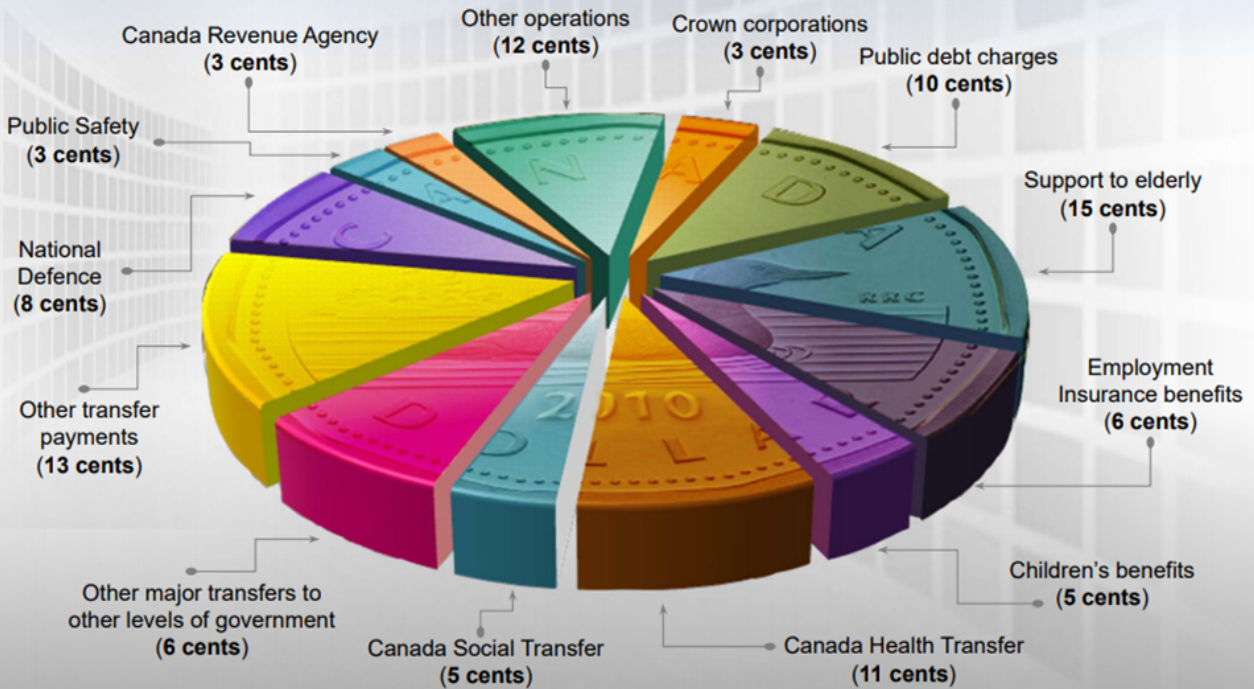
What do you think the CRA does with that money?



Where your tax dollar goes: Summary

That's our brief summary of federal spending for 2013-14.

Click on colour segment for more information



Where the money comes from

During 2013–14, the federal government recorded \$271.7 billion in revenues.

These revenues came from:

Personal income tax – \$130.8 billion, or **48 cents** of every dollar raised in revenues.

Corporate income tax – about \$36.6 billion, close to **14 cents** of every dollar.

Goods and Services Tax – \$31.0 billion, or **11 cents** of every dollar.



Summary