

What's new for 2015?

The income levels, most provincial non-refundable tax credits, and the New Brunswick low-income tax reduction have changed.

Two new personal income tax rates have been added: a fifth for taxable income between \$150,000 and \$250,000 and a sixth for taxable income over \$250,000.

The New Brunswick seniors' home renovation tax credit has been introduced to help with eligible amounts paid or incurred for permanent home renovations or alterations that improve accessibility or help a senior be more functional or mobile at home. The credit can be claimed by seniors, whether they own their home or rent, and by individuals who share a home with a senior relative. New Schedule NB(S12) is used to calculate this credit.

The rate used to calculate the dividend tax credit for other than eligible dividends has changed to 4%.

Form NB428, *New Brunswick Tax and Credits*, and Schedule NB(S12), *New Brunswick Seniors' Home Renovation Tax Credit*, reflect these changes.

General information

New Brunswick child tax benefit

The New Brunswick child tax benefit (NBCTB) is a non-taxable amount paid monthly to qualifying families with children under 18 years of age.

The New Brunswick working income supplement is an additional benefit paid to qualifying families with earned income who have children under 18 years of age.

Benefits are combined with the Canada child tax benefit into a single monthly payment.

The New Brunswick school supplement program is paid to help low-income families with the cost of back-to-school supplies for their children. This once-a-year payment is included with the July payment of the NBCTB.

For more information on payment amounts, see Booklet T4114, *Canada Child Benefits*.

You do not have to apply separately to get these payments. We will use the information from your Canada child benefits application to determine your eligibility for the programs.

File your tax return – You (and your spouse or common-law partner) should file your 2015 tax return(s) as soon as possible. The information you give on your return(s) will determine how much you will get starting in July 2016.

This program is fully funded by the Province of New Brunswick. For more information, call the Canada Revenue Agency (CRA) at **1-800-387-1193**.

For more information

If you have questions about **New Brunswick tax and credits**, visit the CRA website at www.cra.gc.ca or call the CRA at **1-800-959-8281**.

To get forms, go to www.cra.gc.ca/forms.

Completing your New Brunswick form

All the information you need to calculate your New Brunswick tax and credits is included on the following pages.

You will find two copies of Form NB428, *New Brunswick Tax and Credits*, in this book. Attach a completed copy of Form NB428 to your return.

The following information will help you complete Form NB428.

The terms **spouse** and **common-law partner** are defined in the *General Income Tax and Benefit Guide*.

The term **end of the year** means December 31, 2015, the date you left Canada if you emigrated in 2015, or the date of death for a person who died in 2015.

Tax Tip

However, many rules for calculating New Brunswick tax are based on the federal *Income Tax Act*. As a result, you should calculate your federal tax first.

Form NB428, New Brunswick Tax and Credits

Complete Form NB428 if you were a resident of New Brunswick at the end of the year.

If you had income from a business (including income you received as a limited or non-active partner), and the business has a permanent establishment outside New Brunswick, complete Form T2203, *Provincial and Territorial Taxes for 2015 – Multiple Jurisdictions*, instead of completing Form NB428.

You also have to complete Form NB428 if you were a non-resident of Canada in 2015 and you earned income from employment in New Brunswick or received income from a business with a permanent establishment only in New Brunswick.

Step 1 – New Brunswick non-refundable tax credits

The eligibility criteria and rules for claiming the New Brunswick non-refundable tax credits are the same as for the federal non-refundable tax credits. However, **the value and calculation of most New Brunswick non-refundable tax credits are different from the corresponding federal credits.**

Newcomers to Canada and emigrants

If you prorated any of the amounts you claimed on lines 300 to 306, 315, 316, 318, 324, and 326 of your federal Schedule 1, you have to prorate the corresponding provincial amounts on lines 5804 to 5820, 5840, 5844, 5848, 5860, and 5864.

Line 5804 – Basic personal amount ▼

Claim \$9,633.

Line 5808 – Age amount ▼

You can claim this amount if you were 65 years of age or older on December 31, 2015, and your net income (line 236 of your return) is less than \$66,376.

If your net income is:

- \$35,016 or less, enter \$4,704 on line 5808; or
- more than \$35,016 but less than \$66,376, complete the calculation for line 5808 on the *Provincial Worksheet* in this book.

Tax Tip

You may be able to transfer all or part of your age amount to your spouse or common-law partner or to claim all or part of his or her age amount. For more information, read line 5864.

Line 5812 – Spouse or common-law partner amount ▼

You can claim this amount if the rules are met for claiming the amount on line 303 of federal Schedule 1 and your spouse's or common-law partner's net income (line 236 of his or her return, or the amount that it would be if he or she filed a return) is less than \$8,998.

Complete the calculation on Form NB428, and enter the amount on line 5812.

Note

Enter your marital status and the information about your spouse or common-law partner (including his or her net income, even if it is zero) in the "Identification" area on page 1 of your return.

Line 5816 – Amount for an eligible dependant

You can claim this amount if the rules are met for claiming the amount on line 305 of federal Schedule 1 and your dependant's net income (line 236 of his or her return, or the amount that it would be if he or she filed a return) is less than \$8,998.

Complete the calculation on Form NB428, and enter the amount on line 5816.

Note

If you were a single parent on December 31, 2015, and you choose to include all universal child care benefit amounts you received in 2015 in the income of your dependant, include this amount in the calculation of his or her net income.

Line 5820 – Amount for infirm dependants age 18 or older

You can claim this amount if the rules are met for claiming the amount on line 306 of federal Schedule 1 and your dependant's net income (line 236 of his or her return, or the amount that it would be if he or she filed a return) is less than \$11,004.

Note

You may be able to claim an amount on this line even if you claimed an amount on line 5816.

Complete the calculation for line 5820 on the *Provincial Worksheet* in this book.

Line 5824 – CPP or QPP contributions through employment

Enter on this line the amount you claimed on line 308 of your federal Schedule 1.

Line 5828 – CPP or QPP contributions on self-employment and other earnings

Enter on this line the amount you claimed on line 310 of your federal Schedule 1.

Line 5832 – Employment insurance premiums through employment

Enter on this line the amount you claimed on line 312 of your federal Schedule 1.

Line 5829 – Employment insurance premiums on self-employment and other earnings

Enter on this line the amount you claimed on line 317 of your federal Schedule 1.

Line 5836 – Pension income amount ▼

You can claim this amount if you met the rules for claiming the amount on line 314 of federal Schedule 1.

The amount you can claim on line 5836 is the amount on line 314 of your federal Schedule 1 or \$1,000, whichever is less.

Note

Only residents of New Brunswick are eligible for this amount. If you are not a resident of New Brunswick, you cannot claim this non-refundable tax credit in calculating your New Brunswick tax even though you may have received income from a source inside New Brunswick in 2015.

Line 5840 – Caregiver amount

You can claim this amount if the rules are met for claiming the amount on line 315 of federal Schedule 1 and your dependant's net income (line 236 of his or her return, or the amount that it would be if he or she filed a return) is less than \$20,086.

Complete the calculation for line 5840 on the *Provincial Worksheet* in this book.

Line 5844 – Disability amount (for self) ▼

You can claim this amount if you met the rules for claiming the amount on line 316 of federal Schedule 1.

If you were **18 years of age or older** at the end of the year, enter \$7,799 on line 5844.

If you were **under 18 years of age** at the end of the year, you may be eligible to claim a supplement up to a maximum of \$4,549 in addition to the base amount of \$7,799. Complete the calculation for line 5844 on the *Provincial Worksheet* in this book.

Line 5848 – Disability amount transferred from a dependant

You can claim this amount if the rules are met for claiming the amount on line 318 of federal Schedule 1.

Complete the calculation for line 5848 on the *Provincial Worksheet* in this book.

Line 5852 – Interest paid on your student loans

Enter on this line the amount you claimed on line 319 of your federal Schedule 1.

Line 5856 – Your tuition and education amounts

Complete Schedule NB(S11), *Provincial Tuition and Education Amounts*.

Supporting documents – If you are filing electronically, keep all your documents in case we ask to see them at a later date. If you are filing a **paper return**, **attach your completed Schedule NB(S11)**, but do not send your other documents. Keep all your documents in case we ask to see them at a later date.

Transferring and carrying forward amounts

You may not need all of your 2015 tuition and education amounts to reduce your provincial income tax to zero. In this case, you can **transfer** all or some of the unused part to **one** person, either your spouse or common-law partner (who would claim it on line 5864) or your or your spouse's or common-law partner's parent or grandparent (who would claim it on line 5860).

You can only transfer an amount to your or your spouse's or common-law partner's parent or grandparent if your spouse or common-law partner does not claim an amount for you on line 5812 or 5864.

Complete the "Transfer/Carryforward of unused amount" section of Schedule NB(S11) to calculate the provincial amount available to transfer, as well as Form T2202A, *Tuition, Education, and Textbook Amounts Certificate*, TL11A, *Tuition, Education, and Textbook Amounts Certificate – University Outside Canada*, TL11B, *Tuition, Education, and Textbook Amounts Certificate – Flying School or Club*, or TL11C, *Tuition, Education, and Textbook Amounts Certificate – Commuter to the United States*, to designate who can claim the transferred amount and to specify the amount this person can claim. This amount may be different from the amount calculated for the same person on your federal Schedule 11. Enter the provincial amount you are transferring on line 20 of your Schedule NB(S11).

Tax Tip

If you are transferring an amount to a designated individual, only transfer the amount this person can use. That way, you can carry forward as much as possible to use in a future year.

Complete the "Transfer/Carryforward of unused amount" section of Schedule NB(S11) to calculate the amount you can **carry forward** to a future year. This amount corresponds to the part of your tuition and education amounts you do not need to use (and do not transfer) for the year.

Line 5860 – Tuition and education amounts transferred from a child

You can claim these amounts if the rules are met for claiming an amount on line 324 of federal Schedule 1.

Enter on line 5860 the total of all provincial amounts that each student has transferred to you as shown on his or her Form T2202A, TL11A, TL11B, or TL11C.

Notes

The student **must have entered this amount on line 20** of his or her Schedule NB(S11). He or she may have chosen to transfer an amount that is less than the available provincial amount. The student cannot transfer to you any unused tuition and education amounts carried forward from a previous year.

If you and the student were residents of different provinces or territories on December 31, 2015, special rules may apply. Contact the Canada Revenue Agency to determine the amount you can claim on line 5860.

Other rules may apply if the student has a spouse or a common-law partner. Read line 324 in the *General Income Tax and Benefit Guide*.

Supporting documents – If you are filing electronically or filing a paper return, do not send any documents. Keep all your documents in case we ask to see them at a later date. The **student** must attach Schedule NB(S11) to his or her **paper return**.

Line 5864 – Amounts transferred from your spouse or common-law partner ▼

You can claim these amounts if the rules are met for claiming the amount on line 326 of federal Schedule 1.

Complete Schedule NB(S2), *Provincial Amounts Transferred From Your Spouse or Common-Law Partner*, and attach a copy to your return.

Line 5868 – Medical expenses for self, spouse ▼ or common-law partner, and your dependent children born in 1998 or later

The medical expenses you can claim on line 5868 are the same as those you can claim on line 330 of your federal Schedule 1. They have to cover the **same 12-month period** ending in 2015, and no one claimed them on a 2014 return. Your total expenses have to be more than either **3%** of your net income (line 236 of your return) or **\$2,180**, whichever is **less**.

Note

If the total medical expenses claimed are more than \$2,180 but less than \$2,208, it is important that you enter the amount on line 5868 **and** on line 330 of your federal Schedule 1.

Line 5872 – Allowable amount of medical expenses for other dependants

In addition to the medical expenses claimed on line 5868, you can claim medical expenses for other dependants.

The medical expenses you can claim on line 5872 are the same as those you can claim on line 331 of your federal Schedule 1. They have to cover the **same 12-month period** ending in 2015, and no one claimed them on a 2014 return.

The total expenses for each dependant have to be more than either **3%** of that dependant's net income (line 236 of his or her return) or **\$2,180**, whichever is **less**.

Complete the calculation for line 5872 on the *Provincial Worksheet* in this book.

Line 5896 – Donations and gifts ▼

Enter the amounts from lines 345 and 347 of your federal Schedule 9 and multiply them by the rates at lines 26 and 27 of Form NB428.

Step 2 – New Brunswick tax on taxable income

Enter on line 30 your taxable income from line 260 of your return. Complete the appropriate column depending on the amount entered.

Step 3 – New Brunswick tax

Line 39 – New Brunswick tax on split income

If you have to pay federal tax on split income on line 424 of your federal Schedule 1, complete Part 2 of Form T1206, *Tax on Split Income*, to calculate the New Brunswick tax that applies to this income.

Form T1206 also contains a special rule that applies to the amount you enter on line 428 of your return. For more information on tax on split income, see the *General Income Tax and Benefit Guide*.

Line 48 – New Brunswick additional tax for minimum tax purposes

If you have to pay federal minimum tax as calculated on Form T691, *Alternative Minimum Tax*, you will also have to determine your New Brunswick additional tax for minimum tax purposes.

To do this, complete the calculation on line 48 of Form NB428. For more information about minimum tax, see the *General Income Tax and Benefit Guide*.

Line 50 – Provincial foreign tax credit

If your federal foreign tax credit on non-business income is less than the related tax you paid to a foreign country, you may be eligible to claim a provincial foreign tax credit.

To claim the credit, complete Form T2036, *Provincial or Territorial Foreign Tax Credit*. You can get this form from the CRA's website or by contacting us (read "For more information" on page 1).

Enter, on line 50 of Form NB428, the tax credit calculated on line 5 of Form T2036.

Supporting documents – If you are filing electronically, keep all of your documents in case we ask to see them at a later date. If you are filing a **paper return**, attach your Form T2036.

Step 4 – New Brunswick low-income tax reduction

You can claim this tax reduction if you were a resident of New Brunswick at the end of the year.

If you had a spouse or common-law partner at the end of the year, you both have to agree on who will claim this low-income tax reduction for your family. Any unused amount can be claimed by the other spouse or common-law partner on his or her Form NB428.

If you are preparing a return for a resident of New Brunswick who died in 2015, the tax reduction can be claimed on the deceased person's final return. If the deceased person had a spouse or common-law partner, the tax reduction can be claimed on either the deceased person's final return or the return of the spouse or common-law partner.

Line 52 – Unused low-income tax reduction from your spouse or common-law partner

If you had a spouse or common-law partner at the end of the year, and he or she did not need all of the low-income tax reduction to reduce his or her New Brunswick tax to zero, you can claim, on line 52 of your Form NB428, the unused amount calculated on his or her Form NB428.

Adjusted family income

When you calculate your **adjusted family income** (lines 54 to 59 of Form NB428), complete columns 1 and 2 using the information from your and your spouse's or common-law partner's returns for the year.

Note

Enter your marital status and the information about your spouse or common-law partner (including his or her net income, even if it is zero) in the "Identification" area on page 1 of your return.

Line 61 – Basic reduction

Claim \$624 for yourself.

Line 62 – Reduction for your spouse or common-law partner

Claim \$624 if you had a spouse or common-law partner at the end of the year. If your spouse or common-law partner died in 2015, you can claim this amount.

Line 63 – Reduction for an eligible dependant

Claim \$624 if you claimed the amount for an eligible dependant on line 305 of your federal Schedule 1 and you **did not** claim an amount on line 62.

Unused low-income tax reduction that can be claimed by your spouse or common-law partner

If you had a spouse or common-law partner at the end of the year, your spouse or common-law partner can claim, on his or her Form NB428 for 2015, any amount of the low-income tax reduction that you do not need to reduce your New Brunswick tax to zero.

Complete the calculation at lines 79 to 81 of your Form NB428 to determine the unused amount that your spouse or common-law partner can claim on his or her Form NB428.

Step 5 – New Brunswick tax credits

Lines 72 and 73 – Political contribution tax credit

You can deduct part of the contributions you made in 2015 to political parties, district associations, or independent candidates registered in New Brunswick.

How to claim

Enter your total contributions on line 72 of Form NB428 and calculate the amount to enter on line 73, as follows.

- For contributions of **\$1,075 or less**, complete the calculation for line 73 on the *Provincial Worksheet* in this book.
- For contributions of **more than \$1,075**, enter \$500 on line 73 of Form NB428.

Supporting documents – If you are filing electronically, keep all of your documents in case we ask to see them at a later date. If you are filing a **paper return**, for each contribution, attach to your return, an official receipt signed by an official representative of the political party, district association, or independent candidate.

Line 75 – Labour-sponsored venture capital fund tax credit

You can claim a credit for investments you made in a labour-sponsored venture capital corporation in 2015 (that you did not claim on your 2014 return) or in the first 60 days of 2016.

If an RRSP for spouse or common-law partner became the first registered holder of the share, either the RRSP contributor or the annuitant may claim this credit for that share.

Enter, on line 75 of Form NB428, the credit shown on the NB-LSVC-1 certificate(s) issued by the relevant labour-sponsored venture capital corporation. The maximum you can claim is \$2,000.

Tax Tip

You may also be eligible for a federal tax credit. For more information, read lines 413 and 414 in the *General Income Tax and Benefit Guide*.

Supporting documents – If you are filing electronically, keep all of your documents in case we ask to see them at a later date. If you are filing a **paper return**, attach your NB-LSVC-1 certificate(s).

Line 77 – Small business investor tax credit

To claim the credit, complete Form T1258, *New Brunswick Small Business Investor Tax Credit*. You can get this form from the CRA's website or by contacting us (read "For more information" on page 1).

Enter, on line 77 of Form NB428, the tax credit calculated on line 6 of Form T1258.

Supporting documents – If you are filing electronically, keep all of your documents in case we ask to see them at a later date. If you are filing a **paper return**, attach your Form T1258 along with the NB-SBITC-1 certificate(s).

Unused small business investor tax credits

You can carry forward unused tax credits for seven years or back for three years.

You may not need all of your credit to reduce your 2015 provincial income tax to zero. Use Form T1258 to calculate any unused credit available to carry back to previous years or carry forward to a future year.

New Brunswick seniors' home renovation tax credit ▼

You may be eligible for this credit if at the end of the year:

- you were a resident of New Brunswick;
- you were a senior (65 years of age or older) or a non senior living with or expecting to live with a family member who is a senior; **and**
- you, or someone on your behalf, paid or incurred eligible expenses in 2015 for improvements to your **principal residence or the land on which your principal residence is situated**.

A **family member** includes a parent, step-parent, grandparent, in-law, sibling, spouse, common-law partner, aunt, uncle, great-aunt, great-uncle, child, step-child, grandchild, niece, and nephew.

If you are a senior, a **principal residence**, for this credit, is a residence in New Brunswick that you occupy or expect to occupy by the end of 2017.

If you are not a senior, a **principal residence**, for this credit, is a residence in New Brunswick that you occupy or expect to occupy by the end of 2017 with a family member who is a senior.

Eligible expenses are expenditures for **improvements** to the principal residence or to the land on which the principal residence is situated that:

- allow a senior to gain access to the home or the land or to be more mobile or functional within the home or on the land; or
- reduce the risk of harm to a senior within the home or on the land or in gaining access to the home or the land

The improvements would normally be done by or for a person who has an impairment to allow him or her to be mobile or functional within the home or on the land.

And, the improvements must be of an enduring nature and be integral to the home or land. See the next page for a list of eligible expenses.

You can claim \$10,000 or the amount of eligible expenses that you, or someone on your behalf, paid or incurred for your principal residence, whichever is less. If you occupied more than one principal residence at different times in 2015, eligible expenses that you paid or incurred for one or more of those residences, not over \$10,000, would qualify for the credit.

The combined amount that **you and your spouse or common-law partner** can claim cannot be more than \$10,000. However, **if on December 31, 2015, you and your spouse or common-law partner occupied separate principal residences for medical reasons** or because of a **breakdown** in your marriage or common-law relationship for a period of 90 days or more, **each** spouse or common-law partner can claim up to \$10,000 of eligible expenses. If you occupied separate principal residences for medical reasons, enter your spouse's or common-law partner's address under "Involuntary separation" on Schedule NB(S12).

If you shared a principal residence with other people, one of you can claim the entire amount of eligible expenses, or each person can claim part of the expenses. The combined amount that can be claimed by everyone living in the residence is \$10,000 or the amount of eligible expenses paid, whichever is less.

Example

Matt and his brother Jason share a house. Jason is a senior. In April 2015, the brothers paid \$4,000 for the supply and installation of a stair lift. In May 2015, the brothers paid \$6,500 for the supply and installation of handrails, adjustable counters, and the widening of several doorways in their house. The total of the eligible expenses is \$10,500. However, the maximum claim is \$10,000.

Either Matt or Jason can claim the entire amount of \$10,000 or they can each claim part of the expenses, as long as the total amount claimed is not more than \$10,000. For example, if Matt claims \$5,000, Jason can claim \$5,000.

If someone not living with you or not related to you paid for the qualifying home renovation to your principal residence, you can still claim the credit. You should obtain and keep the supporting documents.

Example

Diana rents a home to a senior named Ivonne. In February 2015, Diana paid \$750 to have handrails installed in several rooms of the home. Diana cannot claim the \$750 as a New Brunswick seniors' home renovation tax credit on her tax return, but Ivonne can claim the credit on hers. Ivonne can add the \$750 to any other qualifying expenses she incurred, to a maximum of \$10,000. Ivonne should make sure that she obtains and keeps the supporting documents.

Note

If an eligible expense also qualifies as a medical expense, you **can** claim both the medical expenses tax credit and the New Brunswick seniors' home renovation tax credit for that expense.

You must reduce your eligible expenses by the amount of any **government assistance** (other than tax credits) you received or expect to receive that is related to the eligible expenses.

Are you filing for a deceased person?

You can claim the New Brunswick seniors' home renovation tax credit on a deceased person's final return if:

- the deceased person was a senior or would have turned 65 years of age by December 31, 2015, and is otherwise eligible or
- the deceased person was a family member of a senior or of a person who would have turned 65 years of age by December 31, 2015, and is otherwise eligible.

If you lived with, or expected by the end of 2017 to live with, a family member who, right before death, was a senior or who would have turned 65 years of age by December 31, 2015, and you are otherwise eligible, you can claim this credit on your return.

Were you bankrupt in 2015?

The New Brunswick seniors' home renovation tax credit can be claimed on your pre- or post-bankruptcy return depending on when the eligible expenses were paid or became payable. If eligible expenses are claimed on more than one return, the total amount of expenses that can be claimed on all returns filed for the year cannot be more than \$10,000 or the amount of eligible expenses paid, whichever is less.

Eligible expenses

Some examples of eligible expenses include:

- certain renovations to permit a first-floor occupancy or secondary suite for a senior;
- grab bars and related reinforcements around the toilet, bathtub, and shower;
- handrails in corridors;
- wheelchair ramps, stair/wheelchair lifts, and elevators;
- walk-in bathtubs;
- wheel-in showers;
- comfort height toilets;
- widening of passage doors;
- lowering of existing counters/cupboards;
- installation of adjustable counters/cupboards;
- light switches and electrical outlets placed in accessible locations;
- door locks that are easy to operate;
- lever handles on doors and taps, instead of knobs;
- pull-out shelves under the counter to enable work from a seated position;
- non-slip flooring;
- a hand-held shower on an adjustable rod or high-low mounting brackets;
- additional light fixtures throughout the home and at exterior entrances;
- swing clear hinges on doors to widen doorways;
- creation of knee space under the basin to enable use from a seated position (and insulation of any hot-water pipes);
- relocation of tap to front or side for easier access;
- hands-free taps;
- motion-activated lighting; and
- touch-and-release drawers and cupboards.

Expenses not eligible

Expenses are not eligible if their primary purpose is to increase the value of the home.

Annual, recurring, or routine repair, maintenance, or service expenses are not eligible. These include:

- general maintenance – such as plumbing or electrical repairs;
- repairs to a roof;
- aesthetic enhancements such as landscaping or redecorating;
- installation of new windows;
- installation of heating or air conditioning systems; and
- replacement of insulation.

Devices are not eligible. These include:

- equipment for home medical monitoring;
- equipment for home security (anti-burglary);
- wheelchairs;
- walkers;
- vehicles adapted for people with mobility limitations;
- household appliances; and
- fire extinguishers, smoke alarms, and carbon monoxide detectors.

Services are not eligible. These include:

- security or medical monitoring services;
- home care services;
- housekeeping services; and
- outdoor maintenance and gardening services.

How to claim

Complete Schedule NB(S12). Enter the amount from line 7 on **line 479** of your return.

Supporting documents – If you are filing electronically, keep all your documents in case we ask to see them at a later date. If you are filing a **paper return**, attach your completed Schedule NB(S12) but do not send your other documents. Keep all your documents in case we ask to see them at a later date.