



### What are the northern residents deductions?

There are two northern residents deductions. The first deduction is a residency deduction for having lived in a prescribed zone. The second deduction is a deduction for travel benefits you received from employment in a prescribed zone. If you lived in a prescribed northern zone, you can claim full northern residents deductions. If you lived in a prescribed intermediate zone, you can claim one-half of the full northern residents deductions. Publication T4039, *Northern Residents Deductions – Places in Prescribed Zones*, lists the places in the prescribed northern and prescribed intermediate zones. You can get publication T4039 from us. Visit our Web site at [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms), or call 1-800-959-2221 from 8:15 a.m. to 5:00 p.m. (local time).

### Do you qualify?

To qualify, you must have lived, on a permanent basis, in a prescribed northern or intermediate zone for a continuous period of at least six consecutive months. This period can begin or end in the year under review. A person who died in the year qualifies if he or she lived in a prescribed zone for six months or more before the date of death. Your period of residency is not affected if you moved from one place in a prescribed zone directly to another place in a prescribed zone. See publication T4039 to make sure that your current residence, former residence, or both are in a prescribed zone.

In most cases, absences from a prescribed zone do not affect your period of residency as long as you lived in a prescribed zone on a permanent basis. If you lived in a prescribed zone for work-related reasons while your principal place of residence was not in a prescribed zone, you may have lived in the prescribed zone on a temporary basis. To determine whether you lived in the prescribed zone on a permanent or a temporary basis, we consider the number of your absences from the prescribed zone, as well as the purpose and length of your absences.

If you have not lived in a prescribed zone for six consecutive months at the time you file your income tax return, you do not yet qualify. File your return without making the claim. When you qualify, you can ask us to adjust your tax return. To do so, follow the instructions in the *General Income Tax and Benefit Guide* under the heading "After you file."

### Who can claim the residency deduction?

If you qualify, you can claim the residency deduction. There are two parts to this deduction. You can claim the **basic residency amount** for the days in the year that you lived in a prescribed zone. You can also claim an **additional residency amount** for those days if **both** of the following apply:

- you maintained and lived in a dwelling in the prescribed zone during that time; and
- you are the only person claiming the basic residency amount for living in that same dwelling for that period.

In this publication, a **dwelling** means a self-contained domestic establishment. Generally, this is a complete and separate living

unit with a kitchen, bathroom, sleeping facilities, and its own private access. It includes a house, apartment, or other similar place of residence in which a person usually sleeps and eats. A dwelling can include a mobile home but not a bunkhouse, dormitory, hotel room, or room in a boarding house.

We consider you to have maintained and lived in a dwelling, even if your employer or someone else (such as a contractor) let you live there rent-free and paid all the utility, maintenance, and other costs related to the dwelling.

If you share a dwelling, each person can claim the basic residency amount. However, if more than one person claims the basic residency amount for a particular period and dwelling, then no one can claim the additional residency amount for that period and dwelling. If only one person claims the basic residency amount for a particular period and dwelling, that person can also claim the additional residency amount. When deciding who will claim the residency deduction, you should consider the taxable income of all the members of your household. You can claim the deduction in the way that most benefits your household.

You may be claiming the basic residency amount for living at a special work site in a prescribed zone, when your principal place of residence was not in a prescribed zone. If so, reduce your residency amount by the amount of board and lodging benefits you received for working at a special work site that was less than 30 kilometres from the nearest urban area having a population of at least 40,000. The amount of these benefits is shown in box 31 of your T4 slip, or in the footnotes area of your T4A slip. If your slip does not show the value of these benefits, ask your employer for a corrected slip. If you need more information about special work sites, see Interpretation Bulletin IT-91, *Employment at Special Work Sites or Remote Work Locations*.

### Who can claim the deduction for travel?

You can claim the deduction for expenses you incurred to travel or the value of travel provided if you meet **all** of the following conditions:

- you qualify to claim northern residents deductions (see Do you qualify?);
- you are an employee dealing at arm's length with your employer; and
- you have included in your income the taxable travel benefits received from your employment in a prescribed zone.

You can claim a deduction for travel even if you are not claiming a residency deduction. For example, if your spouse or common-law partner claims both the basic and the additional residency amounts, you can still claim a deduction for any **taxable** travel benefits you received. You may be able to claim this deduction for a trip that you or any member of your household took. However, you can only claim the deduction for household members if they lived with you at the time they took the trip. You cannot claim a deduction for travel expenses if you or any member of your household received or was entitled to receive **non-taxable** amounts as travel assistance, a travel allowance, or as a reimbursement for those expenses.

Box 32 of your T4 slip and box 28 of your T4A slip will show the value of any taxable travel benefits you received in the year. Taxable travel benefits include:

- travel assistance provided by your employer (such as airline tickets or a trip on the company owned airplane), and
- a travel allowance or a lump sum payment you received from your employer for travel expenses you incurred.

If you received a benefit that was not for any particular trip, you have to split it reasonably between the trips you are claiming.

To claim the deduction for travel, you must receive the taxable travel benefits in the same year you have the travel expenses. For example, if you take a trip that begins and ends in one year and you are reimbursed the following year, you cannot claim the travel deduction for that trip. However, you can claim a deduction for travel if you leave on a trip in one year and return the next year. For example, you may leave on a trip in December and come back in January. If you receive non-refundable tickets or travel vouchers, the taxable travel benefit should be included in your T4 or T4A slip for the year the trip begins.

You can claim a deduction for medical travel and other travel. You can claim a deduction for **medical travel** if you have an amount in box 33 of your T4 slip, or if a footnote on your T4A slip shows that any part of the amount shown in box 28 was for travel for medical reasons. The medical services had to be for you or a member of your household and must not have been available where you lived. There is no limit on the number of these trips you can claim. If you are claiming a medical travel deduction on this form, no one can claim it as a medical expense on his or her income tax return. **Other travel** means travel for other than medical reasons, such as vacation or family reasons. You can claim a deduction for up to two such trips made in the year by each member of your household.

### Maximum deduction for travel

The maximum deduction you can claim for each eligible trip is the lowest of the following three amounts:

- the taxable travel benefits you received from your employer for the trip (Form T2222: Step 2 – Column 3);
- the total travel expenses for the trip (Form T2222: Step 2 – Column 4); or
- the cost of the lowest return airfare available at the time of the trip between the airport closest to your residence and the **nearest designated city** (Form T2222: Step 2 – Column 5).  
Note: See the list of designated cities on this page.

Travel expenses include any of the following amounts:

- air, train, and bus fares;
- vehicle expenses;
- meals;
- hotel and motel accommodations, and camping fees; and
- other incidental expenses, such as taxis and road or ferry tolls.

Your **total travel expenses** equal the total of the value of travel assistance provided by your employer and the travel expenses incurred by you.

To calculate the value of travel assistance provided by your employer, use the fair market value of the taxable travel benefit provided. For example, if you received airline tickets from your employer, use the cost of the tickets. If the person providing the benefit owned or chartered the transportation, use the value of a similar trip on the open market. These amounts should have been included in the total amount shown on box 32 of your T4 slip or box 28 of your T4A slip.

Generally, the travel expenses you incurred will only be the actual expenses you paid for. However, in the case of meal and vehicle expenses, you can choose to use the **detailed method** based on actual expenses incurred **or** the **simplified method** based on the number of kilometres by the cents/km rate for the province or territory in which the travel begins and the flat rate per meal for each day you travel.

To find out more about the detailed and simplified methods, use **Info-Tax**, one of our T.I.P.S. services for **line 255 at 1-800-267-6999**, or visit our Web page at [www.cra.gc.ca/travelcosts](http://www.cra.gc.ca/travelcosts).

If you or a member of your household has been reimbursed for, or received amounts (such as a travel allowance or a lump sum payment) towards the travel expenses you incurred, you can still treat those expenses as having been incurred by you as long as those amounts are included in your income. In cases of medical travel, if the patient needs an attendant while travelling, the attendant's travel costs are included as part of the patient's total travel expenses, regardless of whether they are in the form of travel assistance your employer provided or actual expenses you incurred.

The lowest return airfare available at the time of the trip means the lowest return airfare for regularly scheduled commercial flights on the date that the travel began. Use the cost of flights between the airport closest to your residence and the nearest designated city, even if you did not actually travel by air, or to that city.

### The designated cities are:

Vancouver, British Columbia	Calgary, Alberta
Edmonton, Alberta	Saskatoon, Saskatchewan
Winnipeg, Manitoba	North Bay, Ontario
Toronto, Ontario	Ottawa, Ontario
Montréal, Quebec	Québec City, Quebec
Moncton, New Brunswick	Halifax, Nova Scotia
St. John's, Newfoundland and Labrador	

### How to claim the northern residents deductions

Attach to your income tax return a completed copy of Form T2222, which is included with this information sheet.

Do not send your supporting documents with your tax return. However, keep them in case we ask to see them. Supporting documents can include travel receipts, rent receipts, statements from your landlord, municipal tax bills, and utility bills.



## NORTHERN RESIDENTS DEDUCTIONS

2	0			
Tax year				

Use this form to calculate your northern residents deductions if you lived in a prescribed northern zone or in a prescribed intermediate zone for at least six consecutive months. This period can begin or end in the tax year you state above. Read the attached information sheet for details on claiming these deductions.

**Attach a copy of this form to your return.**

### Step 1 – List your places of residence

Under "Zone A or B," enter "A" if your place of residence was in a prescribed northern zone. Enter "B" if it was in a prescribed intermediate zone. If you claimed these deductions for the previous year and you have not moved, see your Form T2222 for that year to find out which zone applies to you.

Under "Place of residence," enter the location of each place where you lived on a permanent basis. (This may be different from your mailing address.)

Under "Period of residence," enter the earliest date you lived at each place for a continuous period.

Zone A or B	Place of residence	Province or territory	Period of residence (see <b>Note</b> below)						Number of days in the year during which you lived in a prescribed zone			
			From			To			Northern zone (Zone A)	Intermediate zone (Zone B)		
			Year	Month	Day	Year	Month	Day				
									+	+		
<b>Total</b>									=	<b>1</b>	=	<b>2</b>

Attach a separate sheet of paper if you need more space.

**Note:** In the boxes below, print the names and addresses of all persons who lived with you in the year during the period(s) shown above. Include boarders and anyone who house-sat during your absence. Do not include any dependent household members (including your spouse or common-law partner) whose net income was less than the basic personal amount (line 300 on Schedule 1) for the year.

Name: Address:	Name: Address:
Name: Address:	Name: Address:

Attach a separate sheet of paper if you need more space.

### Step 2 – List your trips

Under column 1, enter "A" if your trip started from a prescribed northern zone. Enter "B" if it started from a prescribed intermediate zone.

Enter the <b>lowest</b> amount from columns 3, 4, or 5 in the appropriate column below.	
<b>Column 6</b> Enter the amount here if you wrote "A" in column 1	<b>Column 7</b> Enter the amount here if you wrote "B" in column 1
+	
<b>Total</b>	
=	<b>3</b>
=	<b>4</b>

Column 1	Column 2	Column 3	Column 4	Column 5
Origin of trip	Purpose of trip	Taxable travel benefit	Total travel expenses	Lowest return airfare
Trip 1				
Trip 2				
+				

Attach a separate sheet of paper if you need more space.

**See reverse**

### Step 3 – Calculate your residency deduction

#### Zone A – Residents of prescribed northern zones

**Basic residency amount:** Enter the number of days from line 1 in Step 1, or enter only the number of days you are claiming .....  $\times \$7.50 =$  \_\_\_\_\_ | 5

**Additional residency amount:** Enter the number of days that qualify for the additional residency amount .....  $\times \$7.50 =$  + \_\_\_\_\_ | 6

Add lines 5 and 6 ..... **6749** = \_\_\_\_\_ | 7

Enter the amount from box 31 of your T4 slip, or from the footnotes area of your T4A slip, as a **non-taxable** benefit for board and lodging at a special work site that was within 30 kilometres of the nearest urban area with a population of at least 40,000 in a prescribed northern zone ..... **6757** \_\_\_\_\_ | 8

Line 7 minus line 8 (if negative, enter "0") ..... = \_\_\_\_\_ | **▶** \_\_\_\_\_ | 9

#### Zone B – Residents of prescribed intermediate zones

**Basic residency amount:** Enter the number of days from line 2 in Step 1, or enter only the number of days you are claiming .....  $\times \$3.75 =$  \_\_\_\_\_ | 10

**Additional residency amount:** Enter the number of days that qualify for the additional residency amount .....  $\times \$3.75 =$  + \_\_\_\_\_ | 11

Add lines 10 and 11 ..... **6752** = \_\_\_\_\_ | 12

Enter the amount from box 31 of your T4 slip, or from the footnotes area of your T4A slip, as a **non-taxable** benefit for board and lodging at a special work site that was within 30 kilometres of the nearest urban area with a population of at least 40,000 in a prescribed intermediate zone ..... **6759** \_\_\_\_\_ | 13

Line 12 minus line 13 (if negative, enter "0") ..... = \_\_\_\_\_ | **▶** + \_\_\_\_\_ | 14

Add lines 9 and 14 ..... = \_\_\_\_\_ | 15

Enter your net income from line 236 of your return ... \_\_\_\_\_ |  $\times 20\% =$  \_\_\_\_\_ | 16

**Residency deduction:** Enter the amount from line 15 or line 16, whichever is **less** ..... \_\_\_\_\_ | 17

### Step 4 – Calculate your travel deduction

Enter the amount from line 3 in Step 2 ..... **6754** \_\_\_\_\_ | 18

Enter the amount from line 4 in Step 2 ..... **6756** \_\_\_\_\_ |  $\times 50\% =$  + \_\_\_\_\_ | 19

**Travel deduction:** Add lines 18 and 19 ..... = \_\_\_\_\_ | **▶** + \_\_\_\_\_ | 20

### Step 5 – Calculate your northern residents deductions

**Northern residents deductions:** Add lines 17 and 20 ..... 

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 Enter this amount on line 255 of your return ..... = 

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 | 21