



FEDERAL NORTHERN RESIDENTS DEDUCTIONS

**Marc-André Pigeon
Economics Division**

28 January 2004

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INTRODUCTION

Residents of northern and isolated areas in Canada face several challenges relative to those living in southern and more populated regions. In addition to a difficult climate and restricted access to goods and services, they usually face higher living costs because long distances from major markets add to the cost of basic goods and services. Because of these challenges, employers often find it difficult to recruit and retain employees, particularly skilled workers in general and people in the medical profession in particular. Moreover, employment tends to be either seasonal or closely tied to the economic cycle because these areas tend to have largely resource-based economies. This, too, can be a disincentive for prospective employees.

The federal Northern Residents Deductions (NRD),⁽¹⁾ a tax policy delivered through the federal government's *Income Tax Act*, is designed to address some of these difficulties.⁽²⁾ It provides a residency deduction of up to \$15 a day (depending on whether the person resides in the Northern Zone or the Intermediate Zone) worth up to \$5,475 annually,⁽³⁾ a deduction for up to two employer-provided vacation trips per year, and a deduction for unlimited employer-provided medical travel.⁽⁴⁾ According to projections by the Department of Finance, the NRD cost the federal government \$125 million in forgone tax revenue or "tax expenditures" in

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- (1) Some provinces, such as Quebec, offer a virtually identical deduction for persons living in remote and isolated areas.
 - (2) Throughout this document, the acronym "NRD" will be used in the singular form even though the NRD refers to deductions in the plural.
 - (3) Technically, the deduction is the lesser of either a) 20% of the taxpayer's revenue, or b) \$15 multiplied by the number of days the taxpayer lived in one of the designated zones, with a minimum residency of six months. Any taxpayer with an annual revenue of at least \$27,375 and who lived the full year in the Northern Zone benefits from the \$5,475 maximum deduction. The maximum deduction for Intermediate Zone residents is one-half that amount, i.e., \$2,737.50.
 - (4) This summary is from the Department of Finance publication *Tax Expenditures: Notes to the Estimates/Projections*, p. 28, available at: http://www.fin.gc.ca/toce/2000/taxexpnot_e.html. For details on how the deduction actually works, see Canada Customs and Revenue Agency Tax Form "T2222: Northern Residents Deductions," available at: <http://www.cra-arc.gc.ca/E/pbg/tf/t2222/README.html>.

2003.⁽⁵⁾ This paper looks at the NRD in detail, starting with a discussion of who is eligible for the NRD, then moving to a short historical summary and finally looking at some of the policy rationales for and against the NRD.

NORTHERN VERSUS INTERMEDIATE ZONES

To be eligible for the Northern Residents Deductions, a person must reside at least part of the year in one of two zones, either the Northern Zone (also known as Zone A) or the Intermediate Zone (also known as Zone B). Residents of the Northern Zone are eligible for full NRD benefits, while residents of the Intermediate Zone are eligible for 50% of the benefits available to Northern Zone residents.

According to section 7303.1(1) of the *Income Tax Regulations*, the Northern Zone includes all of the Yukon, Nunavut, the Northwest Territories and Labrador (including Belle Isle), as well as:

- those parts of British Columbia, Alberta and Saskatchewan that lie north of 57°30'N latitude
- that part of Manitoba that lies
 - i north of 56°20'N latitude, or
 - ii north of 52°30'N latitude and east of 95°25'W longitude
- that part of Ontario that lies
 - i. north of 52°30'N latitude, or
 - ii. north of 51°05'N latitude and east of 89°10'W longitude
- that part of Quebec that lies
 - i. north of 51°05'N latitude, or
 - ii. east of 63°00'W longitude and north of the Gulf of St. Lawrence.

There are no Northern Zone communities in the Maritimes or Newfoundland.

Intermediate Zone (Zone B) communities include the Queen Charlotte Islands, Anticosti Island, the Magdalen Islands and Sable Island (the only NRD area in the Maritimes). According to section 7303.1(2) of the *Income Tax Regulations*, Intermediate Zone communities also include:

(5) Department of Finance, *Tax Expenditures and Evaluations 2003*, Table 1, available at: http://www.fin.gc.ca/taxexp/2003/taxexp03_2e.html.

- that part of British Columbia that lies
 - i. north of 55°35'N latitude, or
 - ii. north of 55°00'N latitude and east of 122°00'W longitude
- that part of Alberta that lies north of 55°00'N latitude
- that part of Saskatchewan that lies
 - i. north of 55°00'N latitude,
 - ii. north of 54°15'N latitude and east of 107°00'W longitude, or
 - iii. north of 53°20'N latitude and east of 103°00'W longitude
- that part of Manitoba that lies
 - i. north of 53°20'N latitude,
 - ii. north of 52°10'N latitude and east of 97°40'W longitude, or
 - iii. north of 51°30'N latitude and east of 96°00'W longitude
- that part of Ontario that lies north of 50°35'N latitude
- that part of Quebec that lies
 - i. north of 50°35'N latitude and west of 79°00'W longitude,
 - ii. north of 49°00'N latitude, east of 79°00'W longitude and west of 74°00'W longitude,
 - iii. north of 50°00'N latitude, east of 74°00'W longitude and west of 70°00'W longitude,
 - iv. north of 50°45'N latitude, east of 70°00'W longitude and west of 65°30'W longitude, or
 - v. north of the Gulf of St. Lawrence, east of 65°30'W longitude and west of 63°00'W longitude.

Appendix A provides a detailed list of some of the eligible Northern and Intermediate Zone communities. Appendix B maps the contours of the Northern Zone, as first calculated by the Task Force on Tax Benefits for Northern and Isolated Areas, which is discussed in detail below.

HISTORICAL CONTEXT

Employers in northern and isolated areas sometimes pay above-average wages or benefits in order to recruit and retain employees. Prior to the introduction of the Northern Residents Deductions in 1986,⁽⁶⁾ the value of these additional benefits was not always reported, even though they constituted a taxable benefit under paragraph 6(1) of the *Income Tax Act*.

(6) Specifically, section 110.7 was added to the *Income Tax Act*. The measure became effective on 1 January 1987.

This conflict between practice and the law came to light after an audit by Revenue Canada⁽⁷⁾ in the late 1970s revealed that non-reporting of benefits was widespread in northern communities. Acting on the audit, Revenue Canada put northern employers and employees on notice that it intended henceforth to collect tax owing on these hitherto unreported amounts. This announcement generated concern amongst northern residents. The federal government responded by announcing a moratorium on taxation of these benefits in order to study the issue more closely.

In 1980, the federal government issued a remission order that absolved northerners from any liabilities that may have otherwise accrued on unpaid taxes for housing and travel benefits supplied by employers. In so doing, the government essentially gave a tax advantage to northern residents who worked for employers willing and able to provide these benefits. The unemployed, people who chose to stay out of the labour force, and those who worked for employers who could not afford or were unwilling to extend housing or travel benefits did not benefit from the remission order, which was applied retroactively to 1978 and was subsequently extended on a year-by-year basis until the NRD came into effect in 1987.

The NRD created a federal housing tax benefit for all persons living in designated northern communities, regardless of whether they worked or not, or of when they worked. Employees of firms that provided travel and medical benefits still, however, enjoyed a tax advantage relative to those who did not.⁽⁸⁾ In choosing which communities would be eligible for the NRD, the federal government applied the same criteria it used to decide who amongst its own employees were eligible for northern and isolated area pay premiums.

Northerners and persons in isolated communities were not, however, satisfied with this new arrangement. Many complained that the NRD was too arbitrary, largely because some communities found themselves ineligible for the NRD benefits even though they shared much in common or were situated close to eligible communities.⁽⁹⁾ Many also complained that

(7) Later renamed the Canada Customs and Revenue Agency, and now the Canada Revenue Agency.

(8) As noted above, employees can deduct up to two employer-provided non-medical-related trips from their income each year plus an unlimited number of medical-related trips.

(9) The pre-1993 rules stipulated that communities south of 55° latitude and more than 160 kilometres from a community of 10,000 persons were eligible for the NRD. This rule created situations where two neighbouring communities – one inside the limit and the other outside – received different tax treatment despite their virtually identical circumstances. This situation happened, for example, along the south shore of the Gaspésie region of Quebec where, because of their distance (more than 160 kilometres) from two major urban centres with populations in excess of 10,000 people (Gaspé and Matane), a number of communities qualified for the deduction. Others, very near to these eligible communities and also on the south shore but not quite 160 kilometres from Gaspé or Matane, failed to qualify.

the NRD regulations were too complex (see Appendix C for a description of these repealed criteria), leading to frequent disputes with Revenue Canada about interpretation of the rules.

On 29 April 1988, the Task Force on Tax Benefits for Northern and Isolated Areas was created by the federal government to consult with affected communities and to recommend alternative approaches to determining eligibility. It reported in October 1989, recommending that the government abandon its community-by-community approach because “some communities, ineligible on grounds of population or distance, bordered on others which qualified for benefits despite the fact that their residents shared many services, had common work places, and faced the same environmental and climactic conditions.”⁽¹⁰⁾ Using analysis that relied on a combination of factors such as isolation, vegetation, permafrost, population and distance to urban centres, the Task Force proposed a single Northern Zone. The Task Force also said that while some southern communities did score highly in its ranking system, it recommended against including them as eligible communities because “to make exceptions on a community-by-community basis would perpetuate the inequities and anomalies of the current system.”⁽¹¹⁾ The government adopted the Task Force’s recommendation for a Northern Zone but also chose to add an Intermediate Zone (as described above) when it amended the regulations to the *Income Tax Act* in 1993.

RATIONALE FOR SPECIAL TAX TREATMENT

Special tax treatment for northern and isolated areas is usually justified on five main grounds.

A. Sovereignty

Nation states the world over have historically acted to secure their claims over sparsely populated and isolated areas by a variety of means. In some countries and in some historical periods, these attempts to secure sovereignty have meant forcibly moving people into (or out of) northern and/or isolated areas. In more recent times, governments have attempted to establish and/or maintain claims to these areas by generating economic activity and providing incentives for people to locate to these regions.

(10) *Report of the Task Force on Tax Benefits for Northern and Isolated Areas*, October 1989, p. 29.

(11) *Ibid.*, p. 30.

B. Economic Development

Employment in northern and isolated areas tends to be concentrated in mines, forestry, energy development projects, administrative centres, military installations and tourism. These sectors of the economy tend to be either seasonal or subject to cyclical fluctuations, leading to sporadic demand for workers. Special tax treatment (i.e., tax incentives) can help employers in these areas recruit and retain workers, most of whom are from more populated southern areas which benefit from less cyclical economies, a milder climate, easier access to health, cultural and educational facilities, and better transportation and communication linkages. The tax incentives may also encourage less-skilled workers to continue living in these areas during the off-season or in an economic downturn, thus sustaining a local labour pool for employers.

C. Regional Differences in Wages and Cost of Living

The cost of living in northern Canada and in small, isolated communities is, generally speaking, higher than in large urban centres, primarily because of higher transportation costs. Shipping goods from distant major centres via ice roads, water, rail or air adds to the cost of basic necessities such as food, clothing and shelter. To entice workers to these isolated areas and to compensate for higher living costs, some firms pay their workers “isolation pay” in the form of above-average wages, or benefits such as housing or travel benefits, or both. Combined with a progressive tax system (i.e., a tax that is larger as a percentage of income for those with larger incomes), these higher benefits may lead to unequal tax treatment.⁽¹²⁾ Consequently, some argue that special tax treatment is required to redress this inequity.⁽¹³⁾

(12) To illustrate, consider two taxpayers: one living and working in a populated southern area, another living and working in a northern area. The southern person earns \$32,000 a year and the northern person \$40,000. If the cost of living in the north is 25% higher, both have the same purchasing power (i.e., they can purchase an identical basket of goods). For the sake of simplicity, assume zero tax credits or deductions. Assume also that the southern person faces a combined federal/provincial marginal tax rate of 26% (roughly the situation of someone making \$32,000 in New Brunswick in 2004), while the northern person faces a combined rate of 29% (roughly the situation of someone making \$40,000 in Nunavut). The southerner pays \$8,320 in taxes, while the northerner pays \$11,600, leaving a disposable income of \$23,680 and \$28,400 respectively. Remember, however, that the northern resident pays 25% more for the same goods and services that his or her counterpart might purchase in the south, which means that his or her \$28,400 is really worth \$22,720 in the south. As a result, the northerner has \$960 (\$23,680 – \$22,720) less than his or her southern counterpart because of the progressive tax system.

(13) While the logic of the argument is straightforward, it is not clear that the cost of living in northern and isolated areas is *necessarily* higher. Residents of northern and isolated areas may, for example, have different consumption patterns, preferring to eat locally obtained meats (caribou, seal, etc.) and engage in activities particular to the north, such as year-round snowmobiling, skiing or hunting for certain species not found in more southern areas.

D. Regional Differences in the Level of Goods and Services

Residents of northern and isolated areas generally have less access to specialized goods and services, particularly with respect to health care, education and recreation. The federal government has a long tradition of supporting regions through its equalization and Territorial Formula Financing (TFF) programs, which help provinces and territories provide basic services comparable to those available elsewhere. Those in favour of special tax treatment for northern and isolated areas argue that the equalization and TFF programs are insufficient and need to be augmented by tax measures such as the NRD.

E. Environmental Hardship

Northern areas typically experience long, cold winters and have barren terrain. Farming is virtually non-existent. Distance from major population centres adds to the sense of isolation. As noted, some employers provide additional benefits to help employees alleviate this sense of isolation. Consequently, the argument is made that special tax assistance is needed so that these types of benefits – typically not needed in southern or urban areas – are affordable and practical for northern residents, again with a view to attracting and retaining workers.

ARGUMENTS AGAINST SPECIAL TAX TREATMENT

As noted, the Department of Finance calculates the tax impact of the Northern Residents Deductions. This suggests that the Department of Finance views the NRD as a deviation from a benchmark tax system that the Department presumably feels would be equitable to all Canadians.⁽¹⁴⁾ There are three major types of arguments used against special tax treatment, whether for residents of northern and isolated areas, or for businesses or individuals more generally.

(14) Tax expenditures are defined as deviations from a benchmark system that theoretically treats all tax-paying individuals in an equitable fashion. In practice, of course, it is almost impossible to implement a perfectly fair tax system.

A. Freedom of Choice

The freedom of choice argument says that the federal government should not subsidize individuals' choices. People choose to live in isolated and remote areas presumably because they believe the quality of life there is superior to the quality of life elsewhere. They may, for example, appreciate the strong sense of community typical of isolated and remote areas, something that may be difficult to replicate or find in more southern or populated locales. They may also appreciate the relative isolation for its own sake, for the lack of pollution and noise, or the availability of wide open spaces and even the extended cold periods. These are all things that residents of more southerly and populated areas find difficult to obtain, and yet no one is suggesting that the federal government provide them with a tax deduction. To the extent that northern and isolated residents live in these areas because they appreciate their "intrinsic qualities," the NRD is a windfall gain for these residents and an unnecessary federal government incentive.

B. Let the Market Do the Job

The free market argument says that market forces are better at determining population levels in northern and remote areas and, moreover, government subsidies are likely to lead only to negative outcomes. For example, the NRD may be just enough of an incentive to encourage unemployed people to stay in these northern and remote areas during economic downturns, thereby depressing wages unduly. Without the NRD, the unemployed would likely migrate to more populous and economically vibrant areas in the south. When the northern and isolated area economies recover, wages would be under more pressure to rise (because of the smaller labour pool), attracting some of the erstwhile residents back to the north. In short, the market will solve any potential labour shortages through the price (wage) mechanism.

C. Regional Tax Discrimination

Proponents of the regional tax discrimination argument say that the NRD is not only unnecessary, it may even be harmful to the extent that it benefits Northern and Intermediate Zones relative to other areas of the country that are ineligible for the deduction. This criticism was frequently voiced following the initial introduction of the NRD, when eligibility was determined on a community-by-community basis according to what some believed were

arbitrary criteria. This argument proved to be an important reason for the 1993 amendments to the NRD. With the move to two major zones (i.e., Zone A and Zone B), the argument has lost some of its appeal, although communities near and around crucial border areas – those near the 55th or 60th parallel, for example – may still feel disadvantaged either because they are ineligible for the deduction despite being close to eligible communities (which is the case for some communities south of the 55th parallel) or because they have access to only 50% of the deduction (i.e., those who are in the Intermediate Zone but near the border of the Northern Zone).

CONCLUSION

The Northern Residents Deductions tax program was created in 1986, implemented in 1987 and amended in 1993. The 1993 amendments created a Northern Zone, whose residents are eligible for 100% of the deduction, and an Intermediate Zone, whose residents are eligible for a 50% deduction.

The NRD was, and is, designed to provide an incentive to encourage workers, particularly skilled workers, to work and live in northern and remote areas by compensating them for higher living costs and making it more affordable to travel south for holidays and medical treatment. In so doing, it also formalized an informal practice first uncovered by Revenue Canada in the 1970s of not reporting employer-provided housing and travel benefits. Beginning in 1987, employers and employees were required to report the amount of these benefits on their income tax returns, with the NRD essentially rendering all or a portion of these benefits tax-free. While there are a number of arguments for and against the NRD, and while the NRD appears to provide a substantial financial incentive to move to, and remain in, northern and isolated areas, there has been no detailed analysis of the effectiveness of the measure in attaining its stated objective.

APPENDIX A

NORTHERN RESIDENTS DEDUCTIONS – PLACES IN PRESCRIBED ZONES



Northern Residents Deductions – Places in Prescribed Zones / Déductions pour les habitants de régions éloignées – Endroits situés dans les zones visées par règlement

Zone A – Prescribed Northern Zones / Zones nordiques visées par règlement

Place names followed by numbers are Indian reserves. If you live in a place that is not listed in this publication and you think it is in a prescribed zone, contact us. / Les noms suivis de chiffres sont des réserves indiennes. Communiquez avec nous si l'endroit où vous habitez ne figure pas dans cette publication et si vous croyez qu'il se situe dans une zone visée par règlement.

Yukon, Nunavut, and the Northwest Territories / Yukon, Nunavut et Territoires du Nord-Ouest

All places in the Yukon, Nunavut, and the Northwest Territories are located in a prescribed northern zone. / Tous les endroits situés dans le Yukon, le Nunavut et les Territoires du Nord-Ouest se trouvent dans des zones nordiques visées par règlement.

British Columbia / Colombie-Britannique

Andy Bailey Recreation Area	Good Hope Lake	Nelson Forks	Tahltan	Liard River 3
Atlin	Gutah	New Polaris Mine	Taku	McDames Creek 2
Atlin Park	Hyland Post	Niteal	Taku River	McDonald Lake 1
Atlin Recreation Area	Hyland Ranch	Old Fort Nelson	Tamarack	Mosquito Creek 5
Bear Camp	Hyland River Park	Pavey	Tarahne Park	Muddy River 1
Ben-My-Chree	Iskut	Pennington	Telegraph Creek	One Mile Point 1
Bennett	Jacksons	Pleasant Camp	Tetsa River Park	Prophet River 4
Boulder City	Kahntah	Porter Landing	Toad River	Salmon Creek 3
Boya Lake Park	Kledo Creek Park	Prophet River	Trutch	Silver Salmon Lake 5
Callison Ranch	Klua	Prophet River Recreation Area	Tulsequah	Snake 5
Cariboo Meadows	Laketon	Rainy Hollow	White Pass	Stikine River 7
Cassiar (Troutline Creek)	Liard River	Rupert	Reserves / Réserves :	Summit Lake Mile 392
Centreville	Liard River Hotsprings Park	Saloon	Atlin-Teslin Indian Cemetery 4	Tahltan 1
Coal River	Lindeman	Scotia Bay	Blue River 1	Tahltan 10
Days Ranch	Log Cabin	Sheslay	Classy Creek 8	Tahltan Forks 5
Dease Lake	Lower Post	Sikanni (railway siding / point ferroviaire)	Dease Lake 9	Taku 6
Defot	Magnum Mine	Skooks Landing	Dease River 2	Tatcho Creek 11
Eddontenajon	Maxhamish Lake Park	Smith River	Dease River 3	Telegraph Creek 6
Ekwan	McDame	Smith River Military Reserve	Five Mile Point 3	Telegraph Creek 6A
Elleh	Meadows	Snake River	Fontas 1	Teslin Lake 7
Engineer	Mosquito Flats	Steamboat	Fort Nelson 2	Teslin Lake 9
Fireside	Mount Edziza Park	Stikine River Recreation Area	Hiusta's Meadow 2	Upper Tahltan 4
Fontas	Mount Edziza Recreation Area	Stone Mountain Park	Horse Ranch Pass 4	Weissener Lake 3
Fort Nelson	Muncho Lake	Surprise	Jennings River 8	
Fraser (White Pass)	Muncho Lake Park		Kahntah 3	
Gleam	Muskwa		Kluachon Lake 1	
Glenora				

Alberta (*location is in Wood Buffalo National Park / *l'endroit se trouve dans le parc national Wood Buffalo)

Adams Landing	Forestry West Zama	Kemp River	Point Brule	Boyer 164
Angus Tower *	(airfield / terrain d'aviation)	Kenny Woods	Quatre Fourches	Bushe River 207
Assumption	Fort Chipewyan	La Crête	Rainbow Imperial	Child Lake 164A
Berdinskies	Fort Smith Settlement	Lambert Creek Tower	(airfield / terrain d'aviation)	Chipewyan 201
Big Slough	Fort Vermilion	Little Fishery	Rainbow Lake	Chipewyan 201A
Boyer	Fox Lake	Little Red River	Rocky Lane	Chipewyan 201B
Boyer Settlement	Garden Creek	Lutose	Slavey Creek	Chipewyan 201C
Buffalo Head Prairie	Garden River	Margaret Lake	Steen River	Chipewyan 201D
Carcajou	(Pakwanutik River)	Meander River	Sweetgrass Landing	Chipewyan 201E
Carlson Landing	Habay	Meander River Station	Vermilion Chutes	Chipewyan 201F
Chateh	Hay Camp	Metis	Wadlin Tower	Chipewyan 201G
Cherry Mountain *	High Level	North Vermilion Settlement	Warden Station *	Fox Lake 162
Davidson Lake *	High Rock *	Old Fort	Wentzel Lake	Hay Lake 209
Embarras (Athabasca River / rivière Athabasca)	Hutch Lake	Paddle Prairie	Zama Lake	Jackfish Point 214
Embarras Portage	Indian Cabins	Paddle Prairie Metis Settlement		John D'Or Prairie 215
Fifth Meridian	Jackfish	Parsons Lake *	Reserves / Réserves :	Tall Cree 173
Fitzgerald (Slave River)	Jackfish River	Peace Point	Amber River 211	Tall Cree 173A
Footner Lake	John D'Or Prairie	Pine Lake *	Beaver Ranch 163	Upper Hay River 212
	Keg River		Bistcho Lake 213	Zama Lake 210

Zone A (continued / suite)

Saskatchewan

Beaver Lake	Collins Bay	Points North Landing	Waterloo Lake	Fond du Lac 227
Black Lake	Eldorado	(north of Wollaston Lake	Wollaston Lake	Fond du Lac 228
Bushell	Fond du Lac	/ au nord de		Fond du Lac 229
Camsell Portage	Goldfields	Wollaston Lake)	Reserves / Réserves :	Fond du Lac 231
Cluff Lake	Gunnar	Stony Rapids	Chicken 224	Fond du Lac 232
	Lorado	Uranium City	Chicken 225	Fond du Lac 233
			Chicken 226	Lac la Hache 220

Manitoba

Amery	Gods Lake Narrows	Lawledge	O'Day	Weir River
Back	Gods River	Le Pensie	Ominecaenowenik	Willbeach
Belcher	Herchmer	Leaf Rapids	Oxford House	Wivenhoe
Bird	Herriot	Limestone (railway siding /	Piponshewanik	York Factory
Brochet	Island Lake	point ferroviaire)	Port Nelson	Zed Lake Provincial
Burge Lake Provincial	Jacam	Long Spruce	Port Churchill	Recreation Park
Recreation Park	Johnsonkank	Long Spruce (generating	Red Sucker Lake	
Bylot	Kakapawanis	station / centrale	Ruttan Mine	Reserves / Réserves :
Charlebois	Kapaneewekamik Place	électrique)	St. Theresa Point	Brochet 197
Chesnaye	Kapuskaipachik	Luke	Sawbill	Fox Lake 1
Churchill	Kellett	Lynn Lake	Shamattawa	Fox Lake (Bird) 2
Cromarty	Kettle (generating	Matawak	Silcox	Gods Lake 23
Diggess	station / centrale	Mathias Columb	South Indian Lake	Island Lake 22
Drybrough	électrique)	(Granville Lake)	South Knife Lake	Island Lake 22A
Duck Lake Post	Kettle Rapids	M'Clintock	Starnes	Lac Brochet 197A
Fort Churchill	Kitchiokonim Place	McVeigh	Sundance	Oxford House 24
Fort Hall	Kitchisakik	Mistuhekasookun	Tadoule Lake	Red Sucker Lake 1976
Fox Mine	Kosapachekaywinasinne	Nonsuch	Thibaudeau	Shamattawa 1
Garden Hill	Kosapechekanesik	North Knife Lake	Tidal	
Gillam	Lac Brochet	North River	Waasagomach	
Gods Lake	Lamprey	Nunalla	Weesakachak	

Ontario

Angling Lake	Ghost River (west of	Opasquia Provincial Park	Weagamow Lake	Kingfisher 1
Attawapiskat	Moosonee / à l'ouest	Peawanuck (north of	Webeque	Marten Falls 65
Bearskin Lake	de Moosonee)	Webeque / au nord de	Winisk	Moose Factory 68
Big Beaver House	Kasabonika	Webeque)	Winisk River Provincial	Sachigo Lake 1
Big Lake (south of	Kasabonika Lake	Polar Bear Provincial	Park	Sachigo Lake 2
Winisk / au sud de	Kashechewan	Park	Wunnummin Lake	Sachigo Lake 3
Winisk)	Kingfisher Lake	Ponask		Sandy Lake 88
Big Trout Lake	Lake River	Sachigo Lake	Reserves / Réserves :	Wapekeka 1
Cape Henrietta-Maria	Lansdowne House	Sandy Lake	Attawapiskat 91	Wapekeka 2
Wilderness Area	Lingman Lake	Sandy Lake, Favourable	Attawapiskat 91A	Weagamow Lake 87
Deer Lake (Northern	Moose Factory	Lake P.O.	Bearskin Lake	Winisk 90
Ontario / nord de	Moosonee	Summer Beaver	(reserve / réserve)	Wunnummin 1
l'Ontario)	Muskat Dam Lake	Sutton Lake Gorge	Big Trout Lake	Wunnummin 2
Fort Albany	North Spirit Lake	Wilderness Area	(reserve / réserve)	Wunnummin Lake 86
Fort Hope	Ogoki	Tidewater Provincial	Factory Island 1	
Fort Hope, Eabamet P.O.	Old Fort Albany	Park	Fort Albany 67	
Fort Severn	Wilderness Area	Wawakapewin (Long	Fort Hope 64	
Galeton	Opasquia	Dog Lake)	Fort Severn 89	

Quebec / Québec

Achiwapaschikisit	Bonne-Espérance	Etamamiou	Kachimumiskwanuch	Kutawanis
Aguanish	Border-Beacon	Factory Point	Kanaaupscow	Kuujjuaq (Fort Chimo)
Akulivik	Bradore-Bay	Fermont	Kangiqsualujuaq	Kuujjuarapik
Anaukaskayach	Brisay	Fire Lake	(George River,	(Poste-de-la-Baleine)
Askwasimwakwanan	Burnt Creek	Forget	Port-Nouveau-Québec)	L'Île-Michon
Aupaluk	Canatiche	Fort MacKenzie	Kangiqsujuaq (Maricourt,	Lac-Dufresne (North
Awikwataukach	Caniapiscaw (Duplanter)	Gagnon	Wakeham Bay)	Shore / Côte-Nord)
Aylmer Sound	Cape Hopes Advance	Harrington Harbour	Kangirsuk (Bellin, Payne	Lac Eon
Baie-des-Ha!Ha! (North	Chevery	Île-du-Vieux-Fort	Bay)	Lac-Salé
Shore / Côte-Nord)	Chico	Île-Verte, L' (Archipel-	Kapistauchisitanach	Laforge
Baie-des-Loups	Chiman Uchimaskwaw	du-Vieux-Fort)	Kattiniq	La Grande-Deux (LG2)
Baie-des-Moutons	Chisasibi (Fort-George)	Inukjuak (Port Harrison)	Kawawachikamach	La Grande-Quatre (LG4)
Baie-Johan-Beetz	Déception	Istuyakamikw	Kegaska	La Grande-Trois (LG3)
Baie-Rouge	Eastmain	Ivujivik	Keyano	La Grande-Un (LG1)
Blanc-Sablon	Eric		Killiniq (Port Burwell)	La John

Zone A (continued / suite)

Quebec / Québec (continued / suite)

La Romaine	Nemiscau (Nemaska)	Radisson	Tastujaq	Wemindji
La Tabatière	Nitchequon	Rivière-Saint-Paul	Tête-à-la-Baleine	(Nouveau-Comptoir)
Les Mélézes	Old Fort Bay	Rochers-du-Cormoran	Umingmaqautik	Whapmagoostui
Lourdes-de-Blanc-Sablon	Passe-Gagnon	Roggan River	Umiujaq	(Poste-de-la-Baleine)
Machisat	Penney's Room	Saint-Augustin (North Shore / Côte-Nord)	Vieux-Comptoir	Wolf Bay
Matimekosh	Pischu Amakwayitach	Sakami	Vieux-Fort	
Middle Bay	Pointe-à-Maurier	Salluit (Sugluk)	Vieux-Poste	Reserves / Réserves :
Mikwasiskwaw	Pointe-Parent	Salmon Bay	Waco	Intowin (reserve / réserve)
Umitukap Aytakunich	Pointe-Rocheuse	Sangumaniq	Waskaganish	Natashquan 1
Mont-Wright	Port-Saint-Servan	Schefferville	(Fort-Rupert, Rupert House)	Romaine 2
Musquaro	Povungnituk (Puvirnituk)	Shekatika	Wawaw Pimi	
Mutton Bay	Premio	Spar Mica	Emichinanuch	
Naskapis	Purtunig	Stick Point		
Natashquan	Quaqtaq (Koartak)			

Newfoundland and Labrador / Terre-Neuve-et-Labrador

All places in Labrador, including Belle Isle, are in a prescribed northern zone. / *Tous les endroits situés au Labrador, y compris Belle Isle, se trouvent dans une zone nordique visée par règlement.*

Zone B – Prescribed Intermediate Zones / Zones intermédiaires visées par règlement

Place names followed by numbers are Indian reserves. If you live in a place that is not listed in this publication and you think it is in a prescribed zone, contact us. / *Les noms suivis de chiffres sont des réserves indiennes. Communiquez avec nous si l'endroit où vous habitez ne figure pas dans cette publication et si vous croyez qu'il se situe dans une zone visée par règlement.*

British Columbia / Colombie-Britannique

All places in the Queen Charlotte Islands are in a prescribed intermediate zone. / *Tous les endroits situés dans les îles de la Reine-Charlotte se trouvent dans une zone intermédiaire visée par règlement.*

Altona	Farrell Creek	Mesilinka River	Sunset Prairie	Cheztainya Lake 11
Arras	Federal Ranch	Meziadin Lake	Sweetwater	Doig River 206
Attachie	Fellers Heights	Moberly Lake	Taylor	Driftwood River 1
Baldoune	Flatrock	Monias	Teko	(Kastberg Creek)
Bear Flat	Fort St. John	Montney	Tomslake	East Moberly Lake 169
Bear Lake (Cassiar Land District)	Fowler	Murdale	Tremblay	Fort Ware 1
Beaton Ranch	Germansen Landing	North Pine	Tumbler Ridge	Georgie 17
Beryl Prairie	Goodlow	Old Hogem	Tupper	Halfway River 168
Bessborough	Grand Haven	Parkland	Twidwell Bend	Klewaduska 6 (Cataract)
Bob Quinn Lake	Groundbirch	Peejay	Two Rivers	Kotsine 2 (Skutsil)
Bond	Gundy	Pine Valley	Upper Cutbank	Kshwan 27
Boring Ranch	Halfway Lodge	Pineview	Upper Halfway	Kshwan 27A
Brady Ranch	Halfway Ranch	Pink Mountain	Urquhart	Kuldoe 1
Briar Ridge	Hasler Flat	Pouce Coupe	Valley View	Mile 62 1 / 2
Buick	Hickethier Ranch	Premier	Wabi	Moberly Lake 168A
Buick (post office / bureau de poste)	Hudson's Hope	Prespatou	Wagner Ranch	Moberly Lake 169
Bulkley House	Hulcross	Progress	Ware	North Tacla Lake 10
Cecil Lake	Ingenika	Queen Charlotte Islands	Willow Valley	(Bates Creek)
Charlie Lake	Ingenika Mine	Reine-Charlotte, (îles de la)	Willowbrook	North Tacla Lake 11A
Chetwynd	Iracard	Rolla	Wonowon (Mile 101)	(North End Meadow)
Clairmont	Kelly Lake	Rose Prairie	Worth	North Tacla Lake 12
Clayhurst	Kilkerran	Seven Mile Corner	Reserves / Réserves :	Police Meadow 2
Crying Girl Prairie	Kisgegag	Shearer Dale	Bear Lake 1A (Upper Driftwood)	Scamakounst 19
Dawson Creek	Kiskatinaw	Sikanni Chief	Bear Lake 1B (Tsaytut Bay)	South Parcel of Beaton River 204
Doe River	Kuldo	Simpson Ranch	Bear Lake 4 (Fort Connelly)	Sucker Lake 2
Dokie	Lexau Ranch	South Dawson	Bear River 3 (Sustut River)	Tsaytut Island 1C
Dokie Siding	Lone Prairie	Stewart	Blueberry River 205	Tsupmeet 5 (Patcha Creek)
East Pine	Lynx Creek	Stikine		West Moberly Lake 168A
Falls	Manson Creek	Strandberg Creek		
Farmington	Mason Creek	Sundance		
	McKearney Ranch	Sunrise Valley		
	McLean Ranch			

Alberta

Aggie	Brainard	Culp	Fitzsimmons	Harmon Valley
Agnes Lake	Breynat	Culp Station	Forest View	Hawk Hills
Albright	Bridgeview	Deadwood	Fort MacKay	Hayfield
Algar	Brownvale	Debolt	Fort McMurray	Hazelmere
Amesbury	Buffalo Lake	Decrene	Friedenstal	Heart River
Anzac	Cadotte Lake	Deer Hill	Gage	Heart Valley
Arcadia	Calais	Demmitt	Gift Lake	Hermit Lake
Assineau	Calling Lake	Devenish	Gift Lake Metis Settlement	High Prairie
Atikameg	Calling River	Dimsdale	Gilwood	Highland Park
Avenir	Canyon Creek	Dixonville	Girouxville	Hines Creek
Bad Heart	Chard	Donnelly	Glen Leslie	Hinton Trail
Ballater	Cheechem	Draper	Goodfare	Homestead
Bay Tree	Cherry Point	Dreau	Goodwin	Hondo
Bear Canyon	Chinook Valley	Driftpile	Gordondale	Hotchkiss
Beaverlodge	Chipewyan Lake	Dunvegan	Grande Prairie	Huallen
Behan	Clairmont	Eaglesham	Griffin Creek	Hythe
Belloy	Clarkson Valley	Early Gardens	Grimshaw	Imperial Mills
Berwyn	Clear Hills	Elmworth	Grist Lake (airfield / terrain d'aviation)	Jean Côté
Bezanson	Clear Prairie	Enilda	Grouard Mission	Joussard
Bison Lake	Cleardale	Erin Lodge	Grovedale	Judah
Bitumount	Codesa	Eureka River	Guy	Kathleen
Blueberry Mountain	Conklin	Fairview	Halcourt	Kenzie
Bluesky	Cowper (airfield / terrain d'aviation)	Falher		Kinosis
Bonanza	Crooked Creek	Faust		Kinuso
Braeburn		Fawcett Lake		Kleskun Hill

Zone B (continued / suite)

Alberta (continued / suite)

Ksituan	Mount Valley	Rycroft	Twinn Lakes	Gregoire Lake 176
La Glace	Nampa	Salt Prairie	Valhalla	Gregoire Lake 176A
Lac Magloire	New Fish Creek	Sandy Lake	Valhalla Centre	Gregoire Lake 176B
Lake Saskatoon	Niobe	Saulteaux	Valleyview	Halcro 150C
Last Lake	Normandville	Scotswood	Varrena	Horse Lakes 152B
Leddy	North Star	Sexsmith	Wabasca-Desmarais	House River Indian
Leicester	Northmark	Shaver	Wagner	Cemetery 178
Leighmore	Notikewin	Silver Valley	Wandering River	Janvier 194
Leismer	Overlea	Silverwood	Wanham	Jean Baptiste
Lenarthur	Peace Grove	Simon Lakes	Warrensville	Gambler 183
Lesser Slave Lake	Peace River	Slave Lake	Warrensville Centre	Namur Lake 174B
Settlement	Peerless Lake	Smith	Waterhole	Namur River 174A
Little Buffalo	Pelican Portage	Smithmill	Watino	Pakashan 150D
Loon Lake	Peoria	Smoky Heights	Weberville	Sawridge 150G
Loon River	Philomena	Spirit River	Webster	Sawridge 150H
Lothrop	Pingle	Springburn	Wembley	Sturgeon Lake 154
Lubicon Lake	Pipestone Creek	Spurfield	Wesley Creek	Sturgeon Lake 154A
Lyburn	Pitlochrie	St. Isidore	Whitburn	Sucker Creek 150A
Lynnton	Poplar Hill	Sturgeon Heights	Whitelaw	Swan River 150E
Manir	Poplar Ridge	Sunset House	Whitemud Creek	Utikoomak Lake 155
Manning	Prairie Echo	Sweathouse Creek	Widewater	Utikoomak Lake 155A
Manning Station	Prestville	Sylvester	Woking	Utikoomak Lake 155B
Margie	Quigley	Tangent	Worsley	Wabasca 166
Mariana Lake	Ranch	Tar Island		Wabasca 166A
Marie-Reine	Red Earth Creek	Teepee Creek	Reserves / Réserves :	Wabasca 166B
Marie-Reine Station	Red Star	Three Creeks	Assineau River 150F	Wabasca 166C
Marina	Reno	Tolstad	Clear Hills 152C	Wabasca 166D
Marten River	Rio Grande	Triangle	Clearwater 175	William McKenzie 151K
McLennan	Roma	Trout Lake	Drift Pile River 150	
Mildred Lake	Roma Junction	Trumpeter (near	Duncan's 151A	
Mitsue	Roxana	Beaverlodge, CFS / près	Fort McKay 174	
Moose Portage	Royce	de Beaverlodge, SFC)	Freeman 150B	

Saskatchewan

Air Ronge	Hall Lake (near Besnard	Red Earth	Carrot River 29A	Morin Lake 217
Beauval	Lake / près de Besnard	St. George's Hill	Churchill Lake 193A	Muskeg River 20C
Bélanger (east of La	Lake)	Sakamayack	Clearwater River	Nemebien River 156C
Loche / à l'est de La	Île-à-la-Crosse	Sandy Bay	Dene 221	Old Fort 157B
Loche)	Island Falls	Sandy Lake	Clearwater River	Opaskwayak Cree First
Brabant (Brabant Lake)	Jan Lake	Sandy Narrows	Dene 222	Nation 27A
Buffalo Narrows	Jans Bay	Shoal Lake	Clearwater River	Pelican Narrows 184B
Canoe Lake	Kinoosao	Southend Reindeer	Dene 223	Peter Pond Lake 193
Canoe Narrows	La Loche	Southend, Reindeer Lake	Cumberland 20	Pine Bluff 20A
Canoe River	La Loche West	Stanley Mission	Dipper Rapids 192C	Pine Bluff 20B
Cantyre	La Ronge	Sturgeon Landing	Elak Dase 192A	Potato River 156A
Cole Bay	Landing	Sucker River	Four Portages 157C	Primeau Lake 192F
Cree Lake	McLennan Lake	The Two Rivers	Fox Point 157D	Red Earth 29
Creighton	Michel Village	Turnor Lake	Fox Point 157E	Sandy Narrows 184C
Cumberland House	Missinipe	Wadin Bay	Grandmother's Bay 219	Shoal Lake 28A
Denare Beach	Molanosa	Weyakwin	Île-à-la-Crosse 192E	Southend 200
Deschambault Lake	Pakwaw Lake		Kitsakie 156B	Stanley 157
Descharme Lake	Patuanak	Reserves / Réserves :	Knee Lake 192B	Stanley 157A
Dillon	Pelican Narrows	Amisk Lake 184	La Plonge 192	Sturgeon Weir 184F
Dipper Rapids	Pemmican Portage	Birch Portage 184A	Lac la Ronge 156	Sucker River 156C
Flin Flon (Saskatchewan)	Phantom Beach	Budd's Point 20D	Little Hills 158	Turnor Lake 193B
Fort Black	Pine River	Canoe Lake 165	Little Hills 158A	Turnor Lake 194
Garson Lake	Pinehouse	Canoe Lake 165A	Little Hills 158B	Wapachewunak 192D
	Primeau Lake	Canoe Lake 165B	Mirond Lake 184E	Woody Lake 184D

Manitoba

Arnot	Big Eddy Settlement	Clearwater Lake	Dunlop	Grace Lake
Athapap	Boyd	Cold Lake	Dyce	Granville Lake
Atik	Bridgar	Cormorant	Earchman	Halcrow
Atikameg Lake	Budd	Cranberry Portage	Fay Lake	Heaman
Bakers Narrows	Channing	Cross Lake (south of	Finger	Heming Lake
Baldy	Charles	Thompson / au sud de	Flin Flon (Manitoba)	Herb Lake
Berens River	Chisel Lake	Thompson)	Flin Flon Junction	Herb Lake Landing
Big Black River	Claw Lake	Dering	Freshford	Highrock

Zone B (continued / suite)

Manitoba (continued / suite)

Hockin	Negginan	Root Lake	Warren Landing	Nelson House 170B
Hone	Nelson House	Rossville	Wekusko	Nelson House 170C
Ilford	Norway House	Ruddock	Westray	Norway House 17
Jenpeg	Notigi	Schist Lake	Whithorn	Pigeon River 13A
Jetait	Odhill	Sherridon	Wilde	Poplar River 16
Johnson	Opaskwayak Cree First	Sherritt Junction	York Landing	Rocky Lake 21L
Kelsey	Nation	Simonhouse	Young Point	Root Lake 231
Kelsey (generating station / centrale électrique)	Optic Lake	Sipiwesk		Salt Channel 21D
Kinosisipi	Orok	Snow Lake	Reserves / Réserves :	Split Lake 171
Kississing	Paint Lake	Split Lake	Berens River 13	Split Lake 171A
La Pérouse	Parlee	Stitt	Cross Lake 19	Split Lake 171B
Laurie River	Paterson	Takipy	Cross Lake 19A	Stony Point 21
Leven	Paungassii	The Pas	Cross Lake 19B	The Pas 21A
Little Grand Rapids	Pawistik	The Pas Airport	Cross Lake 19C	The Pas 21B
Lyddal	Payuk	Thicket Portage	Fox Lake West 3	The Pas 21C
Matago	Pikwitonei	Thompson	Highrock 199	The Pas 21D
Mathias Columb (Pukatawagan)	Pipun	Thompson Junction	Little Grand Rapids 14	The Pas 21E
Medard	Pit Siding	Tremaudan	Moose Lake 31A (near The Pas / près de The Pas)	The Pas 21F
Millwater	Ponton	Turnberry	Moose Lake 31C	The Pas 21G
Moak Lake	Prospector	Turnbull	Moose Lake 31G	The Pas 21H
Moose Lake	Pukatawagan	Tyrrell	Moose Lake 31J	The Pas 21I
Munk	Rafter	Umpherville	Nelson House 170	The Pas 21J
	Ralls Island	Venables	Nelson House 170A	The Pas 21K
	Rawebb	Wabowden		The Pas 21N
	Roblaytin	Wanless		The Pas 21P

Ontario

Balmertown	MacDowell (northeast of Red Lake / au nord-est de Red Lake)	Osnaburgh House	Skibi Lake	Starratt-Olsen
Bruce Lake	Madsen	Pickle Crow	Slate Falls (north of Sioux Lookout / au nord de Sioux Lookout)	Swain Post
Casummit Lake	Manitou Falls	Pickle Lake	Snake Falls	Uchi Lake
Cat Lake	McKenzie Island	Pikangikum	South Bay (northwest of Sioux Lookout / au nord-ouest de Sioux Lookout)	Reserves / Réserves :
Central Patricia	Moose River	Poplar Hill (north of Kenora) / au nord de Kenora)	Spirit Lake	Cat Lake 63C
Cochenour	Narrow Lake	Rat Rapids		Osnaburgh 63A
Ear Falls	New Osnaburgh	Red Lake		Pikangikum 14
Goldpines	Onakawana	Renison		

Quebec / Québec

Anville	Desmaraisville	L'Anse-à-la-Cabane	Leslie	Queylus (township / canton)
Arseneault	Ducharme	L'Anse-aux-Fraises	Longue-Pointe	Rivière-à-la-Chaloupe
Aurigny (Le Moulin)	Dune-du-Sud	L'Étang-du-Nord	Magpie	Rivière-au-Tonnerre
Baie-du-Poste	Étang-des-Caps	L'Île-d'Entrée	Matagami	Rivière-aux-Graines
Baie-du-Renard	Étang-du-Nord	L'Immaculée-Conception (Îles-de-la-Madeleine)	Millerand	Rivière-Boisvert
Baie-Sainte-Claire	Fatima	La Martinique	Mingan	Rivière-Chalifour
Bassin	Gand (township / canton)	La Vernière	Miquelon	Rivière-de-la-Chaloupe
Betchouane	Grand-Ruisseau	Lac-Allard	Mistassini (north of Chibougamau / au nord de Chibougamau)	Rivière-Saint-Jean
Boisville	Grande-Entrée	Lac-Bachelor	Morris	Rocher aux Oiseaux (lighthouse / phare)
Brouillan	Gros-Cap (Îles-de-la-Madeleine)	Lac-Cameron (near Chibougamau / près de Chibougamau)	Old-Harry	Scott (township / canton)
Cap-aux-Meules	Grosse-Île (Îles-de-la-Madeleine)	Lac David (Scott township / canton Scott)	Ouje-Bougoumou	Sheldrake
Cap-de-Rabast	Havre-Aubert	Le Corps-Mort	Petite-Baie	Soissons (township / canton)
Cap-Vert (Îles-de-la-Madeleine)	Havre-Saint-Pierre	Le Martinet (La Baie)	Pointe-aux-Loups	Table Head
Chapais	Heath Point	Le Pré	Pointe-Basse	Tika
Chemin-des-Buttes	Île-d'Entrée	Lebel-sur-Quévillon	Pointe-Carleton	Trois-Ruisseaux
Chibougamau	Île Brion	Les Caps	Pointe-de-l'Ouest	Vigneau
Comtois (township / canton)	Joutel	Les Sillons	Port-Menier	Waswanipi
Daubree (township / canton)	KaawiiPuuskasich		Portage-du-Cap	

Nova Scotia / Nouvelle-Écosse

Sable Island

Think recycling!



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APPENDIX B

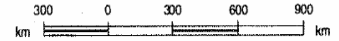
MAP OF THE NORTHERN ZONE

**TASK FORCE ON TAX BENEFITS
FOR NORTHERN AND ISOLATED AREAS**

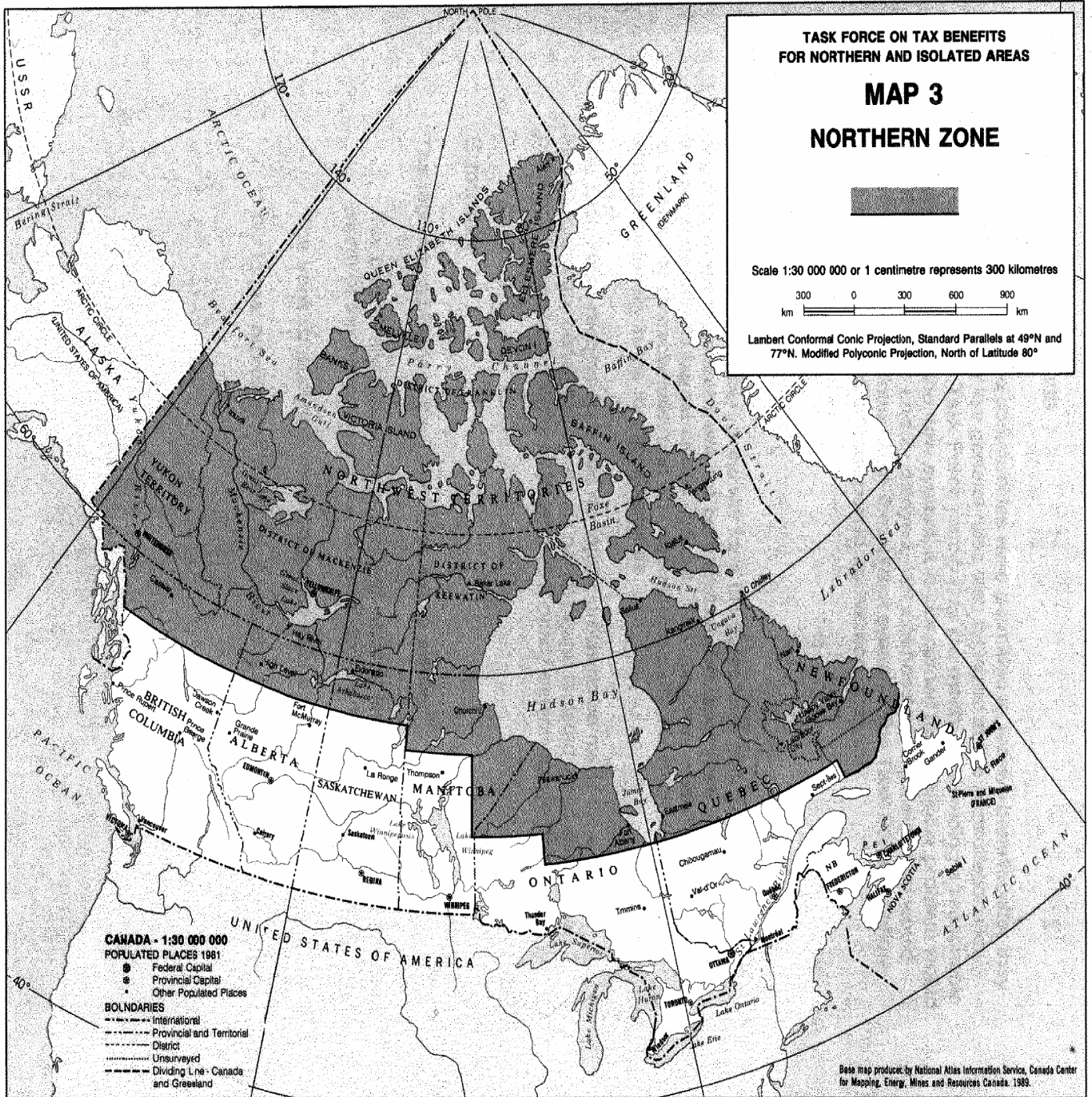
**MAP 3
NORTHERN ZONE**



Scale 1:30 000 000 or 1 centimetre represents 300 kilometres



Lambert Conformal Conic Projection, Standard Parallels at 49°N and 77°N. Modified Polyconic Projection, North of Latitude 80°



Base map produced by National Atlas Information Service, Canada Center for Mapping, Energy, Mines and Resources Canada, 1989.

APPENDIX C

NORTHERN RESIDENTS DEDUCTIONS CRITERIA, 1987-1993

APPENDIX C

NORTHERN RESIDENTS DEDUCTIONS CRITERIA, 1987-1993⁽¹⁾

7303. (1)(REVOKED): An area is a prescribed area for a taxation year for the purposes of section 110.7 of the Act where it is

- (a) an area in Canada that is on or north of the 60th parallel of north latitude;
- (b) an area in Canada south of the 60th parallel of north latitude and on or north of the 55th parallel of north latitude that, in the preceding taxation year, met the following requirements:
 - (i) it had a population of less than 10,000, and
 - (ii) there was no all-weather road providing access to the area or, where there was an all-weather road providing access to the area, it was more than 80 kilometres by all-weather road from the administrative centre of the urban centre that was nearest to the area;
- (c) an area in Canada south of the 55th parallel of north latitude other than an area that is situated in grassland south of the 50th parallel of north latitude, that, in the preceding taxation year, met the following requirements:
 - (i) it had a population of less than 10,000,
 - (ii) it was entitled to a total of 50 points or more determined under subsection (7),
 - (iii) where there was no all-weather road providing access to the area, it was more than 80 kilometres in a straight line from the administrative centre of the nearest urban centre with a population of 50,000 or more, and
 - (iv) where there was an all-weather road providing access to the area, it was more than 320 kilometres by all-weather road from the administrative centre of the urban centre with a population of 50,000 or more that was nearest to the area by all-weather road and was more than 160 kilometres by all-weather road from the administrative centre of the urban centre that was nearest to the area;
- (d) an area in Canada south of the 60th parallel of north latitude and on or north of the 55th parallel of north latitude that, in any preceding taxation year after 1985, met the requirements set out in paragraph (b) and in the immediately preceding taxation year met the following requirements:
 - (i) it had a population of less than 15,000, and
 - (ii) there was no all-weather road providing access to the area or, where there was an all-weather road providing access to the area, it was more than 1,610 kilometres by all-weather road from the administrative centre of the urban centre with a population of 100,000 or more that was nearest to the area; or

(1) CCH Canadian, 2003, *Canadian Income Tax Act with Regulations, 75th Edition*, Toronto: CCH Canadian, pp. 2662-2663.

(e) an area in Canada south of the 55th parallel of north latitude other than an area that is situated in grassland south of the 50th parallel of north latitude that, in any preceding taxation year after 1985, met the requirements set out in paragraph (c) and in the immediately preceding taxation year met the following requirements:

- (i) it was entitled to a total of 50 points or more determined under subsection (7),
- (ii) where there was no all-weather road providing access to the area, it had a population of less than 15,000, and
- (iii) where there was an all-weather road providing access to the area,
 - (A) it had a population of less than 10,000, or
 - (B) it had a population of more than 9,999 and less than 15,000 and it was more than 1,610 kilometres by all-weather road from the administrative centre of the urban centre with a population of 100,000 or more that was nearest to the area.

NOTE: SUBSECTION (7) WAS USED TO DETERMINE THE POINTS MENTIONED IN 1(c)(ii) and 1(e)(i) above. SUBSECTION (7) READS AS FOLLOWS:

7303(7)(REVOKED): For the purposes of subparagraphs (1)(c)(ii) and (e)(i), the number of points to which an area is entitled is the aggregate of

- (a) where the population of the area is
 - (i) from 1 to 99, 50 points,
 - (ii) from 100 to 499, 40 points,
 - (iii) from 500 to 999, 35 points,
 - (iv) from 1,000 to 1,999, 30 points,
 - (v) from 2,000 to 4,999, 25 points,
 - (vi) from 5,000 to 7,499, 15 points, and
 - (vii) from 7,500 to 9,999, 5 points;
- (b) where there is no all-weather road providing access to the area, the aggregate of 15 points and
 - (i) if the area is not served by a scheduled air, rail or ferry passenger service, 15 points,
 - (ii) if the area is served by a scheduled air, rail or ferry passenger service on fewer than 4 days per week, 10 points, and
 - (iii) if the area is served by a scheduled air, rail or ferry passenger service on more than 3 days per week, 5 points,
- (c) where the distance by all-weather road between the area and the administrative centre of the urban centre with a population of 15,000 or more that is nearest to the area is

- (i) equal to or more than 402 kilometres but less than 483 kilometres, 5 points,
- (ii) equal to or more than 483 kilometres but less than 803 kilometres, 10 points, and
- (iii) equal to or more than 803 kilometres, 15 points,

(d) where the area is in

- (i) tundra, 30 points, or
- (ii) open woodland, 15 points, and

(e) where the area

- (i) falls on or is encompassed by a line on one of the maps set out in Schedule X to which a point value has been assigned, the number of points assigned to that line,
- (ii) falls entirely between two lines on one of the maps set out in Schedule X to which point values have been assigned, the higher number of points assigned to one of the lines,
- (iii) falls between a line on one of the maps set out in Schedule X to which a point value has been assigned and the southern boundary of Canada, the number of points assigned to that line,
- (iv) falls west of the most westerly line on the map of British Columbia set out in Schedule X to which a point value of 15 points has been assigned, 20 points, and
- (v) falls between the most northerly line on one of the maps set out in Schedule X to which a point value has been assigned and the northern edge of the map, the number of points that is 5 points more than the number assigned to that line.