

Forms and Slips

How to report foreign income and income tax paid?

First, you need to convert foreign income currency to Canadian currency from Bank-Of-Canada annual currency exchange rate; For tax year 2012, the US-CAD exchange rate is about 1. You can find [average currency exchange rate](#) here.

The annual average rate for converting US dollars for 2016, as per the Bank of Canada, was 1.32480640 (1.2787108 for 2015)

2nd, you need to report the foreign income into field 104/121/130 of T1. If the foreign country has a tax treaty with Canada, you can enter tax-exempted part of income into field 256 of T1.

3rd, If there is foreign income tax paid on the income, you may claim a foreign income tax credit by adding form T2209/T2306 into your tax return. It will ask input of foreign income tax paid. This will calculate the foreign income tax credit.

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