



Northern Residents Deductions

Do you qualify for the northern residents deductions?

To qualify for northern residents deductions, you must have lived, on a permanent basis, in a prescribed northern or prescribed intermediate zone for a **continuous period of at least six consecutive months**. This period can begin or end in the year specified on the attached Form T2222.

There are two northern residents deductions:

- a **residency deduction** for having lived in a prescribed zone; and
- a **deduction for travel benefits** you received from employment in a prescribed zone that was included in your income.

To find out the places located in the prescribed northern and prescribed intermediate zones, go to www.cra.gc.ca/northernresidents.

Deduction limits – If you lived in a prescribed **northern zone (Zone A)**, you can claim the **full** deductions. If you lived in a prescribed **intermediate zone (Zone B)**, you can claim **one-half** of the deductions.

Deceased individuals – A person who died in the year qualifies if he or she lived in a prescribed zone for six months or more before the date of death.

Moving – Your period of residency is not affected if you moved from one place in a prescribed zone directly to another place in a prescribed zone.

Absences from a prescribed zone – If you lived in a prescribed zone on a **permanent** basis, absences from a prescribed zone do not usually affect your period of residency. If you lived in a prescribed zone for work-related reasons (while your principal place of residence was not in a prescribed zone), you may qualify for the deduction. For more information about special work sites, see Interpretation Bulletin IT-91, *Employment at Special Work Sites or Remote Work Locations*.

To determine if you lived in the prescribed zone on a permanent basis, we consider the number of your absences from the prescribed zone **and** the purpose and length of your absences.

If you have not lived in a prescribed zone for **continuous periods of at least six consecutive months** at the time you file your return, you do not yet qualify. File your return without making the claim. When you qualify, you can ask us to adjust your return. To do so, follow the instructions in the *General Income Tax and Benefit Guide* under the heading "After you file".

Step 1 – List your places of residence

Enter **Zone A** or **Zone B** in Step 1 of Form T2222 to indicate the zone where you lived. Also enter your address, your province or territory, and your period of residence.

Step 2 – Calculate your residency deduction (lines 1 to 13)

Complete the calculation in Step 2 of Form T2222 for the prescribed zone(s) you indicated in Step 1. There are two parts to the residency deduction:

- **Basic residency amount** – You can claim this amount for the number of days in the year that you lived in a prescribed zone; and
- **Additional residency amount** – You can claim this amount for those days you used to calculate your basic residency amount if you maintained and lived in a dwelling in the prescribed zone during that time **and** you are the **only** person claiming the basic residency amount for living in that same dwelling for that period.

A **dwelling** means a self-contained domestic establishment. Generally, this is a complete and separate living unit with a kitchen, bathroom, sleeping facilities, and its own private access. **It includes** a house, apartment, mobile home, or other similar place of residence in which a person usually sleeps and eats. **It does not include** a bunkhouse, dormitory, hotel room, or room in a boarding house.

We consider you to have maintained and lived in a dwelling, even if your employer let you live there rent-free and paid all the utility, maintenance, and other costs related to the dwelling. Each person living in the dwelling can claim the basic residency amount as a deduction on their return. However, if more than one person claims the basic residency amount for a particular period and dwelling, no one in that household can claim the additional residency amount for that period and dwelling.

If your principal place of residence is not in a prescribed zone, you may still qualify for all or a portion of the basic residency amount for living at a **special work site** provided that the site is located in a prescribed zone and you resided at the site for **at least six consecutive months**. Reduce your residency amount by the amount of the non-taxable board and lodging benefits you received for working in a special work site that are shown in box 31 of your T4 slip, or in box 124 of your T4A slip. For more information about special work sites, see Interpretation Bulletin IT-91, *Employment at Special Work Sites or Remote Work Locations*.

If only one person in a household claims the basic residency amount for a particular period and dwelling, that person can also claim the additional residency amount. To claim the deduction that most benefits your household, you should consider the taxable income of all the members of your household when deciding which one of you will claim the residency deduction.

Step 3 – Calculate your deduction for travel benefits (lines 14 to 16)

Complete the charts in Step 3 of Form T2222 to list the names and addresses of **all** individuals who lived with you in your residence during the period(s) indicated in Step 1 for the tax year and to calculate the deduction for travel benefits.

The maximum deduction you can claim for each eligible trip is the **lowest** of the following three amounts:

- the taxable travel benefits you received from your employer for the trip (Form T2222: Step 3 – Column 3);
- the total travel expenses paid for the trip (Form T2222: Step 3 – Column 4); or
- the cost of the lowest return air-fare available at the time of the trip between the airport closest to your residence and the **nearest designated city** listed in Note 3 on the next page (Form T2222: Step 3 – Column 5).

Use the amounts from lines **(A)** and **(B)** in the table to complete the calculation at lines 14 to 16.

You can claim the **deduction for travel benefits** for expenses you incurred to travel or the value of travel provided by your employer if you meet **all** of the following conditions:

- you qualify to claim northern residents deductions (read "Do you qualify for the northern resident deductions?");
- you are an employee dealing at arm's length with your employer; and
- you **must have** included in your income (in the same year you have the travel expenses) the **taxable** travel benefits that you received from your employment in a prescribed zone.

If you take a trip that begins and ends in one year and you are reimbursed the following year, you cannot claim the deduction for travel benefits for that trip.

You can claim a deduction for travel benefits if you leave on a trip in one year and return the next year. For example, you may leave on a trip in December and come back in January. If you receive non-refundable tickets or travel vouchers, the taxable travel benefit should be included in your T4 or T4A slip for the year the trip begins.

Taxable travel benefits include:

- travel assistance provided by your employer such as airline tickets or a trip on the company owned airplane; and
- a travel allowance or a lump-sum payment you received from your employer for **travel expenses** you incurred.

Any travel expenses, excluding those for employment purposes, which are paid for by your employer, are generally considered taxable benefits.

Travel expenses include: air/train/bus fares, vehicle expenses, meals, hotel or motel accommodations, camping fees, and other incidental expenses such as taxis and road/ferry tolls.

You can **only** claim a deduction for travel benefits for a trip that you or your household members (who lived with you at the time of the trip) actually took for vacation, family or medical reasons and that started from a prescribed zone.

You can claim a deduction for **other travel** (vacation or family reasons) if you have an amount in box 32 of your T4 slip or box 028 of your T4A slip showing any taxable travel benefits you received in the year. You can claim a **maximum of two trips per year for other travel** for each member of your household.

You can claim a deduction for **medical travel** if you have an amount in box 33 of your T4 slip or box 116 of your T4A slip showing any taxable travel benefits you received in the year. The medical services had to be for you or a member of your household and must not have been available where you lived. **There is no limit on the number of trips for medical travel you can claim for each member of your household.**

If you are claiming a deduction for medical travel on this form, no one else can claim it as a medical expense on his or her return.

You **can claim** a deduction for travel benefits even if you are not claiming a residency deduction. For example, if your spouse or common-law partner claims both the basic and the additional residency amounts, you can still claim a deduction for any **taxable** travel benefits you received.

You **cannot claim** a deduction for travel benefits if:

- you or any member of your household received or was entitled to receive **non-taxable amounts** as travel assistance, a travel allowance, or as a reimbursement for travel expenses; or
- someone else has already claimed the deduction for travel benefits for this trip on their return.

Note 1

If you received a benefit that was not for any particular trip, you have to split it reasonably between the trips you are claiming.

The taxable travel benefits you received for **other travel** (vacation or family reasons) is your total taxable travel benefits from box 32 of your T4 slip or box 028 of your T4A slip, **minus** any amount received for **medical travel** from box 33 of your T4 slip or box 116 of your T4A slip.

Note 2

To calculate meal and vehicle expenses, you may choose the **detailed** or **simplified** method. Your **total travel expenses** equal the total of the value of travel assistance provided by your employer and the travel expenses incurred by you. Ensure that you have included any travel expenses paid by your employer.

Detailed method – You must keep your receipts and claim the actual amount that you spent.

Simplified method – This method uses a flat rate for meals and vehicle expenses (as described below). Although you do not need to keep detailed receipts for actual expenses if you choose to use this method, we may still ask you to provide some documentation to support your claim.

- **Meals** – You can claim in Canadian or US funds a **flat rate of \$17/meal**, to a **maximum of \$51/day** (sales tax included) per person, without receipts.
- **Vehicle expenses** – You must keep track of the number of kilometres driven during the tax year for the trip. To determine the amount you can claim for vehicle expenses, multiply the number of kilometres by the cents/km rate for the province or territory in which the travel begins.

For more information about the detailed or simplified methods including the different rates, go to www.cra.gc.ca/travelcosts, or call **1-800-267-6999**.

Note 3

The **lowest return airfare** available at the time of the trip means the lowest return airfare ordinarily available for regularly scheduled commercial flights, excluding promotions or discounts that are not ordinarily available, on the date that the travel began. It also includes any GST/PST/HST and airport taxes. Additional charges, such as flight cancellation insurance, meals, and baggage surcharges are not considered part of the lowest return airfare.

The lowest return airfare to be used to complete **column 5** is the cost quoted for a flight from the airport closest to your residence to the nearest designated city (even if you did not actually travel by air or to that city).

The nearest designated cities are:

Vancouver, BC	Calgary, AB	Edmonton, AB
Saskatoon, SK	Winnipeg, MB	North Bay, ON
Toronto, ON	Ottawa, ON	Montréal, QC
Québec, QC	Moncton, NB	Halifax, NS
St. John's, NL		

Note 4

In cases of medical travel, if the patient needs an attendant while travelling, the attendant's travel expenses are included as part of the patient's total travel expenses, even if they are in the form of travel assistance your employer provided or actual expenses you incurred.

If you or a member of your household was the attendant:

In column 5, include the cost of the attendant's lowest return airfare as part of the patient's expense for airfare. In Column 4, include the cost of the attendant's travel expenses (excluding airfare) as part of the patient's travel expenses.

If you or a member of your household was not the attendant:

In column 5, **do not include** the cost of the attendant's lowest return airfare as part of the patient's expense for airfare. In column 4, include the cost of the attendant's travel expenses (including airfare) as part of the patient's travel expenses.

Step 4 – Calculate your northern residence deductions (lines 17 to 19)

Add line 17 (**residency deduction**) and line 18 (**deduction for travel benefits**) on Form T2222. Enter the amount from line 19 (of Form T2222) on **line 255** of your return.



Northern Residents Deductions

Tax year

Read the attached information sheet for more information on claiming these deductions.

Use this form to calculate your northern residents deductions if you lived in a prescribed northern zone (**Zone A**) or in a prescribed intermediate zone (**Zone B**) for a **continuous period of at least six consecutive months** beginning or ending in the tax year. To find out the places located in the prescribed northern and prescribed intermediate zones, go to www.cra.gc.ca/northernresidents, or call **1-800-959-8281**.

Do not attach your supporting documents to your return. However, keep them in case we ask to see them. Supporting documents can include travel receipts, rent receipts, statements from your landlord, municipal taxes bill, and utility bills.

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 this form.**

Step 1 – List your places of residence (Attach a separate sheet of paper if you need more space.)

Enter Zone A or Zone B	Enter your street address or a description of the location of the property such as a lot and plan number. This may be different from your mailing address.	Enter the province or territory .	Period of residence					
			Enter the date that you started to live in a prescribed zone for a continuous period of at least six consecutive months . This period can begin or end in the tax year you stated at the top of this form.					
			From Year	Month	Day	To Year	Month	Day

Step 2 – Calculate your residency deduction (for having lived in a prescribed zone for a continuous period of at least six consecutive months)

Zone A – Residents of prescribed northern zones

Basic residency amount

Enter the number of days you lived in a prescribed northern zone between **January 1 and December 31** in the **tax year** you stated at the top of this form.

_____ × \$8.25 = _____ 1

Additional residency amount

Enter the number of days you qualify for the additional residency amount between **January 1 and December 31** in the **tax year** you stated at the top of this form.

_____ × \$8.25 = _____ + _____ 2

Add lines 1 and 2.

6749 = _____ 3

Enter the amount from box 31 of your T4 slip, or from box 124 of your T4A slip, that represents the **non-taxable** benefits for board and lodging at a special work site.

6757 – _____ 4

Line 3 **minus** line 4 (if negative, enter "0")

= _____ ▶ _____ 5

Zone B – Residents of prescribed intermediate zones

Basic residency amount

Enter the number of days you lived in an intermediate zone between **January 1 and December 31** in the **tax year** you stated at the top of this form.

_____ × \$4.125 = _____ 6

Additional residency amount

Enter the number of days you qualify for the additional residency amount between **January 1 and December 31** in the **tax year** you stated at the top of this form.

_____ × \$4.125 = _____ + _____ 7

Add lines 6 and 7.

6752 = _____ 8

Enter the amount from box 31 of your T4 slip, or from box 124 of your T4A slip, that represents the **non-taxable** benefits for board and lodging at a special work site.

6759 – _____ 9

Line 8 **minus** line 9 (if negative, enter "0")

= _____ ▶ + _____ 10

Add lines 5 and 10.

= _____ 11

Enter your net income from line 236 of your return.

_____ × 20% = _____ 12

Enter the amount from line 11 or line 12, whichever is **less**.

Residency deduction _____ 13

Go to Step 3 on the next page. ➔

Step 3 – Calculate your deduction for travel benefits (Attach a separate sheet of paper if you need more space.)

See Step 3 on the attached information sheet to determine if you can claim this deduction. If yes, complete the charts below to provide the names and addresses of **all** individuals who lived in your residence during the period(s) indicated in Step 1 for the tax year and to calculate your deduction for travel benefits.

Name:	Address:
Name:	Address:
Name:	Address:

Instructions	Column 1	Column 2	Column 3	Column 4	Column 5	Enter the lowest of the amounts from either Column 3, 4, or 5 in the appropriate column below for the prescribed zone(s) where you resided.	
	Enter the name of the person who took the trip. (See Step 3 on the information sheet.)	Enter the purpose of trip. Other travel (vacation, family reasons) or medical travel	Enter the amount of taxable travel benefits. Other travel: T4 slip – box 32 and T4A slip – box 028 Medical travel: T4 slip – box 33 and T4A slip – box 116 (See Note 1 on the information sheet.)	Enter the amount of travel expenses for each trip taken. (See Notes 2 and 4 on the information sheet.)	Enter the quote for the lowest return airfare. (See Notes 3 and 4 on the information sheet.)	Zone A Prescribed northern zones	Zone B Prescribed intermediate zones
Other travel	Trip 1					+	+
	Trip 2					+	+
Medical travel						+	+
						+	+
						+	+
						+	+
						+	+
						+	+
Total						=	(A) = (B)

Enter the amount from line (A) above.	6754		14
Enter the amount from line (B) above.	6756	× 50% =	15
Add lines 14 and 15.		Deduction for travel benefits	16

Step 4 – Calculate your northern residents deductions

Enter the amount from line 13 in Step 2.	Residency deduction		17
Enter the amount from line 16 in Step 3.	Deduction for travel benefits	+	18
Add lines 17 and 18. Enter this amount on line 255 of your return.	Northern residents deductions	=	19