

CANADIAN TAX RESIDENCY CRITERIA

A Guide for Determining Tax Residency Status

Criteria for Individuals to be Considered a Tax Resident

In Canada, an individual's residency status for income tax purposes is determined on a case by case basis. An individual who is resident in Canada can be characterized as ordinarily resident (also known as factual resident) or deemed resident. An individual's whole situation and all the relevant facts must be considered with reference to Canada's tax laws and views of the Courts.

An individual who is ordinarily resident in Canada includes an individual who regularly, normally or customarily lives in the usual mode of life in Canada. As a result, residential ties with Canada such as a home in Canada, social and economic interests in Canada, and other connections to Canada are important considerations. It is also important to consider whether any "deeming provision" in Canada's tax laws apply to cause an individual to be a resident of Canada for income tax purposes.

Deeming Provisions

These "deeming provisions" impact certain individuals not otherwise resident in Canada with connections to Canada, such as:

- Individuals who spend a total of 183 days or more in a year in Canada
- Individuals who are employed by the Government of Canada or a Canadian province

Tax Treaty Considerations

An individual may take into account their residency status under a relevant Canadian tax treaty when determining whether they are a resident in Canada for income tax purposes.

Key Factors in Determining Residency

- Primary residential ties (dwelling place, spouse/common-law partner, dependants)
- Secondary residential ties (personal property, social ties, economic ties)
- Duration and purpose of stays outside Canada
- Frequency of visits to Canada
- Location of personal belongings and property
- Medical coverage and provincial health insurance
- Driver's license and vehicle registration
- Bank accounts and credit cards
- Professional memberships and subscriptions
- Immigration status and work permits

Additional Resources

Extensive information is available on the Canada Revenue Agency (CRA) website on the pages listed below to assist individuals determine their residence status for income tax purposes and the factors to be taken into account in making that determination:

- [Income Tax Folio S5-F1-C1: Determining an Individual's Residence Status](#)
- [Determining your residency status](#)

Important Note:

Residency determination is complex and fact-specific. It is recommended to consult with a qualified tax professional for individual circumstances and cross-border situations.