



TAX MATTERS

How students can put more money in their pockets at tax time



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If you take the time to visit the campus of High Point University in North Carolina, you'll quickly recognize that it's no ordinary postsecondary school. Students get free ice cream, free movies and popcorn at the theatre on campus, and a five-course meal each week at a first-class restaurant on campus. When stress levels start to rise, students can use the pool and hot tub, and take advantage of massages and emotional-support dogs. I think I'll enroll.

If you're a student and aren't experiencing the same perks at your school, you should at least figure out how to use your studies to put a few more dollars in your pocket. As a student, here's what to consider at tax time.

Filing a return

Do students have to file a tax return? Only if you owe tax dollars – as a general rule. But even if you don't owe tax, you may want to file a return if you're expecting a refund, or you want to claim the GST/HST credit (more on this below). Further, you should file a tax return if you earned any income in 2017, since this will create registered retirement savings plan (RRSP) contribution room, which will save you tax later when you contribute to an RRSP.

Tuition tax credit

You can claim a tax credit for tuition paid in 2017. Sorry, but the old education and textbook tax credits disappeared at the end of 2016. If you don't have sufficient income to use up your full tuition credit, you can transfer up to \$5,000 to a supporting parent, grandparent or spouse for them to use, or you can carry those amounts forward for use in a future year. You should receive a T2202A tax slip from your school as evidence of your enrolment and tuition paid (for a foreign school, Form T11A should be completed).

Scholarships and awards

You won't generally face tax on scholarships, bursaries, fellowships or prizes for achievement thanks to a scholarship exemption in our tax law. You see, the school or organization providing the scholarship, fellowship or bursary should report the award amount to you on a T4A slip to the extent it exceeds your "scholarship exemption." The good news? If you're a full-time student in a qualifying educational program, the full amount of your award should be eligible for the exemption, meaning you'll face no tax on the award.

Moving expenses

You can claim a deduction for moving expenses if you moved at least 40 kilometres closer to your school (or work) and you're attending postsecondary school full-time. You can only claim these costs to offset scholarships, fellowships, bursaries or similar study grants when you are facing tax on some of those amounts. If you earn employment income while at school, you can deduct moving costs against that income as well if a dual-purpose relocation took place (for example, you moved to both attend school and work). You may also be able to claim moving costs to move home again between school years, provided you earn income while at home.

Child-care expenses

If you're attending school and have eligible children, you may be able to claim child-care expenses. Normally, the lower-income spouse must claim these, but there's an exception if the lower-income spouse is enrolled full- or part-time in an eligible program at a designated postsecondary school.

Public transit

Your 2017 tax return will provide the last opportunity to claim the cost of monthly public-transit passes (or passes of longer duration) that you might have paid related to your travel to school. And you can only claim those costs for the period Jan. 1, 2017 to June 30, 2017. After 2017, this tax credit is gone.

Student-loan interest

You'll be able to claim a tax credit for any interest paid on your eligible student loans made under the Canada Student Loans Act, Canada Financial Assistance Act, the Apprentice Loans Act, or similar provincial or territorial laws. If you can't use the interest credit because your income is too low, you can carry the interest forward and claim it in any of the next five years. Be careful about consolidating or refinancing your eligible student loan with other debt since you could lose your eligibility to claim this credit.

GST/HST credit

This is free money from the government. If you have a low or modest income (includes most students), and you're 19 years or older on Dec. 31, you'll be entitled to a quarterly payment of at least \$71 in 2018 (\$284 over 12 months) payable to you in July, October, January and April. All you have to do is file a tax return and the government does the rest. There may also be provincial credits that could be paid to you as well.

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