



# Wasseem Dirani Provides a Crash Course on Canadian Taxes

*Wasseem Dirani says that the Canadian tax system is complex. Both the federal government and provincial governments carry tax obligations for residents.*

HAMILTON, ONTARIO, CANADA, October 13, 2021 /EINPresswire.com/ -- [Wasseem Dirani](#) Provides a Crash Course on Canadian Taxes

The Canadian [tax system](#) is complex. Both the federal government and provincial governments carry tax obligations for residents. In this article, Wasseem Dirani, a taxation expert from Hamilton, Ontario, breaks down the essentials of the Canadian tax system for individual taxpayers.

## Why We Pay Taxes

The government needs tax revenue to operate. Up to 49 percent of the Canadian federal government's revenue comes from the individual income tax. Taxes pay for useful infrastructure and services like schools, roads, and law enforcement.

Understanding how the tax system works in Canada can empower individuals to know how to reduce their own tax liability. Wasseem Dirani explains the structure of the tax system in Canada and lays out a summary of the relevant laws.

## Progressive Tax System

Canada has a progressive tax system. This means that each ascending tax bracket has a higher tax rate on individual income. For every dollar you earn, you will keep less as you rise through tax brackets.

For example, a taxpayer with an income between \$45,282 and \$90,563 would pay 15 percent on the first \$45,282 and 20.5 percent on the income between \$45,282 and \$90,563. This comes out to roughly a 17.8 percent average tax rate.

## Tax Withholding

Most employees have their tax withheld from their paycheques. However, not all employees

have their taxes withheld and must calculate their taxes themselves. This includes freelancers and other self-employed people.

When taxpayers do their returns each April, they are primarily calculating whether they have paid enough tax during the year. If not, they will owe an extra tax bill. If they have paid too much, they will get a refund.

Getting a tax refund is not necessarily a good thing. It means that you have given the government an interest-free loan. It is better to adjust your withholding to the exact amount you need to pay.

## Tax Deductions

Canada offers many categories of tax deductions for individual taxpayers. Wasseem Dirani summarizes these deductions.

### Family and Caregivers

Taxpayers may claim deductions for child care expenses, child support payments, caregiver expenses, and adult dependents. These credits could allow parents and caregivers to claim significant amounts of their income. This represents Canada's commitment to supporting families.

### Education

Canadian taxpayers may file for a deduction on their moving expenses incurred to reach a post-secondary institution. Adult basic education is also covered, along with interest paid on student loans. Tuition and textbooks are deductible, along with many other provisions.

### Disability

If you or your dependent have a physical or mental impairment, you may be able to claim disability tax credits. Caregivers can claim it on their taxes, and those with impairments can file it on their own as well.

### Pension and Savings Plans

Certain pension and savings plans, such as those provided by the government, are not taxable under Canadian law. RRSPs and PRPPs are both eligible to receive tax deductions and credits.

### Employment Expenses

Many employment expenses are deductible. Union dues, moving expenses, employment

insurance premiums, and other categories are covered.

## Provincial and Territorial Tax Credits

Provincial and territorial income tax is charged along with federal tax. Fortunately, there are tax credits available in most provinces and territories which can defray this amount.

## Little-Known Tax Credits

In addition to these most frequently claimed credits, there are hidden credits that most taxpayers are not aware of. Using these credits can help to lower your tax bill and increase your personal financial health.

Medical expenses are deductible when they are not covered by healthcare insurance. These can include therapy animals and ambulance services.

Student loan interest is deductible. This can present a significant credit for university students and those who have graduated.

## Understanding the Canadian Tax System

Canadian taxpayers should make sure that they are well-versed in the intricacies of tax law. When it comes time to pay taxes, you will want to reduce the amount you owe while complying with all relevant tax laws. If you fail to comply with tax laws, you may incur serious penalties, including fines and possible criminal prosecution.

It is important to consider how tax liability affects your financial health as a whole. If you have the wrong amount withheld or underpay your taxes, you could be putting yourself in financial danger.

## Consulting With an Expert

Wasseem Dirani suggests getting professional help at tax time. A professional tax preparer can help you get all of the deductions you are due to receive and make sure that you are ready to comply with tax law.

Tax law in Canada can be complex, but the progressive system ensures that it is fair for all. Be sure to consider your provincial and territorial tax obligations when calculating the tax amount you owe.

Wasseem Dirani

Taxes to Save

+1 905-979-7109

[email us here](#)

Visit us on social media:

[Facebook](#)

[Twitter](#)

[LinkedIn](#)

---

This press release can be viewed online at: <https://www.einpresswire.com/article/553764877>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2022 Newsmatics Inc. All Right Reserved.