Importance of filing income tax

With tax season fast approaching, it's important to know that tackling this annual task can help you access benefits and credits that could enhance your financial situation.

Taxes are due to be filed and paid on or before April 30. However, you can actually file your taxes at any time, which assures your ability to access some housing and health-care services.

It's important to file an income tax return each year, even you have no income, low income or if you're on social assistance. In contrast, if you don't file your taxes, you might miss out on tax breaks, income supplements or government subsidies. If you know someone in this circumstance, you might want to encourage them to file their taxes as well.

"Even if you don't work or owe any tax, filing a tax return can help you and your family access benefits to feel more financially secure," said Wendy Fontaine, director of health services, public health and wellness.

"As part of a caring community, we can also encourage others to file their taxes so they receive the benefits they deserve. Filing income tax returns can support people who are struggling, so it is important for people of all ages to file their taxes."

Those who don't file their taxes might miss out on the Canada Child benefit, GST credit, Canada carbon rebate or disability tax credit. Some of these benefits might not be retroactive.

In an example on the provincial government's website (https://www.gov.mb.ca/housing/tenants/tax.html), a single parent with two children under the age of four making $15,000 annually could possibly access about $16,000 in benefits by filing taxes. In this particular example, these benefits include a GST refundable credit of $842 ($210.50 paid quarterly), Canada Child Benefits of $12,800 ($1,066.66 paid monthly), Working Income Tax Benefit of $1,844 (with the income tax refund or part paid quarterly), Manitoba Child Benefit of $840 ($35 paid monthly) and Manitoba Personal Tax Credit of $266 (refund upon tax filing). After filing taxes and accessing benefits, this single parent's total annual income would jump to $31, 592.

According to Jennifer Dann, manager of health services for social work and patient relations for the Interlake-Eastern Regional Health Authority, many people don't realize that filing taxes also provides important documentation that is needed when accessing services like personal care homes or subsidized housing.

"If you or a family member might require a more supportive living environment, it is important to know that personal care home rates are set by Manitoba Health and are calculated based off of your Canada Revenue Agency notice of assessment," Dann said.

“You will be required to submit your notice of assessment to the personal care home on an annual basis, and your rates will be recalculated.”

If you are experiencing housing instability, many housing organizations and other supports also require current financial information prior to them considering your application.

“It’s unfortunate when situations like this arise because working through financial needs becomes even more difficult when you have the added pressure of illness and hospitals stays,” Dann said.

“Depending on your legal circumstances, your family may or may not be able to help you file your taxes; therefore, ensuring your taxes are completed annually will ease their burden and make access to programs that will enhance well-being or improve social circumstance a smoother process.”

Income tax resources:

- For low-income Manitobans, information about the Community Volunteer Income Tax program is available at www.gov.mb.ca under the residents’ portal.
- A 24-page plain language booklet called Get Your Benefits (https://cfcstaxes.com/get-your-benefits/#get-copy) lists many benefits and programs that Manitobans may be eligible for.
- More income tax information is also available on the Government of Canada website at www.canada.ca. Information about free tax clinics is available at www.canada.ca/taxes-help.
- In the Interlake-Eastern region, most communities host a Community Volunteer Income Tax Program, where people with a simple tax situation and modest income can get their taxes done for free. To find a program in your area, visit https://www.ierha.ca/programs-services/life-style/get-your-benefits/ . Many Seniors Resource Councils participate by acting as a drop-off depot for volunteer tax filers.
- For those without a local Community Volunteer Income Tax Program, Community Financial Counselling Services (CFCS) offers tax services both virtually and over the phone. CFCS also offers free and confidential financial counselling/coaching, help accessing benefits and counselling for individuals and families impacted by gambling. Visit https://www.cfcs.mb.ca/ or call toll-free 1-888-573-2383 to learn more and access their services.