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New for Alberta for 2021

The **Alberta dividend tax credit rate for eligible dividends** decreases from 10% to 8.12% for 2021 and subsequent taxation years.

Alberta benefits for individuals and families

Alberta child and family benefit

This benefit is a non-taxable amount paid to lower- and middle-income families with children under 18 years of age. This program is fully funded by the Province of Alberta. The annual amount is split into four payments and is paid separately from the Canada child benefit (CCB).

You do not need to apply for the Alberta child and family benefit. The Canada Revenue Agency (CRA) will use the information from your CCB application 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 2021 Income Tax and Benefit Return(s) by April 30, 2022. The CRA will use the information from your return(s) to calculate the payments you are entitled to get from this program.

For more information about the Alberta child and family benefit, go to canada.ca/cra-benefits-prov-terr or call **1-800-959-2809**.

Completing your Alberta form

All the information you need to complete Form AB428, Alberta Tax and Credits, is included in this package. Complete one copy of Form AB428 and attach it to your return.

Form AB428 and those mentioned in this guide are available at canada.ca/cra-forms.

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

- December 31, 2021
- the date you left Canada if you emigrated in 2021
- the date of death for a person who died in 2021

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

Form AB428, Alberta Tax and Credits

Complete Form AB428 if **one** of the following applies:

- You were a resident of Alberta at the end of the year
- You were a non-resident of Canada in 2021 and **any** of the following applies:
 - You earned income from employment in Alberta
 - You received income from a business with a permanent establishment **only** in Alberta

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

Complete Form T2203 **instead** of Form AB428, if **both** of the following apply:

- You resided in Alberta on December 31, 2021 (or the date you left Canada if you emigrated in 2021)
- All or part of your 2021 business income (including income received as a retired, inactive, or limited partner) was earned and can be allocated to a permanent establishment **outside** Alberta

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

- You were a non-resident of Canada throughout 2021
- 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 – Alberta tax on taxable income

Alberta tax rates for 2021

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

- 10% on the portion of your taxable income that is \$131,220 or less, **plus**
- 12% on the portion of your taxable income that is more than \$131,220 but not more than \$157,464, **plus**
- 13% on the portion of your taxable income that is more than \$157,464 but not more than \$209,952, **plus**
- 14% on the portion of your taxable income that is more than \$209,952 but not more than \$314,928, **plus**
- 15% on the portion of your taxable income that is more than \$314,928

Part B – Alberta non-refundable tax credits

The eligibility conditions and rules for claiming most Alberta non-refundable tax credits are the same as those for the federal non-refundable tax credits. However, the amount and calculation of most Alberta non-refundable tax credits are different from the corresponding federal credits.

Newcomers to Canada and emigrants

As a newcomer or an emigrant, you may be limited in the amount you can claim for certain provincial non-refundable tax credits.

If you reduced your claim for any of the following federal amounts, you also need to reduce your claim for the corresponding provincial amount in the same manner.

Federal amount on your return	Corresponding provincial amount on Form AB428
line 30000	line 58040
line 30100	line 58080
line 30300	line 58120
line 30400	line 58160
line 30425	line 58200
line 30450	line 58400
line 31600	line 58440
line 31800	line 58480
line 32600	line 58640

For examples on how to calculate these amounts, see Guide T4055, Newcomers to Canada.

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 \$19,369**.

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 \$19,369**.

Line 58200 – Amount for infirm dependants age 18 or older

You can claim up to \$11,212 for each of your (or your spouse's or common-law partner's) dependent children or grandchildren born in 2003 or earlier who has an impairment in physical or mental functions.

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

- They are 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** includes someone who is completely dependent upon you for support and whom you have custody and control of, even if they are older than you.

You can claim this 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 \$18,619**.

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

- You were separated from your spouse or common-law partner for only part of 2021 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 whichever of the following amounts is better for you:

- line 58200 of your Form AB428
- line 22000 of your return

How to claim this amount

Complete the calculation for line 58200 using Worksheet AB428. If you are claiming this amount for more than one dependant, enter the total amount on line 58200 of your Form AB428.

Note

The CRA may ask for a signed statement from a medical practitioner showing when the impairment began and how long it is expected to last. You do **not** need a signed statement from a medical practitioner if the CRA already has an approved Form T2201, Disability Tax Credit Certificate, for a specified period. The notice of determination will show which years you are eligible for.

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 58330 – Adoption expenses

You can claim this amount if the rules are met for claiming the amount on line 31300 of your return.

You can claim up to \$13,247 of eligible expenses for each child.

Two adoptive parents can split the amount if the total combined claim for eligible expenses for each child is not more than the amount before the split.

Note

Only residents of Alberta are eligible for this amount. If you were not a resident of Alberta at the end of the year, you cannot claim this non-refundable tax credit when calculating your Alberta tax even if you may have received income from a source in Alberta in 2021.

Line 58360 – Pension income amount

The amount you can claim on line 58360 is the amount on line 31400 of your return **or \$1,491, whichever is less**.

Note

Only residents of Alberta are eligible for this amount. If you were not a resident of Alberta at the end of the year, you cannot claim this non-refundable tax credit when calculating your Alberta tax even if you may have received income from a source in Alberta in 2021.

Line 58400 – Caregiver amount

If, at any time in 2021, 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 \$11,212 for each dependant.

Each dependant must be **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 in 2021 from line 23600 of their return (or the amount that it would be if they filed a return) was **less than \$29,038**
- They were dependent upon you because of an impairment in physical or mental functions, or they were your (or your spouse's or common-law partner's) parent or grandparent born in 1956 or earlier

If you had to make support payments for a child, you cannot claim an amount on line 58400 for that child unless **both** of the following conditions apply:

- You were separated from your spouse or common-law partner for only part of 2021 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 whichever of the following amounts is better for you:

- line 58400 of your Form AB428
- line 22000 of your return

How to claim this amount

Complete the calculation for line 58400 using Worksheet AB428. If you are claiming this amount for more than one dependant, enter the total amount on line 58400 of your Form AB428.

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.

Notes

If you or someone else is claiming the caregiver amount (line 58400) for a dependant, you cannot claim the amount for infirm dependants age 18 or older (line 58200) for that dependant.

If someone other than you is claiming the amount for an eligible dependant (line 58160), you cannot claim the caregiver amount for that dependant.

Line 58440 – Disability amount for self

You can claim this amount if the rules are met 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 \$14,940 on line 58440 of your Form AB428.

If you were **under 18 years of age** at the end of the year, use Worksheet AB428 to calculate the amount to enter on line 58440.

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 province or territory at the end of the year, special rules may apply. For more information, call the CRA at **1-800-959-8281**.

Line 58560 – Your unused tuition and education amounts

Complete Schedule AB(S11), Alberta Tuition and Education Amounts.

Carrying forward amounts

Complete the “Carryforward of unused amounts” section of Schedule AB(S11) to calculate the amount you can carry forward to a future year.

This amount is the part of your tuition and education amounts that you are not claiming for the current year.

Supporting documents

If you are filing a paper return, attach your completed Schedule AB(S11). Keep your supporting documents in case you are asked to provide them later.

Line 58689 – Medical expenses for self, spouse or common-law partner, and your dependent children born in 2004 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 also have to cover the same 12-month period ending in 2021 and must be expenses that were not claimed for 2020.

Line 58729 – Allowable amount of medical expenses for other dependants

You can claim medical expenses for other dependants in addition to the medical expenses for self, spouse or common-law partner, and your dependent children born in 2004 or later 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 also have to cover the same 12-month period ending in 2021 and must be expenses that were not claimed for 2020.

Part C – Alberta tax

Line 53 – Alberta tax on split income

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

Line 60 – Alberta 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 60 of your Form AB428 to determine your Alberta additional tax for minimum tax purposes.

Line 62 – 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 able to claim a provincial foreign tax credit.

How to claim this credit

Complete Form T2036, Provincial or Territorial Foreign Tax Credit.

Supporting documents

If you are filing a paper return, attach your Form T2036.

Line 65 – Alberta political contributions tax credit

You can claim this credit if, in 2021, you contributed to one of the following individuals or entities:

- a candidate under an election to the provincial legislature or a senatorial election
- an Alberta political party
- a leadership contestant
- a nomination contestant
- a constituency association

Note

The individual or entity must be registered and meet the criteria established under the Election Finances and Contributions Disclosure Act.

You have to claim this credit on your return or within 90 days after the date of the notice of assessment or reassessment for the tax year.

How to claim this credit

Enter your total political contributions made in 2021 on line 60030 of your Form AB428. Then calculate and enter your credit on line 65 as follows:

- For contributions of **more than \$2,300**, enter \$1,000 on line 65 of your Form AB428
- For contributions of **\$2,300 or less**, complete the calculation for line 65 on Worksheet AB428

Supporting documents

If you are filing a paper return, attach the official receipt signed by an official of the registered party, the registered constituency association, or the registered candidate for each contribution.

Part D – Alberta credits

Line 67 – Unused Alberta investor tax credit

You can claim your unused Alberta investor tax credit amounts from investments made in 2019 or earlier in the following four tax years, up to a maximum of \$60,000 per tax year.

How to claim this credit

Enter, on line 67 of your Form AB428, the amount of unused Alberta investor tax credit from your 2020 notice of assessment or reassessment you are claiming in 2021.

Line 68 – Alberta stock savings plan tax credit

If you had any unused stock savings plan tax credit amount to be applied in 2021, complete Form T89, Alberta Stock Savings Plan Tax Credit.

How to claim this credit

Enter, on line 68 of your Form AB428, the credit calculated on your Form T89.

Supporting documents

If you are filing a paper return, attach your Form T89.