

Ontario has a new refundable tax credit called the Equity in Education Tax Credit (EETC). This credit helps parents or legal guardians partially offset the cost of tuition for a child attending an eligible independent school at the elementary or secondary school level. The credit is calculated separately for each child based on the eligible tuition fees paid on behalf of the child by all qualifying taxpayers. For 2002, the tax credit will reimburse 10 per cent of eligible fees up to a maximum of either \$350 or \$700, depending on age, for a child enrolled in an eligible independent school in Ontario.

Definitions

The terms **eligible child**, **qualifying taxpayer**, **eligible independent school**, **eligible courses of study** and **net tuition fees**, used on Form T1238, *Equity in Education Tax Credit (EETC) for 2002*, are defined on this page.

Eligible child

The EETC can only be claimed for an eligible child. A child's eligibility is determined by age.

- A child who turns 4 at any time in 2002 is considered an eligible child from September 1 to December 31. The credit can be claimed for up to 4 months.
- A child who is at least 4 but is under 21 throughout 2002 is an eligible child for the whole year and the credit can be claimed for up to 10 months.
- A child who turns 21 during 2002 is an eligible child until June 30, 2002. As a result the credit can be claimed for up to 6 months.

Qualifying taxpayer

A qualifying taxpayer is an individual who is resident in Ontario on December 31 of the year or, for a person who died during the year, on the date of death. This person must be a parent or legal guardian of an eligible child. Only those parents or legal guardians who pay the tuition for the eligible child may claim the tax credit.

The credit cannot be claimed by a corporation, a charity, a trust, an estate or by an individual who has left Ontario to take up residence in another province or country on or before December 31, 2002.

Eligible independent school

An eligible independent school is a school that is registered by the Ontario Ministry of Finance for the Equity in Education Tax Credit. The school will provide a Statement of Information to the parents or legal guardians, giving a thorough description of the key attributes of the school and its academic program. The school must include the EETC registration number on tuition fee receipts.

Eligible courses of study

Eligible courses of study must be elementary or secondary school programs that are at least 750 minutes a week for junior and senior kindergarten level and 1,500 minutes per week for all other elementary and secondary schools.

Net tuition fees (see attached worksheet)

Certain types of fees, described below, even if called tuition fees, must be deducted when calculating the fees eligible for the tax credit:

- the amount of any scholarship, bursary, or tuition assistance that has been included in total tuition;
- the total of all amounts paid for additional goods or services, such as meals, computers, books, clothing, travel, sports and equipment, if those amounts are separately identified or included in a separate charge;
- the total of all amounts paid for accommodation or boarding at the school.

The following amounts must also be deducted even if no one claims the related deduction or credit for these amounts:

- the total amount for which a child care receipt is issued;
- 40% of the total amount for which a charitable donation receipt will be issued for the portion of tuition fees paid that relates to religious instruction;
- an adjustment amount calculated with respect to the portion of the total tuition fees paid that is an eligible medical expense for the Federal and Ontario medical expenses tax credits.

The maximum net tuition fees that may be claimed in a calendar year is \$3,500.00 for a child aged 4 or 5 and \$7,000.00 for a child aged 6 to 21.

When tuition fees are paid for an eligible child by more than one qualifying taxpayer in a year, the EETC **must be shared** by the qualifying taxpayers based on the proportion of the total tuition fees paid by each of them. The total EETC for the child cannot exceed the maximum allowable amount.

If you have questions...

If you have questions about EETC, contact the Ontario Ministry of Finance Information Centre at the following address and toll-free numbers:

Income Tax Related Programs Branch
Ontario Ministry of Finance
P.O. Box 624, 33 King Street West
Oshawa ON L1H 8H8

English 1-800-263-7965

French 1-800-668-5821

More information about the EETC is available at

www.gov.on.ca on the Government of Ontario Web site.



Use these charts to calculate the amount of net tuition fees that you need to complete Form T1238, Equity in Education Tax Credit (EETC) for 2002. You must calculate the net tuition fees separately for each child. Use a reproduction of these charts if you need more space. Keep this Worksheet for your records. Do not attach it to the return you send us.

Net tuition fees paid for _____

name of child

Total tuition fees paid by all qualifying taxpayers for this child _____ 1

Subtract the following if included in total tuition:

Table with 3 columns: Description, Sign, Line Number. Rows include Scholarships, bursaries or tuition assistance (2), Accommodation or boarding (3), Child care receipt (4), Additional goods or services (5), Charitable donation receipt (6).

Table with 3 columns: Description, Sign, Line Number. Rows include Medical expenses tax credits (7), Net income calculation (8-9), Adjustment rate (10), Multiplication (11), Addition (12), Final result (13).

* If the child is 4 or 5 years of age in 2002, enter this amount in the column for this child on line 8 of Part A on Form T1238. If the child is 6 to 21 years of age in 2002, enter this amount in the column for this child on line 8 of Part B on Form T1238.

Complete this calculation again for each additional eligible child

Net tuition fees paid for _____

name of child

Total tuition fees paid by all qualifying taxpayers for this child _____ 1

Subtract the following if included in total tuition:

Table with 3 columns: Description, Sign, Line Number. Rows include Scholarships, bursaries or tuition assistance (2), Accommodation or boarding (3), Child care receipt (4), Additional goods or services (5), Charitable donation receipt (6).

Table with 3 columns: Description, Sign, Line Number. Rows include Medical expenses tax credits (7), Net income calculation (8-9), Adjustment rate (10), Multiplication (11), Addition (12), Final result (13).

* If the child is 4 or 5 years of age in 2002, enter this amount in the column for this child on line 8 of Part A on Form T1238. If the child is 6 to 21 years of age in 2002, enter this amount in the column for this child on line 8 of Part B on Form T1238.

Complete this calculation again for each additional eligible child



We define eligible child, qualifying taxpayer, net tuition fees, and eligible independent school on the attached information sheet which also contains a worksheet for the calculation of the net tuition fees paid for each child.

Each qualifying taxpayer claiming an amount for this credit must complete and attach a copy of this form to his or her paper return.

Complete Part A to calculate eligible fees for each child born in 1997 or 1998 (4 or 5 years of age in 2002).

Complete Part B to calculate eligible fees for each child born in 1981 to 1996 (from 6 to 21 years of age, inclusive, in 2002).

Complete Part C on the back to calculate the total credit you can claim for all of your children.

Part A - Eligible fees for children of 4 or 5 years of age in 2002

Form for Part A with two columns for 1st and 2nd child aged 4 or 5. Includes fields for name, date of birth, school name, EETC number, net tuition fees, and months in 2002. Includes boxes 6281-6286 and a total line 10.

Part B - Eligible fees for children from 6 to 21 years of age in 2002

Form for Part B with two columns for 1st and 2nd child aged 6 to 21. Includes fields for name, date of birth, school name, EETC number, net tuition fees, and months in 2002. Includes boxes 6287-6292 and a total line 10.

Part B – Eligible fees for children of 6 to 21 years of age in 2002 (Continued)

| | 3 rd child aged 6 to 21 | 4 th child aged 6 to 21 | | | | | | | | | | | | |
|---|--|------------------------------------|-------|-----|--|--|--|--|------|-------|-----|--|--|--|
| Last name of your eligible child | _____ 1 | _____ 1 | | | | | | | | | | | | |
| First name | _____ 2 | _____ 2 | | | | | | | | | | | | |
| Date of birth | <table border="1"> <tr> <td>Year</td> <td>Month</td> <td>Day</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table> 3 | Year | Month | Day | | | | <table border="1"> <tr> <td>Year</td> <td>Month</td> <td>Day</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table> 3 | Year | Month | Day | | | |
| Year | Month | Day | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Year | Month | Day | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Name of the eligible independent school attended by the child | _____ 4 | _____ 4 | | | | | | | | | | | | |
| Enter the six digits of the EETC Number for that school | 6293 5 | 6294 5 | | | | | | | | | | | | |
| Name of any other eligible independent school attended by the child (if applicable) | _____ 6 | _____ 6 | | | | | | | | | | | | |
| Enter the six digits of the EETC Number for that school | 6295 7 | 6296 7 | | | | | | | | | | | | |
| Net tuition fees paid for the child (from line 13 of the worksheet used for that child) | _____ 8 | _____ 8 | | | | | | | | | | | | |
| Enter the number of months in 2002 for which these tuition fees were paid for that child**, and multiply by \$700 | × \$700 = _____ 9 | × \$700 = _____ 9 | | | | | | | | | | | | |
| Enter the amount from line 8 or 9, or \$7,000 whichever is less. Eligible fees | 6297 10 | 6298 10 | | | | | | | | | | | | |

Add the eligible fees you entered in boxes 6297 and 6298 for line 10 above, and include the result on line 12 of Part C.

** If the child is born in 1981, only the months of January to June 2002 can be included in the number of months.

Part C – Calculation of the Ontario EETC

(If you have more children attending an eligible independent school than provided for in Part A or B, use a separate sheet to complete your calculation, and, depending on the age, include on line 11 or 12 the eligible fees corresponding to lines 10 of your calculation sheet.)

| | | |
|--|--|------|
| Enter the total of the eligible fees entered on lines 10 in Part A (4 or 5 years of age) | _____ | 11 |
| Enter the total of the eligible fees entered on lines 10 in Part B (6 to 21 years of age) | _____ | 12 |
| Line 11 plus line 12 | _____ | 13 |
| Credit rate for 2002 | x 10% | 14 |
| Multiply line 13 by line 14 | Ontario Equity in Education Tax Credit 6299 = _____ | • 15 |

Amount of the Ontario EETC claimed by each qualifying taxpayer:

If another qualifying taxpayer paid a portion of the tuition fees for an eligible child, the EETC amount claimed by you and the other qualifying taxpayer must be shared based on the proportion of the total tuition fees paid by each of you for each eligible child.

| | | |
|--|-------------|------|
| Enter the amount of the Ontario EETC claimed by another qualifying taxpayer for the eligible children identified in Parts A and B of this form | 6300 | • 16 |
|--|-------------|------|

| | | |
|--|-------|----|
| Amount of the Ontario EETC you are claiming for the same eligible children: Line 15 minus line 16. Enter this amount on line 27 of your Form ON479, <i>Ontario Credits</i> . | _____ | 17 |
|--|-------|----|

Attach a copy of this form to your paper return. Whether you are filing a paper return or electronically, **keep your receipts** in case we ask to see them.