

Completing your Nunavut forms

The following information will help you complete Form NU428, *Nunavut Tax*, and Form NU479, *Nunavut 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 Nunavut tax measures are distinct from corresponding federal measures. However, many rules for calculating Nunavut 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 NU428, *Nunavut Tax*

Complete Form NU428 if you were a resident of Nunavut at the end of the year.

If you had income from a business with a permanent establishment outside Nunavut, complete Form T2203, *Provincial and Territorial Taxes for 2009 – Multiple Jurisdictions*, **instead of** completing Form NU428.

You also have to complete Form NU428 if you were a non-resident of Canada in 2009 and you earned income from employment in Nunavut or received income from a business with a permanent establishment only in Nunavut.

Step 1 – Nunavut non-refundable tax credits

The eligibility criteria and rules for claiming the Nunavut non-refundable tax credits are the same as for the federal non-refundable tax credits. However, **the value and calculation of most Nunavut 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 *Territorial 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 territorial amounts on lines 5804 to 5820, 5840, 5844, 5848, 5860, and 5864. Also, you may have to prorate the amount on line 5823.

Line 5804 – Basic personal amount

Claim the basic personal amount of \$11,644.

Line 5808 – Age amount

You can claim this amount if you were 65 or older on December 31, 2009, and your net income (line 236 of your return) is less than \$90,532.

If your net income is:

- \$32,312 or less, enter \$8,733 on line 5808; or

- more than \$32,312 but less than \$90,532 complete the calculation for line 5808 on the *Territorial 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. Read 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. You still may be able to claim the territorial amount if 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 \$11,644.

Complete the calculation on Form NU428 to determine your claim, and enter the result 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. You still may be able to claim the territorial amount if 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 \$11,644.

Complete the calculation for line 5816 on the *Territorial 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 age 18 or older

You can claim this amount if the rules are met for claiming the amount on line 306 of your federal Schedule 1.

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

Line 5823 – Amount for young children less than 6 years of age

You can claim this amount if you lived in Nunavut at the end of the year and you had a young child for whom **all** of the following conditions apply:

- the child was less than 6 years of age at any time in 2009;
- the child lived with you at the end of the year (or on the date of death for a child who died in 2009); and
- a special allowance under the *Children's Special Allowances Act* was not received by anyone for that child.

You cannot claim this credit if anyone made a claim for the child as an eligible dependant on line 5816.

If you have a spouse or common-law partner, only one of you can claim this credit. When both are eligible to make this claim, the person with the **lower** taxable income must make the initial claim. The other person may claim any unused amount by completing Schedule NU(S2), *Territorial Amounts Transferred From Your Spouse or Common-Law Partner*, and filing it with his or her return.

Enter beside box 6371 the number of young children you have. Claim \$1,200 on line 5823 for each young child.

Please give details of your young children in the chart on Form NU428.

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 the amount on line 314 of federal Schedule 1. Enter on line 5836 the same amount that you entered on line 314.

Line 5840 – Caregiver amount

You can claim this amount if you met the rules for claiming the amount on line 315 of federal Schedule 1.

Complete the calculation for line 5840 on the *Territorial 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 or over** at the end of the year, enter \$11,644 on line 5844.

■ If you were **under 18** at the end of the year, you may be eligible to claim a supplement up to a maximum of \$4,198 in addition to the disability amount of \$11,644. Complete the calculation for line 5844 on the *Territorial 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 *Territorial 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, education, and textbook amounts

Complete Schedule NU(S11), *Territorial Tuition, Education, and Textbook Amounts*, to calculate your claim.

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

Transferring and carrying forward amounts

You may not need all of your 2009 tuition, education, and textbook 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), 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 NU(S11) to calculate the territorial 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 territorial amount you are transferring on line 24 of your Schedule NU(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 NU(S11) to calculate the amount you can **carry forward** to a future year. This amount corresponds to the part of your tuition, education, and textbook amounts you do not need to use (and do not transfer) for the year.

Line 5860 – Tuition, education, and textbook 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 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 24** of his or her Schedule NU(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 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. Read 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 NU(S11), forms, and official tuition fees 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.

As a resident of Nunavut, you can also transfer the amount for young children less than 6 years of age.

Complete Schedule NU(S2), *Territorial 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.

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 use to calculate your claim on line 5872 are the same as those used to calculate your federal claim on line 331 of 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 maximum amount you can claim is \$10,000 for each dependant.

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

Line 5896 – Donations and gifts

To calculate your claim on line 5896, enter the amounts from lines 345 and 347 of federal Schedule 9 and multiply them by the rates at lines 26 and 27 of Form NU428.

Step 2 – Nunavut tax on taxable income

Enter on line 30 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 31 of the applicable column and complete the calculation.

Step 3 – Nunavut tax

Line 39 – Nunavut tax on split income

If you have to pay federal tax on split income at line 424 of your federal Schedule 1, complete Part 2 of Form T1206, *Tax on Split Income*, to calculate the territorial 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. You can find more information on tax on split income in the *General Income Tax and Benefit Guide*.

Line 47 – Nunavut 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 Nunavut additional tax for minimum tax purposes.

To do this, complete the calculation at line 47 of Form NU428. You can find information about minimum tax in 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 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 NU428, the tax credit amount calculated at line 5 of Form T2036.

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

Line 51 – Volunteer firefighters tax credit

You can claim this credit if you meet **all** of the following conditions:

- you were a resident of Nunavut at the end of the year;
- you were a volunteer firefighter for a minimum of six months in 2009;

- you completed a minimum of 200 hours of community service (that can include training) in 2009;
- you did not receive salary, wages, or compensation, other than reasonable reimbursement or allowance for expenses in respect of firefighting services in 2009; and
- you were listed as a volunteer firefighter on the report filed by the fire chief of the volunteer fire department.

If you qualify for this credit, enter \$513 on line 51 of Form NU428.

If you are preparing a return for a person who died in 2009, you can claim this credit on the deceased person’s final return if they were a resident of Nunavut on the date of death and met all of the conditions.

Form NU479 – Nunavut Credits

Cost of living tax credit (lines 1 to 14)

If you were a resident of Nunavut at the end of the year, you can claim the cost of living tax credit 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.

As a resident of Nunavut, you may have income from a business with a permanent establishment outside Nunavut. If so, enter on line 1 the net income allocated to Nunavut from column 4 on Form T2203, *Provincial and Territorial Taxes for 2009 – Multiple Jurisdictions*.

Basic credit

Your cost of living tax credit is a percentage of your adjusted net income (line 5), to a maximum of \$1,200.

If your adjusted net income (line 5) is **more than** \$60,000, enter \$1,200 on line 8. Otherwise, complete the calculation for lines 6 to 8 on Form NU479 to determine your credit.

Cost of living supplement for single parents

You can claim the cost of living supplement if you are a single parent.

You are considered a single parent if at any time in the tax year, you met **all** of the following conditions:

- you are not married or living in a common-law partnership or you are married or in a common-law partnership and are living apart due to a breakdown in the marriage or partnership; and
- you have custody of a child, for at least 50% of the time, who is under 18 years of age or who is 18 years of age or older and is dependant on you due to a mental or physical impairment.

Your cost of living supplement is a percentage of the part of your adjusted net income (line 5) that is **more than** \$60,000, to a maximum of \$255.12.

If your adjusted net income (line 5) is **more than** \$60,000, complete the calculation for lines 9 to 13 on Form NU479 to determine your credit.

Political contribution tax credit (lines 15 to 20)

You can deduct all or part of the contributions you made in 2009 to a candidate seeking election to the Nunavut Legislative Assembly.

How to Claim

Enter your total contributions on line 15, and determine the amount to enter on line 16 as follows:

- For contributions of **\$100 or less**, enter the amount of your contributions on line 16.
- For contributions of **more than \$100 but not more than \$900**, complete the calculation for line 16 on the *Territorial Worksheet* in this book.
- For contributions of **more than \$900**, enter \$500 on line 16 of Form NU479.

Receipts – For each contribution, attach to your paper return the official receipt signed by a financial agent of the political party or candidate. If you are filing electronically, keep them in case we ask to see them.

Risk capital investment tax credits (lines 21 to 25)

Unused risk capital investment tax credits

Any unused tax credits are shown on your most recent notice of assessment or notice of reassessment. Enter any unused credits, up to a maximum of \$30,000, from previous years on line 21 of Form NU479 to reduce your 2009 Nunavut tax.

Business training tax credit (line 26)

You can claim this credit if, in 2009, you were an eligible employer and also met the following conditions:

- you received one or more *Business training tax credit certificates* from the Nunavut Department of Finance for the year;
- your eligible employee(s) have successfully completed the training in the year; and
- you incurred expenses in excess of any financial assistance you received for providing business training to your eligible employee(s).

To claim this credit, get Form T1317, *Nunavut Business Training 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 26 of Form NU479, the tax credit amount calculated at line 23 or 24 of Form T1317.

Note

If you were a member of a partnership other than a limited or non-active partner, you can claim your proportionate share of the partnership's total business training tax credit.

Receipts – Attach Form T1317 and your *Business training tax credit certificate(s)* to your paper return. If you are filing electronically, keep all your documents in case we ask to see them.