



## Information for Residents of the Northwest Territories

### What's new for 2015?

The income levels and most of the non-refundable tax credits used to calculate your Northwest Territories income tax have changed.

The risk capital investment tax credits have expired and have been removed from the tax forms.

Form NT428, *Northwest Territories Tax*, reflects these changes.

### General information

#### Northwest Territories child benefit

This benefit is a non-taxable amount paid monthly to qualifying families with children under 18 years of age. The territorial workers' supplement is an additional benefit paid to qualifying families who have children under 18 years of age. These amounts are combined with the Canada child tax benefit into a single monthly payment.

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

There is no need to apply separately to get payments under this program. We will use the information from your Canada child benefits application to determine your eligibility for the program.

**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 Northwest Territories. For more information, call **1-800-387-1193**.

#### For more information

If you have questions about the Northwest Territories political contribution or risk capital investment tax credits, or the cost of living tax credit, contact:

Fiscal Policy Division  
Department of Finance  
Government of the Northwest Territories  
Post Office Box 1320  
Yellowknife NT X1A 2L9

Call: **867-920-6436** or **1-800-661-0820**

Fax: **867-873-0128**

Email: **NWT\_Tax@gov.nt.ca**

If you have questions about federal and Northwest Territories personal income tax, or any other tax credits not listed above, visit the Canada Revenue Agency (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 Northwest Territories forms

All the information you need to calculate your Northwest Territories tax and credit is included on the following pages. You will find two copies of Form NT428, *Northwest Territories Tax*, and Form NT479, *Northwest Territories Credit*, in this book. Complete the forms that apply to you, and attach a copy to your return.

The following information will help you complete Form NT428 and Form NT479.

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

Many rules for calculating Northwest Territories tax are based on the federal *Income Tax Act*. As a result, you should calculate your federal tax first.

## Form NT428, Northwest Territories Tax

Complete Form NT428 if you were a resident of the Northwest Territories 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 the Northwest Territories, complete Form T2203, *Provincial and Territorial Taxes for 2015 – Multiple Jurisdictions*, instead of completing Form NT428.

You also have to complete Form NT428 if you were a non-resident of Canada in 2015 and you earned income from employment in the Northwest Territories or received income from a business with a permanent establishment only in the Northwest Territories.

### Step 1 – Northwest Territories non-refundable tax credits

The eligibility criteria and rules for claiming the Northwest Territories non-refundable tax credits are the same as for the federal non-refundable tax credits. However, **the value and calculation of most Northwest Territories 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 territorial amounts on lines 5804 to 5820, 5840, 5844, 5848, 5860, and 5864.

#### Line 5804 – Basic personal amount ▼

Claim \$13,900.

#### 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 \$80,793.

If your net income is:

- \$35,466 or less, enter \$6,799 on line 5808; or
- more than \$35,466 but less than \$80,793, complete the calculation for line 5808 on the *Territorial 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 \$13,900.

Complete the calculation on Form NT428, 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 \$13,900.

Complete the calculation on Form NT428, 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 \$11,145.

#### 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 *Territorial 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 eligible 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.

### 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.

Complete the calculation for line 5840 on the *Territorial 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 over** at the end of the year, enter \$11,272 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 \$4,607 in addition to the base amount of \$11,272. Complete the calculation for line 5844 on the *Territorial 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 *Territorial 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 NT(S11), *Territorial 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 NT(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 territorial 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 parent or grandparent, 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 NT(S11) to calculate the territorial 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 territorial amount you are transferring on line 20 of your Schedule NT(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 NT(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 territorial 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 NT(S11). He or she may have chosen to transfer an amount that is less than the available territorial 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 territories or provinces 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 NT(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 an amount on line 326 of federal Schedule 1.

Complete Schedule NT(S2), *Territorial 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.

### **Line 5872 – Allowable amount of medical expenses for other dependants**

In addition to the medical expenses claimed on line 5868, you can also 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 maximum amount you can claim is \$5,000 for each dependant.

Complete the calculation for line 5872 on the *Territorial 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 on lines 26 and 27 of Form NT428.

## **Step 2 – Northwest Territories tax on taxable income**

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

## **Step 3 – Northwest Territories tax**

### **Line 39 – Northwest Territories 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 Northwest Territories 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 47 – Northwest Territories additional tax for minimum tax purposes**

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

To do this, complete the calculation on line 47 of Form NT428.

For more information about minimum tax, see the *General Income Tax and Benefit Guide*.

### **Line 49 – Territorial 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 territorial foreign tax credit.

To claim this 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 of this book).

Enter on line 49 of Form NT428 the tax credit amount from line 5 of Form T2036.

**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 Form T2036.

### **Lines 51 and 52 – Political contribution tax credit**

You can claim this credit if in 2015 you contributed to a candidate seeking election to the Northwest Territories Legislative Assembly.

#### **How to claim**

Enter your total contributions on line 51 of Form NT428, and calculate the amount to enter on line 52 as follows:

- For contributions of **\$100 or less**, enter the amount of your contributions on line 52 of Form NT428.
- For contributions of **more than \$100 but not more than \$900**, complete the calculation for line 52 on the *Territorial Worksheet* in this book.
- For contributions of **more than \$900**, enter \$500 on line 52 of Form NT428.

**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**, for each contribution attach the official receipt signed by an official agent of the candidate.

## Form NT479, Northwest Territories Credit

### Lines 1 to 14 – Cost of living tax credit ▼

If you were a resident of the Northwest Territories at the end of the year, you can claim the cost of living tax credit, which may include a supplement for you and your spouse or common-law partner. If your credit is more than the tax you owe, you will receive a refund for the difference.

If you had a spouse or common-law partner on December 31, 2015, and you and your spouse or common-law partner are eligible for the cost of living tax credit supplement, you and your spouse or common-law partner have to decide which one of you will claim this supplement as only one of you can claim this credit for your family.

As a resident of the Northwest Territories, you or your spouse or common-law partner may have income from a business with a permanent establishment outside the Northwest Territories. If so, enter, on line 1 of Form NT479, the net income allocated to the Northwest Territories from column 4 of Form T2203, *Provincial and Territorial Taxes for 2015 – Multiple Jurisdictions*.