

# ? frequently asked QUESTIONS

## I have moved OUTCAN - How does this effect my Residency Status with CRA?

### Why do I need to read an FAQ on CRA (Canada Revenue Agency)?

Moving out of the country, surprisingly will have an effect on the way you do your taxes. Yes, even though you are a military spouse moving OUTCAN because the government of Canada told you to. CRA has a tax law in place to assist families who must move out of the country due to their government employment. However, for many years CRA was interpreting this law incorrectly and therefore many families were dealing with tons of paperwork and years of frustration. MFS and CRA have developed a working relationship acknowledging these situations and have come up with an Information Sheet to help families. But....there is always a but.... Like many things, this has not been fixed over night and there are still some folks in the CRA departments that do not quite understand International laws regarding government employees. So have patience and be very vigilant with your taxes. CRA is comprised of many different departments and therefore you may get letters or bills from each one thinking you solved it, but then realizing they do not work together.

### What does CRA recommend when Military spouses do their taxes AND they choose to keep their Residential ties to Canada?

It is recommended that military spouse NOT complete the NR73 like so many agents suggest. Filling out this forms seems to be causing confusion within the department. So if you wish to remain a resident of Canada for tax purposes and for the continued support of benefits, then you will just click the box Factual Resident on your tax form.

#### Other Resources

[Income Tax Folio S5-F1-C1, Determining an Individual's Residence Status](#)

**If you are unsure of your PO Box, please ask your member or check the Family Guide.**

If you choose not to remain a Resident of Canada for taxes purposes, for whatever reason – you would fill out the taxes as a nonresident.

NOTE: The member will be a Deemed Resident – Not Factual or Non. Please have the member refer to the CDLS(W) or CFSU(CS)/NORAD Welcome Books for further details.

### Can I do my taxes online through a tax program, as I did in Canada?

No. CRA will not except electronic filing from folks living outside of Canada. Some folks have used the program and then printed it and mailed it in, but many of those programs do not give you the option to choose Factual Resident or Deemed Resident.

### What address should I use on my tax forms?

While posted OUTCAN, CRA recommends you using your PO BOX in Belleville (given to you by the Forces) as your mailing address. Yes, this does slow down the process of receiving mail, but it is another way they prove you are actually with the Military and are posted outside of Canada. As for the physical address, you will use your actual address in the US. This proves that you are not lying about your location. You are posted to the US with the Canadian Armed Forces and those addresses prove such. **\*\*If you are unsure of your PO Box, please ask your member or check the Family Guide.**

### Do I need to mail any additional documents in with my return?

Yes! It is highly recommended that you include with your return

1. your member's posting message,
2. the CRA information sheet — which is in the Family Guide
3. and a letter explaining your situation.

This will help the person who is processing your return to understand that you are a Factual Resident because of your relationship with a Military Member who is posted outside of Canada due to work obligations.

### I have been considered a Nonresident even though I wish to be considered a Factual and keep my ties to Canada; What do I do now?

If you have received a letter from CRA stating you are not a resident and your taxes have been reassessed to reflect that, then you must send in a grievance letter along with the documents listed above. While this grievance is being process, which might take up to 3 months, you may receive bills and reassessments. This is because each service (TFSA, CTB, etc) is a different department within CRA and they do not seem to work together – all the time. Make sure to keep all these documents because you will need to follow up with them once your grievance comes back with the, we hope, corrected status.

**IF** it does not **AND** you received your response, you can contact Jennifer Paul with MFS who may be able to assist you. You can reach her at [Paul.jennifer@cfmws.com](mailto:Paul.jennifer@cfmws.com)

### I have received a letter stating that CRA has been made aware that I do not live in Canada and they are doing an “audit” on me; What does this potentially mean?

These letters are sent out randomly. It is usually asking for you to show proof of something. Canadians living in Canada also get these letters and inquires randomly. This does not necessarily mean that you are being audited and that your residency is being questioned, for the first time or yet again.

How you should respond to such inquires about your current living situation is by sending in your Posting message along with the CRA info sheet – which has the direct advice from the International Tax office of CRA.

**Remember, each CRA situation is different and may come with additional requirements.**

This Information Sheet is offered to you to help you and your family to find the benefits and services available during your OUTCAN posting.  
Please be vigilant in doing the research appropriate for your situation, as each is different.

[CDLS\(W\) website](#) is full of great information to support you during your OUTCAN posting.

MFS US  
**FAQ**