

Put the conversation in the correct order. Write the numbers 1-9 beside each piece. One has been done for you.

___ A: I don't have any retirement savings. Can I deduct anything else?

___ A: I need to file my tax return soon. I'm confused about tax deductions and tax credits. Can you explain them to me?

___ A: I see. So, I subtract those costs from my total income?

___ A: Can you give me an example of a tax deduction?

___ B: A lot of people confuse tax deductions and tax credits. Well, let's start with deductions. Tax deductions lower your total taxable income. When your taxable income is less, your taxes will be less.

___ B: Hello, Jasmine. How can I help you today?

___ B: Yes. You have a young daughter, so you can deduct your daycare expenses.

___ B: That's right.

___ B: Yes, for example, many Canadians deduct the amounts they save for their retirement in RRSPs.