

New Brunswick Tuition Tax Cash Back Credit questions and answers

Who will be eligible for the rebate?

Any individual who attended an eligible post secondary institution, incurred tuition costs from January 1, 2005, files a New Brunswick personal income tax return and has New Brunswick income tax payable may be eligible.

What are eligible institutions?

Eligible institutions are those recognized by the federal government for purposes of the federal/provincial tuition tax credits. They include universities, colleges and other educational institutions.

When and how do I apply for the rebate?

You will apply directly to the New Brunswick Department of Finance for your rebate. Application forms and information are currently being developed and will be posted on this site early in 2007.

You may apply for your rebate after you have filed your 2006 personal income tax returns and have received your Notice of Assessment from the Canada Revenue Agency. Rebates related to tuition costs for 2005 and 2006 can be claimed at that time, if you have New Brunswick income tax payable for the 2006 taxation year.

What if I went to school outside the province or outside the country?

You may be eligible as long as the federal government recognizes the institution at which you received your training.

How do I accumulate tax rebate credits?

To determine the credits you have accumulated towards your rebate, total the amount of tuition costs you have incurred through your attendance at approved institutions. Your accumulated credits will be equal to 50% of your tuition costs (maximum of \$10,000). For example: if you attended a 2 year community college program and paid a total of \$6,000 in tuition, you will accumulate credits of \$3,000 (50% of \$6,000); if you attended university for 4 years and paid a total of \$20,000 in tuition, you will accumulate credits of \$10,000.

Is there a maximum I can claim?

You can claim a maximum lifetime amount of \$10,000.

Can I transfer my credits to someone else?

No.

How much will the rebate be?

The maximum rebate for any given year is \$2,000. You must have \$2,000 or more of New Brunswick income tax payable in order to receive the full rebate for that year. For example, if you have \$600 New Brunswick income tax payable, but have accumulated a credit of \$2,000, you will only be eligible for a rebate of \$600 for that particular taxation year. You may carry the rest forward and claim it if you have New Brunswick tax payable in subsequent years.

How long do I have to claim my rebate?

You have 20 years inclusive of the first year you begin to claim credits. You may claim a maximum of \$2,000 per year. This means that it will take 5 years to claim your lifetime maximum, assuming you have \$2,000 or more New Brunswick income tax payable in the years in which you apply.

When do I begin to accumulate credits?

You can begin to accumulate credits starting January 1, 2005 if you are enrolled in an eligible institution and incur eligible tuition costs.

Does this program impact the current tuition income tax credit program?

No.

I attend school outside of New Brunswick and I file a New Brunswick income tax return, but I do not currently live in New Brunswick. Can I still apply for a rebate? (e.g. student living in Ontario)

Yes, as long as you file a New Brunswick income tax return and have income tax payable to New Brunswick, you may be eligible for a rebate.

If I graduate from university in 2005 can I claim a rebate and when?

If you paid tuition after January 1, 2005 to a post-secondary institution recognized by the federal government for the purposes of the tuition income tax credit, you will be eligible to accumulate a credit and claim a rebate if you have tax otherwise payable when you file income tax for the taxation year 2006 (which will be in 2007).

Do I have to graduate to be eligible?

No.

Do I have to have been in school full time to qualify?

No, tuition costs incurred for part-time studies undertaken at approved institutions are also eligible.

Do I have to apply in consecutive years for my rebate?

No, you may apply any time within 20 years of first claiming credit as long as you have New Brunswick income tax payable.

What if I take a break from my studies?

As long as you claim the rebate within 20 years of first earning a credit, you will be eligible to apply.

What if my tuition cost doesn't reach the lifetime maximum?

Your lifetime maximum must be earned and claimed within 20 years from the year you first claim a credit. In order to benefit from this program you must redeem your full allowable rebate within that time.

If my employer reimburses me for my tuition costs or pays my tuition am I eligible for the rebate?

You are eligible as long as you declare the reimbursement or payment by your employer on your personal income tax return as income.

Are tuition costs for a GED or for academic upgrading eligible?

No. The tuition must have been paid for post-secondary education.

I am not a Canadian citizen, but I am living and working in New Brunswick. Am I eligible?

As long as you file a personal income tax return with the Canada Revenue Agency, have New Brunswick personal income tax payable and meet all other eligibility requirements, you may be eligible.