

Completing your New Brunswick form

The following information will help you complete Form NB428, *New Brunswick Tax and Credits*.

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, 2009, the date you left Canada if you emigrated in 2009, or the date of death for a person who died in 2009.

Tax Tip

A number of New Brunswick tax measures are distinct from corresponding federal measures. However, many rules for calculating New Brunswick tax are still based on the federal *Income Tax Act*. As a result, you may find it easier to calculate your federal tax first. Your total taxes payable will be the same, no matter which tax you calculate 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 with a permanent establishment outside New Brunswick, complete Form T2203, *Provincial and Territorial Taxes for 2009 – Multiple Jurisdictions*, **instead of** completing Form NB428.

You also have to complete Form NB428 if you were a non-resident of Canada in 2009 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.**

To calculate some of the non-refundable tax credits, you will need to use the *Provincial Worksheet* in this book.

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 the basic personal amount of \$8,605.

Line 5808 – Age amount

You can claim this amount if you were 65 years of age or older on December 31, 2009, and your net income (line 236 of your return) is less than \$59,294.

If your net income is:

- \$31,280 or less, enter \$4,202 on line 5808; or
- more than \$31,280 but less than \$59,294, complete the calculation for line 5808 on the *Provincial Worksheet* in this book to determine your claim.

Note

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. See line 5864 for details.

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 \$8,038.

If your spouse's or common-law partner's net income is:

- \$731 or less, enter \$7,307 on line 5812; or
- more than \$731 but less than \$8,038, complete the calculation on Form NB428 to determine your claim, 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 \$8,038.

If your dependant's net income is:

- \$731 or less, enter \$7,307 on line 5816; or
- more than \$731 but less than \$8,038, complete the calculation for line 5816 on the *Provincial Worksheet* in this book to determine your claim.

If you have not already completed federal Schedule 5, complete and attach it to your return.

Line 5820 – Amount for infirm dependants 18 years of age 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 \$9,830.

Complete the calculation for line 5820 on the *Provincial Worksheet* in this book to determine your claim.

Line 5824 – Canada Pension Plan or Quebec Pension Plan contributions through employment

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

Line 5828 – Canada Pension Plan or Quebec Pension Plan contributions on self-employment and other earnings

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

Line 5832 – Employment Insurance premiums

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

Line 5836 – Pension income amount

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

The amount you can claim on line 5836 is the amount from line 314 of 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 tax credit in calculating your New Brunswick tax even though you may have received income from a source inside New Brunswick in 2009.

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 \$17,943.

Complete the calculation for line 5840 on the *Provincial Worksheet* in this book to determine your claim.

Line 5844 – Disability amount

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 \$6,966 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 \$4,064 in addition to the disability amount of \$6,966. Complete the calculation for line 5844 on the *Provincial Worksheet* in this book to determine your claim.

Line 5848 – Disability amount transferred from a dependant (other than your spouse or common-law partner)

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 to determine your claim.

Line 5852 – Interest paid on your student loans

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

Line 5856 – Your tuition and education amounts

Complete Schedule NB(S11), *Provincial Tuition and Education Amounts*, to calculate your claim.

Receipts – If you are filing a paper return, **attach the completed Schedule NB(S11)**. Whether you are filing a paper return or electronically, keep all of your forms and official tuition receipts in case we ask to see them.

Transferring and carrying forward amounts

You may not need all of your 2009 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), your parent or grandparent, 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 NB(S11) to calculate the provincial amount available to transfer, as well as Form T2202, *Education and Textbook Amounts Certificate*, 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 it and the amount the person can claim.

This amount may be different from the amount calculated for the same person on your federal Schedule 11. You must 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 person, 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 transferred to you that each student designated on his or her Form T2202, 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 the student was a resident of another province or territory on December 31, 2009, special rules may apply. Call the Canada Revenue Agency (CRA) 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. See line 324 in the *General Income Tax and Benefit Guide*.

Receipts – If you are filing a paper return, **do not include the student’s Schedule NB(S11), forms, or official tuition fee receipts.** Whether you are filing a paper return or electronically, keep all of your documents in case we ask to see them.

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*, to calculate your claim. Attach this schedule to your return.

Line 5868 – Medical expenses

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 2009 and must not have been claimed on a 2008 return. Your total expenses have to be more than either 3% of your net income (line 236 of your return) or \$1,947, whichever is less.

Note

If the total medical expenses claimed are more than \$1,947 but less than \$2,011, 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 use to calculate your claim on line 5872 are the same as those used to calculate your federal claim on line 331 of your federal Schedule 1. They have to cover the **same 12-month period** ending in 2009 and must not have been claimed on a 2008 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 \$1,947, whichever is less. The maximum amount you can claim is \$10,000 for each dependant.

Complete the calculation for line 5872 on the *Provincial Worksheet* in this book to determine your claim.

Line 5896 – Donations and gifts

To calculate your claim for line 5896, enter the amounts from lines 345 and 347 of federal Schedule 9 and multiply them by the rates at lines 25 and 26 of Form NB428.

Step 2 – New Brunswick tax on taxable income

Enter on line 29 your taxable income from line 260 of your return. Use this amount to determine which **one** of the four columns you have to complete. Enter this amount on line 30 of the applicable column and complete the calculation.

Step 3 – New Brunswick tax

Line 38 – 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 provincial tax that applies to this income.

Form T1206 also contains special rules that apply to the amount you enter on line 428 of your return. You can find more information on tax on split income in the *General Income Tax and Benefit Guide*.

Line 47 – 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 47 of Form NB428. You can find information about minimum tax in the *General Income Tax and Benefit Guide*.

Line 49 – 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, get Form T2036, *Provincial or Territorial Foreign Tax Credit*, from the CRA's Web site or by contacting us (see the section called "For more information" at the beginning of this book).

Enter, on line 49 of Form NB428, the tax credit calculated at line 5 of Form T2036.

Receipts – Attach Form T2036 to your paper return. If you are filing electronically, keep all of your documents in case we ask to see them.

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 and your spouse or common-law partner have to decide which one of you 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 person who died in 2009, you can claim the tax reduction on the deceased person's final return if he or she was a resident of New Brunswick on the date of death.

Line 51 – 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 51 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 53 to 58 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 60 – Basic reduction

Claim \$556 for yourself.

Line 61 – Reduction for your spouse or common-law partner

Claim \$556 if you had a spouse or common-law partner at the end of the year.

Line 62 – Reduction for an eligible dependant

Claim \$556 if you claimed the amount for an eligible dependant on line 305 of federal Schedule 1 and you did not claim an amount on line 61.

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 2009, any amount of the low-income tax reduction that you do not need to reduce your New Brunswick tax to zero.

Complete the calculation on 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 71 and 72 – Political contribution tax credit

You can deduct part of the contributions you made in 2009 to political parties, district associations, or independent candidates registered in New Brunswick.

How to claim

Enter your total contributions on line 71 of Form NB428. Determine the amount to enter on line 72, as follows:

- For contributions of **\$1,075 or less**, complete the calculation for line 72 on the *Provincial Worksheet* in this book.
- For contributions of **more than \$1,075**, enter \$500 on line 72 of Form NB428.

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

Line 74 – Labour-sponsored venture capital fund tax credit

You can claim a credit for investments you made in a labour-sponsored venture capital corporation in 2009 (that you did not claim on your 2008 return) or in the first 60 days of 2010.

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 74 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 has increased from \$750 to \$2,000 for eligible investments made after March 16, 2009.

Tax Tip

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

Receipts – Attach the NB-LSVC-1 certificate(s) to your paper return. If you are filing electronically, keep all of your documents in case we ask to see them.

Line 76 – Small business investor tax credit

To claim the credit, get Form T1258, *New Brunswick Small Business Investor Tax Credit*, from the CRA's Web site or by contacting us (see the section called "For more information" at the beginning of this book).

Enter, on line 76 of Form NB428, the tax credit calculated at line 6 of Form T1258.

Receipts – Attach Form T1258 along with the NB-SBITC-1 certificate(s) to your paper return. If you are filing electronically, keep all of your documents in case we ask to see them.

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 2009 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.