

TAX FACT SHEET

ROLE OF THE FEDERAL GOVERNMENT AND THE CANADA REVENUE AGENCY

The federal government administers personal income tax, corporate income tax and corporate capital tax on behalf of the province

- ▲ The administration of the tax system is facilitated by the Canada-Newfoundland and Labrador Tax Collection Agreement (TCA).
- ▲ As signatories to the TCA, the province committed to a common tax base, meaning that provincial tax is calculated based on the federal definition of taxable income. The province does not have the flexibility to make any changes that affects income or deductions from income.
- ▲ The TCA allows the province to set income tax rates, the income bracket thresholds and credits to be applied against provincial tax.
- ▲ The federal government also administers income-tested benefits such as the NL Child Benefit, Income Supplement and Seniors' Benefit.