



# Information for residents of the Northwest Territories

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## New for the Northwest Territories for 2019

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The personal income levels used to calculate your Northwest Territories tax have changed.

The amounts for most territorial non-refundable tax credits have changed.

The **Northwest Territories cost of living offset** is a new non-taxable amount paid to individuals and families to help offset the carbon taxes they pay.

## Benefits for individuals and families of the Northwest Territories

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### Northwest Territories child benefit

The Northwest Territories child benefit (NWTCTB) is a non-taxable amount paid monthly to provide additional support to eligible low and middle income families with children under 18 years of age. This benefit is combined with the Canada child benefit into one monthly payment.

You do not need to apply for the Northwest Territories child benefit. The Canada Revenue Agency (CRA) will use the information from your Canada child benefits application to determine if you are entitled to receive this benefit.

### Northwest Territories cost of living offset

The Northwest Territories cost of living offset (COLO) is a non-taxable amount paid to individuals and families to help offset the impact of the carbon taxes they pay.

You do not need to apply for the Northwest Territories cost of living offset. The CRA will use the information from your return to determine if you are entitled to receive this benefit.

### File your return

To make sure you get your payments on time, you (and your spouse or common-law partner) need to file your 2019 income tax and benefit return(s) by April 30, 2020. The CRA will use the information from your return(s) to calculate the payments you are entitled to get from these programs.

The Northwest Territories child benefit and the Northwest Territories cost of living offset are fully funded by the Northwest Territories. For more information about these programs, go to [canada.ca/en/revenue-agency/services/child-family-benefits/provincial-territorial-programs/northwest-territories](https://canada.ca/en/revenue-agency/services/child-family-benefits/provincial-territorial-programs/northwest-territories) or call the CRA at 1-800-387-1193.

## Completing your Northwest Territories forms

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All the information you need to complete Form NT428, Northwest Territories Tax, and Form NT479, Northwest Territories Credit, is included in this package. Complete the forms that apply to you and attach a copy to your return.

These forms and those referenced in this guide are available at [canada.ca/cra-forms](https://canada.ca/cra-forms).

### Definitions

**Spouse** refers to a person you are legally married to.

**Common-law partner** refers to a person who is not your spouse but with whom you are in a conjugal relationship, and **at least one** of the following conditions applies:

- This person has been living with you in a conjugal relationship for at least 12 continuous months (including any period of time where you were separated for less than 90 days because of a breakdown in the relationship).
- This person is the parent of your child by birth or adoption.
- This person has custody and control of your child (or had custody and control immediately before the child turned 19 years of age) and your child is wholly dependent on them for support.

**End of the year** means any of the three following dates:

- December 31, 2019
- The date you left Canada if you emigrated in 2019
- The date of death for a person who died in 2019

## Form NT428, Northwest Territories Tax

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Complete Form NT428 if **one** of the following applies:

- You were a resident of the Northwest Territories at the end of the year.
- You were a non resident of Canada in 2019, and **any** of the following applies:
  - You earned income from employment in the Northwest Territories.
  - You received income from a business with a permanent establishment **only** in the Northwest Territories.

### When to complete Form T2203, Provincial and Territorial Taxes for 2019 – Multiple Jurisdictions

Complete Form T2203, Provincial and Territorial Taxes for 2019 – Multiple Jurisdictions, **instead of Form NT428**, if **both** of the following apply:

- You resided in the Northwest Territories on December 31, 2019 (or the date you left Canada if you emigrated in 2019).
- All or part of your 2019 business income (including income received as a retired, inactive, or limited partner) was earned and can be allocated to a permanent establishment **outside** the Northwest Territories.

You also must complete Form T2203 if **both** of the following apply:

- You were a non-resident of Canada throughout 2019.
- You were carrying on business in more than one province or territory in Canada or were receiving income from an office or employment that can reasonably be attributed to duties performed in more than one province or territory in Canada.

### Part A – Northwest Territories non-refundable tax credits

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The eligibility criteria and rules for claiming most of the Northwest Territories non-refundable tax credits are the same as those 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 reduced your claim for any of the amounts on lines 30000 to 30450, 31600, 31800, 32400, and 32600 of your return, you also need to reduce the corresponding amounts on lines 58040 to 58200, 58400, 58440, 58480, 58600, and 58640 of your Form NT428 in the same manner.

#### Line 58120 – Spouse or common-law partner amount

You can claim this amount if the rules are met for claiming the amount on line 30300 of your return and your spouse's or common-law partner's net income from line 23600 of their return (or the amount that it would be if they filed a return) is **less than \$14,811**.

##### Note

Enter your marital status and your spouse's or common-law partner's information (including their net income, even if it is zero) in the "Identification and other information" section on page 1 of your return.

#### Line 58160 – Amount for an eligible dependant

You can claim this amount if the rules are met for claiming the amount on line 30400 of your return and your dependant's net income from line 23600 of their return (or the amount that it would be if they filed a return) is **less than \$14,811**.

##### Note

If you were a single parent on December 31, 2019, and you choose to include all the universal child care benefit (UCCB) lump-sum payments you received in 2019 in your dependant's income, include this amount when calculating their net income.

## Line 58200 – Amount for infirm dependants age 18 or older

You can claim up to \$4,909 for each of your (or your spouse's or common-law partner's) dependent children or grandchildren who had an impairment in physical or mental functions and was born in 2001 or earlier.

You can also claim an amount for more than one person if each one meets **all** of the following conditions:

- They were your (or your spouse's or common-law partner's) parent, grandparent, brother, sister, aunt, uncle, niece, or nephew.
- They were 18 years of age or older.
- They were dependent on you (or on you and others) because of an impairment in physical or mental functions.
- They were a resident of Canada at any time in the year.

### Notes

You **cannot** claim this amount for a person who was only visiting you.

A **parent** includes someone you were completely dependent upon and who had custody and control of you when you were under 19 years of age.

A **child** can include someone older than you who has become completely dependent upon you for support and you have custody and control of.

You can claim an amount only if the dependant's net income from line 23600 of their return (or the amount that it would be if they filed a return) is **less than \$11,875**.

If you had to make support payments for a child, you cannot claim an amount on line 58200 for that child unless **all** of the following conditions apply:

- You were separated from your spouse or common-law partner for only part of 2019 because of a breakdown in your relationship.
- You did not claim any support amounts paid to your spouse or common-law partner on line 22000 of your return.

If all of these conditions are met, you can claim an amount on line 58200 **or** an amount on line 22000 of your return, whichever is better for you.

### How to claim this amount

Complete the calculation for line 58200 using your Worksheet NT428. If you are claiming this amount for more than one dependant, enter the total amount on line 58200.

### Note

The CRA may ask for a signed statement from a medical practitioner showing the type of the impairment, when it began, how long it is expected to last, and that the person is, and will continue to be, dependent on others because of this impairment in physical or mental functions.

### Claim made by more than one person

If you and another person support the same dependant, you can split the claim for that dependant. However, the total amount of your claim and the other person's claim cannot be more than the maximum amount allowed for that dependant.

## Line 58360 – Pension income amount

The amount you can claim on line 58360 is the amount on line 31400 of your return **or** \$1,000, **whichever is less**.

## Line 58400 – Caregiver amount

If, at any time in 2019, you (alone or with another person) kept a dwelling where you and one or more of your dependants lived, you may be able to claim up to \$4,910 for each dependant.

Each dependant must have been **one** of the following:

- your (or your spouse's or common-law partner's) child or grandchild
- your (or your spouse's or common-law partner's) brother, sister, niece, nephew, aunt, uncle, parent, or grandparent who was a resident in Canada

### Note

You **cannot** claim this amount for a person who was only visiting you.

Also, each dependant must meet **all** of the following conditions:

- They were 18 years of age or older when they lived with you.
- Their net income for 2019 from line 23600 of their return (or the amount that it would be if they filed a return) was **less than \$21,676**.
- They were dependent on you because of an impairment in physical or mental functions, or they are your (or your spouse's or common-law partner's) parent or grandparent born in 1954 or earlier.

If you had to make support payments for a child, you cannot claim an amount on line 58400 for that child. However, you may be able to claim an amount for that child on line 58400 (in addition to any allowable amounts on lines 58160 and 58480) if **both** of the following apply:

- You were separated from your spouse or common-law partner for only part of 2019 because of a breakdown in your relationship.
- You did not claim any support amounts paid to your spouse or common-law partner on line 22000 of your return.

If both of these conditions are met, you can claim either an amount on line 58400 **or** an amount on line 22000 of your return, whichever is better for you.

### **How to claim this amount**

Complete the calculation for line 58400 using Worksheet NT428. If you are claiming this amount for more than one dependant, enter the total amount on line 58400.

### **Claim made by more than one person**

If you and another person support the same dependant, you can split the claim for that dependant. However, the total of your claim and the other person's claim cannot be more than the maximum amount allowed for that dependant.

If anyone (including you) can claim this amount for a dependant, no one can claim an amount on line 58200 for that dependant.

If anyone other than you claims an amount on line 58160 for a dependant, you cannot claim an amount on line 58400 for that dependant.

### **Line 58440 – Disability amount (for self)**

You can claim this amount if you met the rules for claiming the amount on line 31600 of your return.

If you were **18 years of age or older** at the end of the year, enter \$12,011 on line 58440.

If you were **under 18 years of age** at the end of the year, complete the calculation for line 58440 using Worksheet NT428.

### **Line 58480 – Disability amount transferred from a dependant**

You can claim this amount if the rules are met for claiming the amount on line 31800 of your return.

#### **Note**

If you and your dependant were not residents of the same territory or province at the end of the year, special rules may apply. Contact the CRA to find out how much you can claim.

### **Line 58560 – Your tuition and education amounts**

Complete Schedule NT(S11), Territorial Tuition and Education Amounts.

#### **Transferring amounts**

If you do not need to use all of your 2019 tuition and education amounts to reduce your territorial income tax to zero, you can transfer all or some of the unused part to **one** of the following:

- your spouse or common-law partner (who would claim it on line 59090 of their Schedule NT(S2))
- your parent or grandparent (who would claim it on line 58600 of their Form NT428)
- your spouse's or common-law partner's parent or grandparent (who would claim it on line 58600 of their Form NT428).

#### **Note**

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 lines 58120 or 58640.

You must complete the “Transfer or carryforward of unused amount” section of Schedule NT(S11) to transfer an amount. You must also complete any of the following applicable forms to **designate** who can claim the transferred amount and to **specify** the territorial amount this person can claim:

- T2202, Tuition and Enrolment Certificate
- TL11A, Tuition and Enrolment Certificate – University Outside Canada
- TL11C, Tuition and Enrolment Certificate – Commuter to the United States

The transferred amount may be different than 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).

### **Carrying forward amounts**

Complete the “Transfer or carryforward of unused amounts” section of Schedule NT(S11) to calculate the amount you can carry forward to a future year. This amount is the part of your tuition and education amount that you do not need to use for the year and are not transferring to your spouse or common-law partner, your parent or grandparent, or your spouse’s or common-law partner’s parent or grandparent.

### **Supporting documents**

If you are filing electronically, keep all your documents in case we ask to see them later.

If you are filing a paper return, attach your completed Schedule NT(S11). Keep your other documents in case we ask to see them later.

### **Line 58600 – Tuition and education amounts transferred from a child**

You may be able to claim the transfer of all or part of the unused tuition and education amounts for 2019 from your child or grandchild or their spouse or common-law partner.

The maximum amount each student can transfer to you is \$5,000 **minus** the amount they use, even if there is an unclaimed part.

### **How to claim this amount**

Enter on line 58600 the total of all territorial amounts that each student has transferred to you as shown on their Form T2202, TL11A, or TL11C.

#### **Notes**

The student must have entered this amount on line 20 of their Schedule NT(S11). They 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 not residents of the same territory or province on December 31, 2019, special rules may apply. Contact the CRA to find out how much you can claim on line 58600.

### **Supporting documents**

If you are filing electronically or filing a paper return, keep all your documents in case we ask to see them later.

#### **Note**

Only the student must attach Schedule NT(S11) to their paper return.

### **Line 58689 – Medical expenses for self, spouse or common-law partner, and your dependent children born in 2002 or later**

The medical expenses you can claim on line 58689 are the same as those you can claim on line 33099 of your return. They have to cover the same 12-month period ending in 2019, and must be expenses that were not claimed for 2018.

### **Line 58729 – Allowable amount of medical expenses for other dependants**

You can also claim medical expenses for other dependants in addition to the medical expenses claimed on line 58689.

The medical expenses you can claim on line 58729 are the same as those you can claim on line 33199 of your return. They have to cover the same 12-month period ending in 2019, and must be expenses that were not claimed for 2018. The maximum amount you can claim is \$5,000 for each dependant.

## Part B – Northwest Territories tax on taxable income

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Enter your taxable income from line 26000 of your return on line 37 in Part B of your Form NT428.

Use the amount from line 37 to decide which column in Part B to complete.

### Northwest Territories tax rates for 2019

The following tax rates are used in the calculation of your Northwest Territories tax on taxable income:

- 5.9% on the portion of your taxable income that is \$43,137 or less, **plus**
- 8.6% on the portion of your taxable income that is more than \$43,137 but not more than \$86,277, **plus**
- 12.2% on the portion of your taxable income that is more than \$86,277 but not more than \$140,267, **plus**
- 14.05% on the portion of your taxable income that is more than \$140,267.

## Part C – Northwest Territories tax

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### Line 46 – Northwest Territories tax on split income

If you are reporting an amount on line 40424 of your return for federal tax on split income, complete Part 3 of Form T1206, Tax on Split Income, to calculate the Northwest Territories tax to enter on line 42800 of your return.

For more information on tax on split income, see the Federal income tax and benefit guide.

### Line 53 – Northwest Territories additional tax for minimum tax purposes

If you need to pay federal minimum tax as calculated on Form T691, Alternative Minimum Tax, complete the calculation on line 53 of Form NT428 to determine your Northwest Territories additional tax for minimum tax purposes.

For more information on minimum tax, see the Federal income tax and benefit guide.

### Line 55 – 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 able to claim a territorial foreign tax credit.

#### How to claim this credit

Complete Form T2036, Provincial or Territorial Foreign Tax Credit.

Enter, on line 55 of your Form NT428, the tax credit calculated on your Form T2036.

#### Supporting documents

If you are filing electronically, keep all your documents in case we ask to see them later.

If you are filing a paper return, attach your Form T2036. Keep your other documents in case we ask to see them later.

### Lines 57 and 58 – Political contribution tax credit

You can claim this credit if, in 2019, you contributed to a candidate seeking election to the Northwest Territories Legislative Assembly.

#### How to claim this credit

Enter your total contributions on line 57 of your Form NT428 and calculate the amount to enter on line 58 as follows:

- For contributions of **\$100 or less**, enter the amount of your contributions on line 58 of your Form NT428.
- For contributions of **more than \$100 but not more than \$900**, complete the calculation for line 58 using Worksheet NT428.
- For contributions of **more than \$900**, enter \$500 on line 58 of your Form NT428.

#### Supporting documents

If you are filing electronically, keep your documents in case we ask to see them later.

If you are filing a paper return, attach the official receipt signed by an official agent of the candidate for each contribution.

## **Form NT479, Northwest Territories Credit**

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### **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 this credit is more than the taxes you have to pay, you may get a refund for the difference.

To claim this credit, attach a completed Form NT479, Northwest Territories Credit, to your return.

If you had a spouse or common-law partner on December 31, 2019, and you and your spouse or common-law partner are eligible for the cost of living tax credit supplement, only one of you can claim it for your family. You and your spouse or common-law partner have to decide who will claim this supplement.

If you were a resident of the Northwest Territories and you or your spouse or common-law partner had income from a business with a permanent establishment outside the Northwest Territories, enter on line 1 of your Form NT479 the net income allocated to the Northwest Territories from column 4 of your Form T2203, Provincial and Territorial Taxes for 2019 – Multiple Jurisdictions.