

## Tax Tip

### *“Personal Exemptions for Travellers returning from U.S”*

Travellers returning to Canada may qualify for a personal exemption with respect to goods of a certain value brought into Canada without paying regular duty and taxes, except for a minimum duty that may apply to some tobacco products.

Travellers are eligible for a personal exemption if they are one of the following:

- a Canadian resident returning from a trip outside Canada;
- a former resident of Canada returning to live in this country; or
- a temporary resident of Canada returning from a trip outside Canada.

Even young children and infants are entitled to a personal exemption. As a parent or guardian, you can make a declaration to the Canada Border Services Agency for a child as long as the goods you are declaring are for the child's use.

The length of absence from Canada determines the amount of goods a traveller can bring back, without paying any duties.

<b>Traveller Personal Exemption Limits</b>	
<b>Less than 24 hours</b>	Personal exemptions do not apply to same-day cross-border shoppers.
<b>24 hours or more</b>	up to CAN\$200 Alcohol and tobacco cannot be claimed. Goods must be in your possession at time of entry to Canada. If the value of the goods you have purchased abroad exceeds \$200 after a 24 hour absence, duty and taxes are applicable on the entire amount of the imported goods.
<b>48 hours or more</b>	up to CAN\$800 May include alcohol and tobacco products, within the prescribed limits set by provincial or territorial authorities. Goods must be in your possession at time of entry to Canada. Travellers absent for periods of 48 hours or more will have the applicable exemption level credited against the total value of goods.

<b>7 days or more</b>	<p>up to CAN\$800</p> <p>May include alcohol and tobacco products, within the prescribed limits set by provincial or territorial authorities. For the seven-day exemption, goods may be in your possession at time of entry to Canada but are also permitted to follow entry to Canada (such as via courier, mail or delivery agency), except alcohol and tobacco products, which must be in your possession. All the goods will qualify for duty- and tax-free entry if they are declared at the initial return to Canada.</p>
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Travellers are also reminded that if they enter Canada with more than \$10,000 in cash, cheques or bank drafts without declaration, these items may be subject to seizure by border officers.

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*TAX TIP deals with a wide variety of issues and the information is general in nature. As each person's circumstances are unique, readers are urged to consult W&P prior to acting on the basis of material in this Tax Tip.*

*If you have any questions regarding the content of this or any other Tax Tips, please contact the W&P Tax Group.*