

Canada - Information on residency for tax purposes

Section I – 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. (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 or who are employed by the Government of Canada or a Canadian province.)

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

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](#)

Section II – Criteria for Entities to be considered a tax resident

Corporations and Trusts

A corporation or a trust is a resident in Canada if Canada is the country in which its central management and control is exercised. In the case of a corporation, central management and control is usually located where the members of the board of directors exercise their responsibilities, meet or hold their meetings. In the case of a trust, it is a question of fact whether central management and control is exercised by the trustee(s).

A corporation is also a resident in Canada if:

- it was incorporated in Canada after April 26, 1965; or
- it was incorporated in Canada before April 27, 1965, and, during any tax year after April 26, 1965, it:
 - was resident in Canada under common-law principles; or
 - carried on business in Canada.

A trust is also deemed to be resident in Canada for certain purposes if:

- the trust is not an exempt foreign trust ([see subsection 94\(1\)](#) of Canada's Income Tax Act); and
- there is a contributor to the trust or a beneficiary under the trust who resides in Canada.

Extensive information is available on the CRA website on the pages listed below.

- [Residency of a corporation](#)
- [Income Tax Folio S6-F1-C1: Residence of a Trust or Estate](#)

Section III – Entity types that are as a rule not considered tax residents

A partnership is generally not liable to tax in Canada. Instead, income earned through a partnership is taxed in the hands of its partners. However, for the purposes of the Common Reporting Standard, a partnership with its place of effective management situated in Canada is a resident of Canada.

Section IV – Contact point for further information

International and Ottawa Tax Services Office

Canada Revenue Agency (CRA)
Post Office Box 9769, Station T
Ottawa ON K1G 3Y4
CANADA

Call the CRA from anywhere in Canada and the United States

- Individuals and trusts 1-800-959-8281
- Corporations (and other businesses) 1-800-959-5525

Call the CRA from outside Canada and the United States

(We accept collect calls by automated response. Please note that you may hear a beep and experience a normal connection delay.)

- Individuals and trusts 613-940-8495
- Corporations (and other businesses) 613-940-8497