

# Information for Residents of New Brunswick

## What's new for 2011?

The first, second, and third tax rates used to calculate your provincial tax have been reduced. In addition, the income levels, most provincial non-refundable tax credits, and the New Brunswick low-income tax reduction have been changed.

The \$10,000 limit for the allowable amount of medical expenses for other dependants has been eliminated.

These measures may reduce the amount of New Brunswick tax that you pay.

Form NB428, NEW BRUNSWICK TAX AND CREDITS, reflects these changes.

## General information

### **New Brunswick Child Tax Benefit**

The New Brunswick Child Tax Benefit (NBCTB) is a non-taxable monthly payment made to qualifying low-income families with children under 18 years of age.

The New Brunswick Working Income Supplement is an additional benefit paid to qualifying families with earned income who have children under 18 years of age.

Benefits are combined with the Canada Child Tax Benefit into one monthly payment. For more information on payment amounts, see Booklet T4114, CANADA CHILD BENEFITS.

You do not have to apply separately to get payments under the NBCTB program. We will use the information from your Canada Child Benefits application to determine your eligibility for the program.

**File your tax return** – You (and your spouse or common-law partner) should file your 2011 tax return(s) as soon as possible. The

information you give on your return(s) will determine how much you will get starting in July 2012.

This program is fully funded by the Province of New Brunswick. For more information, call the Canada Revenue Agency (CRA) at **1-800-387-1193**.

## **For more information**

If you have questions about **New Brunswick tax and credits**, visit the CRA Web site at **[www.cra.gc.ca](http://www.cra.gc.ca)** or call the CRA at **1-800-959-8281**.

To get forms, go to **[www.cra.gc.ca/forms](http://www.cra.gc.ca/forms)** or call **1-800-959-2221**.

## **Completing your New Brunswick form**

All the information you need to calculate your New Brunswick tax and credits is included on the following pages.

You will find two copies of Form NB428, NEW BRUNSWICK TAX AND CREDITS, in this book. Attach a completed copy of Form NB428 to your return.

The following information will help you complete Form NB428.

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, 2011, the date you left Canada if you emigrated in 2011, or the date of death for a person who died in 2011.

### **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 2011 – MULTIPLE JURISDICTIONS, **instead of** completing Form NB428.

You also have to complete Form NB428 if you were a non-resident of Canada in 2011 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, 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 \$8,953.

#### **Line 5808 – Age amount**

You can claim this amount if you were 65 years of age or older on December 31, 2011, and your net income (line 236 of your return) is less than \$61,683.

If your net income is:

- \$32,543 or less, enter \$4,371 on line 5808; or

- more than \$32,543 but less than \$61,683, complete the calculation for line 5808 on the PROVINCIAL WORKSHEET in this book.

### **Tax Tip**

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. For more information, see line 5864.

### **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 \$8,363.

Complete the calculation on Form NB428, 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 pages 3 and 4 [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 \$8,363.

Complete the calculation on Form NB428, and enter the amount on line 5816.

### **Note**

**If you were a single parent** on December 31, 2011, and you choose to include all Universal Child Care Benefit amounts you received in 2011 in the income of your dependant, include this amount in the calculation of his or her net income.

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 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 \$10,227.

Complete the calculation for line 5820 on the PROVINCIAL WORKSHEET in this book.

**Line 5824 – CPP or QPP contributions through employment**

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

**Line 5828 – CPP or QPP contributions on self-employment and other earnings**

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

**Line 5832 – Employment Insurance premiums through employment**

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

## **Line 5829 – Employment Insurance premiums on self-employment and other earnings**

Enter on this line the amount you claimed on line 317 of your 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.

The amount you can claim on line 5836 is the amount on line 314 of your 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 non-refundable tax credit in calculating your New Brunswick tax even though you may have received income from a source inside New Brunswick in 2011.

## **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 \$18,667.

Complete the calculation for line 5840 on the PROVINCIAL WORKSHEET in this book.

## **Line 5844 – Disability amount (for self)**

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 \$7,248 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 \$4,228 in addition to the disability amount of \$7,248. Complete the calculation for line 5844 on the PROVINCIAL WORKSHEET in this book.

### **Line 5848 – Disability amount transferred from a dependant**

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.

### **Line 5852 – Interest paid on your student loans**

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

### **Line 5856 – Your tuition and education amounts**

Complete Schedule NB(S11), PROVINCIAL TUITION AND EDUCATION AMOUNTS.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them at a later date. If you are filing a **paper return, attach your completed Schedule NB(S11)**, but do not send your other documents. Keep all your documents in case we ask to see them at a later date.

## Transferring and carrying forward amounts

You may not need all of your 2011 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 to your spouse or common-law partner (who would claim it on line 5864) or to your 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 the transferred amount and to specify the amount this person can claim. This amount may be different from the amount calculated for the same person on your federal Schedule 11. 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 individual, 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 that each student has transferred to you as shown 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 you and the student were residents of different provinces or territories on December 31, 2011, special rules may apply. Call the Canada Revenue Agency 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.

**Supporting documents** – If you are filing electronically or filing a paper return, do not send any documents. Keep all your documents in

case we ask to see them at a later date. The **student** must attach Schedule NB(S11) to his or her **paper return**.

**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, and attach a copy to your return.

**Line 5868 – Medical expenses for self, spouse or common-law partner, and your dependent children born in 1994 or later**

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 2011, and no one has claimed them on a 2010 return. Your total expenses have to be more than either **3%** of your net income (line 236 of your return) or **\$2,026**, whichever is **less**.

## Note

If the total medical expenses claimed are more than \$2,026 but less than \$2,052, 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 can claim on line 5872 are the same as those you can claim on line 331 of your federal Schedule 1. They have to cover the **same 12-month period** ending in 2011, and no one has claimed them on a 2010 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 **\$2,026**, whichever is **less**.

Complete the calculation for line 5872 on the PROVINCIAL WORKSHEET in this book.

## **Line 5896 – Donations and gifts**

Enter the amounts from lines 345 and 347 of your federal Schedule 9 and multiply them by the rates at lines 26 and 27 of Form NB428.

## **Step 2 – New Brunswick tax on taxable income**

Enter on line 30 your taxable income from line 260 of your return. Complete the appropriate column depending on the amount entered.

## **Step 3 – New Brunswick tax**

### **Line 39 – 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 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 48 – 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 48 of Form NB428. You can find information about minimum tax in the GENERAL INCOME TAX AND BENEFIT GUIDE.

## **Line 50 – 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 "For more information" on page 3 [1] ).

Enter, on line 50 of Form NB428, the tax credit calculated on line 5 of Form T2036.

**Supporting documents** – Attach Form T2036 to your paper return. If you are filing electronically, keep all of your documents in case we ask to see them at a later date.

## **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 resident of New Brunswick who died in 2011, the tax reduction can be claimed on the deceased person's final return. If the deceased person had a spouse or common-law partner, the tax reduction can be claimed on either the deceased person's final return or the return of the spouse or common-law partner.

## **Line 52 – 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 52 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 54 to 59 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 pages 3 and 4 [1] of your return.

## **Line 61 – Basic reduction**

Claim \$545 for yourself.

## **Line 62 – Reduction for your spouse or common-law partner**

Claim \$545 if you had a spouse or common-law partner at the end of the year. If your spouse or common-law partner died in 2011, you **can** claim this amount.

## **Line 63 – Reduction for an eligible dependant**

Claim \$545 if you claimed the amount for an eligible dependant on line 5816 of NB428 and you **did not** claim an amount on line 62.

## **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 2011, any amount of the low-income tax reduction that you do not need to reduce your New Brunswick tax to zero.

Complete the calculation at lines 79 to 81 of 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 72 and 73 – Political contribution tax credit

You can deduct part of the contributions you made in 2011 to political parties, district associations, or independent candidates registered in New Brunswick.

#### How to claim

Enter your total contributions on line 72 of Form NB428 and calculate the amount to enter on line 73, as follows:

- For contributions of **\$1,075 or less**, complete the calculation for line 73 on the PROVINCIAL WORKSHEET in this book.
- For contributions of **more than \$1,075**, enter \$500 on line 73 of Form NB428.

**Supporting documents** – If you are filing a paper return, attach to your return, for each contribution, 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 at a later date.

### **Line 75 – Labour-sponsored venture capital fund tax credit**

You can claim a credit for investments you made in a labour-sponsored venture capital corporation in 2011 (that you did not claim on your 2010 return) or in the first 60 days of 2012.

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 75 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 is \$2,000.

#### **Tax Tip**

You may also be eligible for a federal tax credit. For more information, see lines 413 and 414 in the GENERAL INCOME TAX AND BENEFIT GUIDE.

**Supporting documents** – 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 at a later date.

### **Line 77 – 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 "For more information" on page 3 [1] ).

Enter, on line 77 of Form NB428, the tax credit calculated on line 6 of Form T1258.

**Supporting documents** – 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 at a later date.

### **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 2011 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.