



Canada Revenue
Agency

Agence du revenu
du Canada

Electing under Section 217 of the Income Tax Act

2023

Find out if this guide is for you

This guide is for you if both of the following apply:

- You were a non-resident of Canada in 2023
- You received any of the Canadian-source income listed under “Eligible section 217 income” starting on page 4

This guide explains what a section 217 election is and how to decide if it is beneficial for you. It also explains how to complete a 2023 section 217 return.

The CRA’s publications and personalized correspondence are available in braille, large print, e-text and MP3. For more information, go to **canada.ca/cra-multiple-formats** or call **1-800-959-8281**.

If you are outside Canada and the United States, call **613-940-8495**. The CRA only accepts collect calls made through a telephone operator. After your call is accepted by an automated response, you may hear a beep and notice a normal connection delay. This service operates in Eastern Standard Time and is open Monday to Friday from 8 am to 8 pm and Saturday from 9 am to 5 pm.

La version française de ce guide est intitulée Choix prévu à l'article 217 de la Loi de l'impôt sur le revenu.

Unless otherwise stated, all legislative references are to the Income Tax Act or, where appropriate, the Income Tax Regulations.

Table of contents

	Page		Page
Electing under section 217 of the Income Tax Act ..	4	Federal non-refundable tax credits	7
What is a section 217 election?	4	Complete Schedule B, Allowable Amount	
Eligible section 217 income	4	of Federal Non-Refundable Tax Credits	7
Why elect under section 217?	4	Section 217 tax adjustment	7
If the election is beneficial	4	Tax payable	7
If the election is not beneficial	5	Part-year residents electing under section 217	7
Reducing tax withheld (Form NR5)	5	Refund or balance owing	8
Before you file	5	For more information	8
Find out if you need to file a section 217 return	5	If you need help	8
Section 217 return due date	5	Due dates	8
Completing your section 217 return	5	Forms and publications	8
Identification and other information	5	Electronic mailing lists	8
Income	6	Tax Information Phone Service (TIPS)	8
Complete Schedule C, Electing under Section 217		Teletypewriter (TTY) users	8
of the Income Tax Act	6	CRA service feedback program	8
Deductions	6	Service complaints	8
Calculating your federal tax	6	Contact the CRA	9
Complete Schedule A, Statement of World Income...	6		
Complete Step 5 of your section 217 return	6		

Electing under section 217 of the Income Tax Act

What is a section 217 election?

If you are a non-resident of Canada, Canadian payers must withhold non-resident tax on certain types of Canadian-source income that they pay or credit to you. The tax withheld is usually your final tax obligation to Canada on this income. You do **not** have to file a Canadian Income Tax and Benefit Return to report it; however, you can **choose** to file a Canadian return to report certain types of Canadian-source income by “electing under section 217 of the Income Tax Act.” By making a section 217 election, you may pay tax on this income using a different method and may receive a refund of all or part of the non-resident tax withheld.

If you emigrated from Canada in 2023, the section 217 election applies to Canadian-source income (listed below) that is received after leaving Canada.

If you immigrated to Canada in 2023, contact the Canada Revenue Agency (CRA) for any special section 217 rules that may apply to you. The CRA's address and telephone numbers can be found under “Contact the CRA” on page 9.

Eligible section 217 income

The section 217 election applies to the following types of Canadian-source income:

- old age security (OAS) pension

Note

If you received OAS benefits, you may need to file Form T1136, Old Age Security Return of Income (OASRI), even if you choose not to file a return under section 217. For more information, see Guide T4155, Old Age Security Return of Income (OASRI) Guide for Non-Residents.

- Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) benefits
- most superannuation and pension benefits
- most registered retirement savings plan (RRSP) income
- most pooled registered pension plan (PRPP) income
- most registered retirement income fund (RRIF) income
- death benefits
- employment insurance (EI) benefits
- certain retiring allowances
- registered supplementary unemployment benefit plan income
- most deferred profit-sharing plan (DPSP) income
- amounts received from a retirement compensation arrangement (RCA) or the purchase price of an interest in an RCA
- prescribed benefits under a government assistance program
- Auto Pact benefits

Do **not** include the following amounts when calculating your eligible section 217 income:

- any supplement received under the Old Age Security Act
- an amount transferred to acquire an annuity contract, registered pension plan, RRSP, PRPP or RRIF following an authorization from the CRA
- an amount exempt under the Income War Tax Act
- any amount that can reasonably be considered to be attributable to services rendered while you were **not** resident in Canada and while you were not employed, or were only occasionally employed, in Canada

Why elect under section 217?

You will benefit from electing to file a return under section 217 if the total tax payable on line 43500 of your return is **less than** the tax you would otherwise pay if you did not make this election.

When processing your return, the CRA will only take your election under section 217 into account if it is beneficial.

To determine the tax you would otherwise pay if you did **not** make a section 217 election, **add** the following amounts:

- the non-resident tax required to be withheld from line 44300 of Schedule C, Electing under Section 217 of the Income Tax Act (included in the Income Tax Package for Non-Residents and Deemed Residents of Canada)
- the tax payable on any of the following amounts, if applicable:
 - Canadian-source employment and business income
 - net Canadian partnership income if you are a limited or non-active partner
 - taxable capital gains from disposing of taxable Canadian property that you need to include on your 2023 return

To calculate the **total tax payable** on your section 217 return, see “Completing your section 217 return” on page 5.

If the election is beneficial

If you file your section 217 return on time, the CRA will refund any tax withheld that is **more than** the amount you owe.

If the payer withheld **less than** the required amount of non-resident tax on your eligible section 217 income, you may have a balance owing, even if the election is beneficial.

Make sure you include on line 43700 of your return the non-resident tax withheld on your eligible section 217 income from your information slips.

Note

Attach a completed Schedule A, Schedule B and Schedule C to your return. If you do **not** attach these schedules, the processing of your return, and any refund you may be entitled to, may be delayed. Also attach a copy of your information slips.

If the election is not beneficial

If the payer withheld **more than** the required amount of non-resident tax on your eligible section 217 income, you can ask for a refund of the difference by completing Form NR7-R, Application for Refund of Part XIII Tax Withheld.

If the payer withheld **less than** the required amount of non-resident tax because the CRA approved your Form NR5 (or for any other reason), you have to pay the difference between the required amount of non-resident tax and the amount withheld.

Reducing tax withheld (Form NR5)

If you want to make a section 217 election on eligible income that you have **not** yet received, you can apply for a reduction to the non-resident tax the payer would otherwise need to withhold. To do this, complete Form NR5, Application by a Non-Resident of Canada for a Reduction in

the Amount of Non-Resident Tax Required to be Withheld, and send it to the CRA for approval **on or before October 1 or before the first payment is due**. If the CRA approves your application, you **must** file a section 217 return for each year in the approval period.

Note

An approved Form NR5 is valid for five tax years. However, if your situation changes during this period, you may need to file a new Form NR5. For more information, go to canada.ca/taxes-international, scroll down to “Topics for payers” and click “Form NR5 – 5-year Administrative Policy.”

The CRA will use your completed Form NR5 to determine if a section 217 election will benefit you.

If the election is beneficial for you, the CRA will authorize your Canadian payer(s) to reduce the amount of non-resident tax withheld from your benefits during the approval period.

Before you file

Find out if you need to file a section 217 return

You **must** file a section 217 return for **each year** of the period covered by the approved Form NR5, Application by a Non-Resident of Canada for a Reduction in the Amount of Non-Resident Tax Required to be Withheld. However, even if you did **not** send a Form NR5 to the CRA for the year or the CRA did **not** approve it, you may still **choose** to file a section 217 return to apply for a refund of all or part of the non-resident tax withheld on your **eligible section 217 income** (see page 4).

The Income Tax and Benefit Guide for Non-Residents and Deemed Residents of Canada includes the return, schedules and information you need to complete your section 217 return.

Note

If you emigrated from Canada in 2023, use the tax package for the province or territory where you resided on the date you left Canada.

Section 217 return due date

Your 2023 section 217 return must be filed **on or before June 30, 2024**. However, if you have a balance owing for 2023, you need to pay it **on or before April 30, 2024**, to avoid interest charges.

When a due date falls on a Saturday, Sunday or public holiday recognized by the CRA, your return is considered on time if the CRA receives it or if it is postmarked on or before the next business day. For more information, go to canada.ca/taxes-dates-individuals.

If you file your 2023 return after June 30, 2024, the CRA **cannot** accept your section 217 election according to the Income Tax Act.

If you file late and the required amount of non-resident tax was withheld on your eligible section 217 income, the CRA will consider the amount withheld to be your final tax obligation to Canada on that income. However, if the payer withheld **less than** the required amount of tax, the CRA will send you a notice of assessment for the difference.

Note

The due date for filing your section 217 return may be different if you are also reporting other types of Canadian-source income on your return, such as employment or business income, net Canadian partnership income if you are a limited or non active partner, or taxable capital gains from disposing of taxable Canadian property. For more information, see “Due dates” in the Income Tax and Benefit Guide for Non-Residents and Deemed Residents of Canada.

Completing your section 217 return

To complete your 2023 section 217 return, use the information in this section and the instructions in your Income Tax and Benefit Guide for Non-Residents and Deemed Residents of Canada.

Write “Section 217” at the top of page 1 of your return.

Identification and other information

Complete this section by following the instructions in your Income Tax and Benefit Guide for Non-Residents and Deemed Residents of Canada.

Income

Report the following income on your return:

- all **eligible section 217 income** paid or credited to you in 2023
- your 2023 Canadian-source employment and business income, net Canadian partnership income if you are a limited or non-active partner, and any taxable capital gains from disposing of taxable Canadian property

For more information about eligible section 217 income, see page 4 of this guide, Schedule C, Electing under Section 217 of the Income Tax Act, and the Income Tax and Benefit Guide for Non-residents and Deemed Residents of Canada.

Complete Schedule C, Electing under Section 217 of the Income Tax Act

Complete Schedule C if you were a non-resident of Canada for the entire year and you are electing to file a return under section 217.

Complete Part 1 to report your eligible section 217 income and calculate the amount of non-resident tax you are required to pay on your eligible section 217 income.

The amount you calculate may be different from the non-resident tax withheld on this income. This may happen if the payer did **not** withhold the required amount of tax or if the CRA approved a reduction in the amount of tax to be withheld as a result of the Form NR5 you submitted.

Complete Part 2 to calculate your section 217 tax adjustment, if applicable. For more information, see “Section 217 tax adjustment” on page 7.

Deductions

Claim only the deductions that apply to you as a non-resident electing under section 217. For more information, see the Income Tax and Benefit Guide for Non-Residents and Deemed Residents of Canada.

Calculating your federal tax

If you file a section 217 return, you **must** complete Schedule A, Statement of World Income, before you calculate your tax on your return.

Complete Schedule A, Statement of World Income

Report your world income on Schedule A. World income is income for the year from all sources inside and outside Canada.

Your income from Canadian sources is the total of your net income (line 23600 from your section 217 return), **plus** other types of Canadian-source income that are **not** included on this return, such as dividends, interest, rental income or worker’s compensation benefits.

Income from foreign sources (when the CRA mentions “foreign source” in this guide, it is referring to sources outside Canada) includes income from employment, self-employment, pension, investment, rental, capital gains and any other foreign-source income that you would have

included on your return if you had been a resident of Canada.

You report your foreign-source income on your Schedule A, but you may also use it on your return. For more information, see “Complete Step 5 of your return” in the next section.

Note

Your world income determines the allowable amount of federal non-refundable tax credits on Schedule B (see page 7) and the section 217 tax adjustment (see page 7).

Example 1

You are a resident of the United States. In 2023, your world income (in Canadian dollars) includes the following amounts:

- \$18,000 from a pension plan in Canada
- \$500 in dividends from Canadian stocks
- \$500 interest from a savings account in the United States

You elect to file a return under section 217 to have the pension income taxed at a lower rate. On your return, you report the \$18,000 pension (eligible income for section 217). Since you have no deductions, the taxable income on line 26000 of your return is \$18,000.

You do not report any bank interest or dividends on your return. The United States interest is not subject to tax in Canada but is reported on line 8 of Schedule A. The dividends from Canada are subject to non-resident withholding tax, which is your final tax obligation to Canada on that income, and is reported on line 2 of Schedule A.

When you complete Schedule A, the net world income reported on line 14 and the net world income after adjustments reported on line 16 will be \$19,000.

Complete Step 5 of your section 217 return

To calculate your tax payable, which includes the surtax for non-residents and deemed residents of Canada, you need to complete the return and schedules included in the Income Tax Package for Non-Residents and Deemed Residents of Canada.

Enter **whichever amount is more** on line 70 of your return:

- the taxable income reported on line 26000 of your return
- your net world income after adjustments from line 16 of Schedule A

If you use the net world income after adjustments from line 16 of Schedule A to determine your federal tax, you need to calculate the section 217 tax adjustment amount using Part 2 of Schedule C. For more information, see “Section 217 tax adjustment” on page 7.

Note

If you are also reporting Canadian-source employment or business income on your return, you need to pay tax on that income to the province or territory where you earned it. To calculate your tax payable, complete

To calculate your tax for Québec, you must file a Revenu Québec Income Tax Return.

Federal non-refundable tax credits

These credits reduce your federal tax.

You can claim all of the federal non-refundable tax credits that apply to you on your return. However, under section 217 of the Income Tax Act, the amount of the credits you can use to reduce your tax may be limited.

After you complete Part B in Step 5 of your return, complete Part B of Schedule B to calculate the allowable amount of federal non-refundable tax credits.

Complete Schedule B, Allowable Amount of Federal Non-Refundable Tax Credits

The allowable amount of federal non-refundable tax credits you can claim depends on the portion of net world income (line 14 of Schedule A) that you included in net income (line 23600) on your section 217 return.

If you included **90% or more** of your 2023 net world income in your net income, the allowable amount of federal non-refundable tax credits is the total from line 35000 of your return.

If you included **less than 90%** of your 2023 net world income in your net income, the allowable amount of federal non-refundable tax credits is **whichever amount is less**:

- 15% of the eligible section 217 income paid or credited to you in 2023
- the total federal non-refundable tax credits you would be eligible for if you were a resident of Canada for the full year (from line 35000 of your return) minus 15% of the total of the following amounts, if any:
 - volunteer firefighters' amount (line 31220)
 - search and rescue volunteers' amount (line 31240)
 - home buyers' amount (line 31270)
 - home accessibility expenses (line 31285)
 - adoption expenses (line 31300)
 - digital news subscription expenses (line 31350)
 - interest paid on your student loans (line 31900)

Example 2

In example 1, your net world income was \$19,000. To calculate the tax payable, you will enter on line 70 of the return **whichever amount is more**:

- | | |
|---|----------|
| • your taxable income reported on line 26000 of your return | \$18,000 |
| • your net world income after adjustments from line 16 of your Schedule A | \$19,000 |

You have included on your return 90% or more of the net world income.

You calculated the percentage on Schedule B as follows:

$$\frac{\text{net income on your return}}{\text{net world income on your Schedule A}} = \frac{\$18,000}{\$19,000} = 95\%$$

As a result, you can claim all of the federal non-refundable tax credits (from line 35000 of your return) that would have applied if you were a resident of Canada throughout 2023.

Example 3

If you also earned \$12,000 in interest from United States treasury bonds which does not have to be reported on the Canadian return, you would no longer be including 90% or more of the net world income on your return:

$$\frac{\text{net income on your return}}{\text{net world income on your Schedule A}} = \frac{\$18,000}{\$31,000} = 58\%$$

Since you have not included 90% or more of the 2023 net world income on your section 217 return, your allowable federal non-refundable tax credits are limited to **whichever amount is less**:

- \$2,700 (15% of your income eligible for the section 217 election, which is the pension income of \$18,000)
- the total federal non-refundable tax credits entered on line 35000 of your return minus 15% of the total of lines 31220, 31240, 31270, 31285, 31300, 31350 and 31900, if any.

Section 217 tax adjustment

If the amount you enter on line 70 of your return is your net world income after adjustments (line 16 of Schedule A), you need to calculate the section 217 tax adjustment.

Your net world income after adjustments may include foreign-source income, which is not taxable in Canada, and Canadian-source income like interest, dividends or rental income, which is not included in the taxable income on your return. This adjustment reduces your federal tax by the portion of taxes that apply to this income.

Note

You will find the calculation for the section 217 tax adjustment in Part 2 of Schedule C.

Tax payable

The amount on line 43500 of your return is your tax payable if you make the election under section 217.

Part-year residents electing under section 217

Special rules may apply if you are a part-year resident. For more information, go to canada.ca/taxes-international.

You must report your world income for the part of the year that you were a resident of Canada and all section 217 income for the part of the year you were a non-resident. For more information about reporting world income, see the Income Tax and Benefit Guide for Non-Residents and Deemed Residents of Canada.

As a part-year resident electing under section 217, you are subject to provincial or territorial taxes instead of the surtax for non-residents and deemed residents of Canada.

For more information

If you need help

If you need more information after reading this guide, go to canada.ca/taxes or contact the CRA. To find our address and telephone numbers, see “Contact the CRA” on page 9.

Due dates

When a due date falls on a Saturday, Sunday or public holiday recognized by the CRA, your return is considered on time if the CRA receives it or if it is postmarked on or before the next business day. For more information, go to canada.ca/taxes-dates-individuals.

Forms and publications

If you need a paper version of the CRA’s forms and publications, go to canada.ca/cra-forms-publications or call one of the following numbers:

- **1-800-959-8281**, from Canada and the United States
- **613-940-8495**, from outside Canada and the United States. The CRA only accepts collect calls made through a telephone operator. After your call is accepted by an automated response, you may hear a beep and notice a normal connection delay. This service operates in Eastern Standard Time and is open Monday to Friday from 8 am to 8 pm and Saturday from 9 am to 5 pm.

Electronic mailing lists

The CRA can send you an email when new information on a subject of interest to you is available on the website. To subscribe to the electronic mailing lists, go to canada.ca/cra-email-lists.

Tax Information Phone Service (TIPS)

For tax information by telephone, use the CRA’s automated service, TIPS, by calling **1-800-267-6999**.

Teletypewriter (TTY) users

If you use a TTY for a hearing or speech impairment, call **1-800-665-0354**.

Refund or balance owing

Line 46900 – Eligible educator school supply tax credit

If you included in your net income **90% or more** of your 2023 net world income (line 14 of Schedule A) and you were an eligible educator, you can claim an amount for eligible supplies that you purchased in 2023. For more information, see line 46900 of the Income Tax and Benefit Guide for Non Residents and Deemed Residents of Canada.

If you use an **operator-assisted relay service**, call the CRA’s regular telephone numbers instead of the TTY number.

CRA service feedback program

Service complaints

You can expect to be treated fairly under clear and established rules, and get a high level of service each time you deal with the CRA. For more information about the Taxpayer Bill of Rights, go to canada.ca/taxpayer-rights.

You may provide compliments or suggestions, and if you are not satisfied with the service you received:

1. Try to resolve the matter with the employee you have been dealing with or call the telephone number provided in the correspondence you received from the CRA. If you do not have contact information for the CRA, go to canada.ca/cra-contact
2. If you have not been able to resolve your service-related issue, you can ask to discuss the matter with the employee’s supervisor
3. If the problem is still not resolved, you can file a service-related complaint by filling out Form RC193, Service Feedback. For more information and to learn how to file a complaint, go to canada.ca/cra-service-feedback

If you are not satisfied with how the CRA has handled your service-related complaint, you can submit a complaint to the Office of the Taxpayers’ Ombudsperson.

Reprisal complaints

If you have received a response regarding a previously submitted service complaint or a formal review of a CRA decision and feel you were not treated impartially by a CRA employee, you can submit a reprisal complaint by filling out Form RC459, Reprisal Complaint.

For more information, go to canada.ca/cra-reprisal-complaints.

Contact the CRA

By telephone

Calls from Canada and the United States **1-800-959-8281**

Hours of service

Monday to Friday (except holidays)
8 am to 8 pm (local time)

Saturdays (except holidays)
9 am to 5 pm (local time)

Calls from outside Canada and the United States **613-940-8495**

The CRA only accepts collect calls made through a telephone operator. After your call is accepted by an automated response, you may hear a beep and notice a normal connection delay.

Hours of service

Monday to Friday (except holidays)
8 am to 8 pm (Eastern Standard Time)

Saturdays (except holidays)
9 am to 5 pm (Eastern Standard Time)

By mail

If you are a non-resident of Canada and your country of residence is:	Send your section 217 return and related documents to:
Denmark France Netherlands United Kingdom United States	Winnipeg Tax Centre PO Box 14001, Station Main Winnipeg MB R3C 3M3
Any other country	Sudbury Tax Centre 1050 Notre Dame Avenue Sudbury ON P3A 5C2

If you immigrated to Canada in 2023 and you live in one of the following provinces or territories, or areas of Ontario:	Send your section 217 return and related documents to:
Alberta, British Columbia, Manitoba, Northwest Territories, Nunavut, Saskatchewan, Yukon Ontario: Belleville, Hamilton, Kingston, Kitchener, London, Ottawa, Peterborough, St. Catharines, Thunder Bay, Waterloo, Windsor	Winnipeg Tax Centre PO Box 14001, Station Main Winnipeg MB R3C 3M3
New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Québec Ontario: Barrie, Sudbury, Toronto	Sudbury Tax Centre 1050 Notre Dame Avenue Sudbury ON P3A 5C2