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New for Newfoundland and Labrador for 2021

The personal income levels used to calculate your Newfoundland and Labrador tax have changed.

The amounts for most provincial non-refundable tax credits and the **Newfoundland and Labrador low-income tax reduction** have changed.

A new refundable **physical activity tax credit** has been introduced for the cost of registering an eligible individual in sport and recreational activities.

Newfoundland and Labrador benefits for individuals and families

Newfoundland and Labrador child benefit (and mother baby nutrition supplement)

The Newfoundland and Labrador child benefit (NLCB) is a non-taxable amount paid monthly to help low-income families with the cost of raising children under 18 years of age. The mother baby nutrition supplement (MBNS) is an additional benefit paid to qualifying families who have children under one year of age. These benefits are combined with the Canada child benefit (CCB) into one monthly payment.

You do not need to apply for the NLCB or the MBNS. The Canada Revenue Agency (CRA) will use the information from your CCB application to determine if you are entitled to receive these benefits.

Newfoundland and Labrador income supplement

This supplement is a non-taxable amount paid to help low-income individuals and families. The supplement may include the Newfoundland and Labrador disability amount paid to help low- and modest-income individuals with disabilities. These amounts are combined with the quarterly federal GST/HST credit payment.

You do not need to apply for the GST/HST credit or the Newfoundland and Labrador income supplement. The CRA will use the information from your return to determine if you are entitled to receive these benefits.

Newfoundland and Labrador seniors' benefit

This benefit is a non-taxable amount based on the family net income for single seniors (65 years of age or older at any time in 2022) or married or common-law couples that includes at least one senior. This benefit is combined with the quarterly federal GST/HST credit payment.

You do not need to apply for the Newfoundland and Labrador seniors' benefit. The CRA will use the information from your return to determine if you are entitled to receive this benefit.

File your return

To make sure you get your payments on time, you (and your spouse or common-law partner) need to file your 2021 Income Tax and Benefit Return(s) by April 30, 2022. The CRA will use the information from your return(s) to calculate the payments you are entitled to get from these programs.

The Newfoundland and Labrador income supplement, Newfoundland and Labrador seniors' benefit, and NLCB are fully funded by the Province of Newfoundland and Labrador. For more information about these programs, go to canada.ca/cra-benefits-prov-terr or call the CRA at **1-800-387-1193**.

Completing your Newfoundland and Labrador forms

All the information you need to complete Form NL428, Newfoundland and Labrador Tax, and Form NL479, Newfoundland and Labrador Credits is included in this package. Complete the forms that apply to you and attach a copy to your return.

Forms NL428 and NL479 and those mentioned in this guide are available at canada.ca/cra-forms.

Definitions

Spouse refers to a person you are legally married to.

Common-law partner refers to a person who is not your spouse, but with whom you are in a conjugal relationship and **at least one** of the following conditions applies:

- This person has been living with you in a conjugal relationship for at least 12 continuous months (including any period of time where you were separated for less than 90 days because of a breakdown in the relationship)
- This person is the parent of your child by birth or adoption
- This person has custody and control of your child (or had custody and control immediately before the child turned 19 years of age) and your child is wholly dependent on them for support

End of the year means **any** of the following dates:

- December 31, 2021
- the date you left Canada if you emigrated in 2021
- the date of death for a person who died in 2021

Form NL428, Newfoundland and Labrador Tax

Complete Form NL428 if **one** of the following applies:

- You were a resident of Newfoundland and Labrador at the end of the year
- You were a non-resident of Canada in 2021 and **any** of the following applies:
 - You earned income from employment in Newfoundland and Labrador
 - You received income from a business with a permanent establishment **only** in Newfoundland and Labrador

When to complete Form T2203, Provincial and Territorial Taxes for Multiple Jurisdictions

Complete Form T2203 **instead** of Form NL428, if **both** of the following apply:

- You resided in Newfoundland and Labrador on December 31, 2021 (or the date you left Canada if you emigrated in 2021)
- All or part of your 2021 business income (including income received as a retired, inactive, or limited partner) was earned and can be allocated to a permanent establishment **outside** Newfoundland and Labrador

You also must complete Form T2203 if **both** of the following apply:

- You were a non-resident of Canada throughout 2021
- You were carrying on business in **more than one** province or territory in Canada or were receiving income from an office or employment that can reasonably be attributed to duties performed in **more than one** province or territory in Canada

Part A – Newfoundland and Labrador tax on taxable income

Newfoundland and Labrador tax rates for 2021

The following tax rates are used in the calculation of your Newfoundland and Labrador tax on taxable income:

- 8.7% on the portion of your taxable income that is \$38,081 or less, **plus**
- 14.5% on the portion of your taxable income that is more than \$38,081 but not more than \$76,161, **plus**
- 15.8% on the portion of your taxable income that is more than \$76,161 but not more than \$135,973, **plus**
- 17.3% on the portion of your taxable income that is more than \$135,973 but not more than \$190,363, **plus**
- 18.3% on the portion of your taxable income that is more than \$190,363

Part B – Newfoundland and Labrador non-refundable tax credits

The eligibility conditions and rules for claiming most Newfoundland and Labrador non-refundable tax credits are the same as those for the federal non-refundable tax credits. However, the amount and calculation of most Newfoundland and Labrador non-refundable tax credits are different from the corresponding federal credits.

Newcomers to Canada and emigrants

As a newcomer or an emigrant, you may be limited in the amount you can claim for certain provincial non-refundable tax credits.

If you reduced your claim for any of the following federal amounts, you also need to reduce your claim for the corresponding provincial amount in the same manner.

Federal amount on your return	Corresponding provincial amount on Form NL428
line 30000	line 58040
line 30100	line 58080
line 30300	line 58120
line 30400	line 58160
line 30425/30450	line 58200
line 31600	line 58440
line 31800	line 58480
line 32400	line 58600
line 32600	line 58640

For examples on how to calculate these amounts, see Guide T4055, Newcomers to Canada.

Line 58120 – Spouse or common-law partner amount

You can claim this amount if the rules are met for claiming the amount on line 30300 of your return and your spouse's or common-law partner's net income from line 23600 of their return (or the amount that it would be if they filed a return) is **less than \$8,572**.

Line 58160 – Amount for an eligible dependant

You can claim this amount if the rules are met for claiming the amount on line 30400 of your return and your dependant's net income from line 23600 of their return (or the amount that it would be if they filed a return) is **less than \$8,572**.

Line 58200 – Amount for infirm dependants age 18 or older

You can claim up to \$3,028 for each of your (or your spouse's or common-law partner's) dependent children or grandchildren born in 2003 or earlier who has an impairment in physical or mental functions.

You can also claim this amount for more than one person if each one meets **all** of the following conditions:

- They are your (or your spouse's or common-law partner's) parent, grandparent, brother, sister, aunt, uncle, niece, or nephew
- They were 18 years of age or older
- They were dependent on you (or on you and others) because of an impairment in physical or mental functions
- They were a resident of Canada at any time in the year

Notes

You **cannot** claim this amount for a person who was only visiting you.

A **parent** includes someone you were completely dependent upon and who had custody and control of you when you were under 19 years of age.

A **child** includes someone who is completely dependent upon you for support and whom you have custody and control of, even if they are older than you.

You can claim this amount only if the dependant's net income from line 23600 of their return (or the amount that it would be if they filed a return) is **less than \$9,536**.

If you had to make support payments for a child, you cannot claim an amount on line 58200 for that child unless **both** of the following conditions apply:

- You were separated from your spouse or common-law partner for only part of 2021 because of a breakdown in your relationship
- You did not claim any support amounts paid to your spouse or common-law partner on line 22000 of your return
- If **both** of these conditions are met, you can claim whichever of the following amounts is better for you:
 - line 58200 of your Form NL428
 - line 22000 of your return

How to claim this amount

Complete the calculation for line 58200 using Worksheet NL428. If you are claiming this amount for more than one dependant, enter the total amount on line 58200 of your Form NL428.

Note

The CRA may ask for a signed statement from a medical practitioner showing when the impairment began and how long it is expected to last. You do **not** need a signed statement from a medical practitioner if the CRA already has an approved Form T2201, Disability Tax Credit Certificate, for a specified period. The notice of determination will show which years you are eligible for.

Claim made by more than one person

If you and another person support the same dependant, you can split the claim for that dependant. However, the total amount of your claim and the other person's claim cannot be more than the maximum amount allowed for that dependant.

Line 58315 – Volunteer firefighters' amount and Line 58316 – Search and rescue volunteers' amount

You can claim the volunteer firefighters' amount (VFA) **or** the search and rescue volunteers' amount (SRVA) if the rules are met for claiming the amount on line 31220 or line 31240 of your return.

Enter on line 58315 the VFA you claimed on line 31220 of your return **or** enter on line 58316 the SRVA you claimed on line 31240 of your return.

Supporting documents

Do not send any supporting documents when you file your return. Keep them in case you are asked to provide them later.

The CRA may ask you to provide a written certificate from the fire department or search and rescue organization to confirm the number of hours of eligible volunteer firefighting or eligible volunteer search and rescue services you performed.

Note

Only residents of Newfoundland and Labrador are eligible for these amounts. If you were not a resident of Newfoundland and Labrador at the end of the year, you **cannot** claim either of these credits when calculating your Newfoundland and Labrador tax even if you may have received income from a source in Newfoundland and Labrador in 2021.

Line 58320 – Child care amount

You can claim this amount if you met the rules for claiming the amount on line 21400 of your return.

Enter on line 58320 of your Form NL428, the amount you claimed on line 21400 of your return.

Note

Only residents of Newfoundland and Labrador are eligible for this amount. If you were not a resident of Newfoundland and Labrador at the end of the year, you **cannot** claim this tax credit when calculating your Newfoundland and Labrador tax even if you may have received income from a source in Newfoundland and Labrador in 2021.

Line 58330 – Adoption expenses

You can claim this amount if the rules are met for claiming the amount on line 31300 of your return.

You can claim up to \$12,870 of eligible expenses for each child.

Two adoptive parents can split the amount if the total combined claim for eligible expenses for each child is not more than the amount before the split.

Note

Only residents of Newfoundland and Labrador are eligible for this amount. If you were not a resident of Newfoundland and Labrador at the end of the year, you **cannot** claim this tax credit when calculating your Newfoundland and Labrador tax even if you may have received income from a source in Newfoundland and Labrador in 2021.

Line 58360 – Pension income amount

The amount you can claim on line 58360 is the amount on line 31400 of your return **or \$1,000, whichever is less.**

Note

Only residents of Newfoundland and Labrador are eligible for this amount. If you were not a resident of Newfoundland and Labrador at the end of the year, you cannot claim this tax credit when calculating your Newfoundland and Labrador tax even if you may have received income from a source in Newfoundland and Labrador in 2021.

Line 58400 – Caregiver amount

If, at any time in 2021, you (alone or with another person) kept a dwelling where you and one or more of your dependants lived, you may be able to claim up to \$3,028 for each dependant.

Each dependant must be **one** of the following:

- your (or your spouse's or common-law partner's) child or grandchild
- your (or your spouse's or common-law partner's) brother, sister, niece, nephew, aunt, uncle, parent, or grandparent who was a resident in Canada

Note

You **cannot** claim this amount for a person who was only visiting you.

Also, each dependant must meet **all** of the following conditions:

- They were 18 years of age or older when they lived with you
- Their net income in 2021 from line 23600 of their return (or the amount that it would be if they filed a return) was **less than \$17,828**
- They were dependent upon you because of an impairment in physical or mental functions, or they were your (or your spouse's or common-law partner's) parent or grandparent born in 1956 or earlier

If you had to make support payments for a child, you cannot claim an amount on line 58400 for that child unless **both** of the following conditions apply:

- You were separated from your spouse or common-law partner for only part of 2021 because of a breakdown in your relationship
- You did not claim any support amounts paid to your spouse or common-law partner on line 22000 of your return

If **both** of these conditions are met, you can claim whichever of the following amounts is better for you:

- line 58400 of your Form NL428
- line 22000 of your return

How to claim this amount

Complete the calculation for line 58400 using Worksheet NL428. If you are claiming this amount for more than one dependant, enter the total amount on line 58400 of your Form NL428.

Claim made by more than one person

If you and another person support the same dependant, you can split the claim for that dependant. However, the total amount of your claim and the other person's claim cannot be more than the maximum amount allowed for that dependant.

Notes

If you or someone else is claiming the caregiver amount (line 58400) for a dependant, you cannot claim the amount for infirm dependants age 18 or older (line 58200) for that dependant.

If someone other than you is claiming the amount for an eligible dependant (line 58160), you cannot claim the caregiver amount for that dependant.

Line 58440 – Disability amount for self

You can claim this amount if the rules are met for claiming the amount on line 31600 of your return.

If you were 18 years of age or older at the end of the year, enter \$6,435 on line 58440 of your Form NL428.

If you were under 18 years of age at the end of the year, use Worksheet NL428 to calculate the amount to enter on line 58440.

Line 58480 – Disability amount transferred from a dependant

You can claim this amount if the rules are met for claiming the amount on line 31800 of your return.

Note

If you and your dependant were not residents of the same province or territory at the end of the year, special rules may apply. For more information, call the CRA at **1-800-959-8281**.

Line 58560 – Your tuition and education amounts

Complete Schedule NL(S11), Newfoundland and Labrador Tuition and Education Amounts.

Note

If you claimed the Canada Training Credit (CTC) on line 45350 of your return, the amount you enter on line 59140 of your Schedule NL(S11) is already reduced by the CTC claimed.

Transferring amounts

If you do not use all of your 2021 tuition and education amounts to reduce your provincial income tax to zero, you can transfer all or part of your unused tuition and education amounts available to **one** of the following designated individuals:

- your spouse or common-law partner (who would claim it on line 59090 of their Schedule NL(S2))
- your parent or grandparent (who would claim it on line 58600 of their Form NL428)
- your spouse's or common-law partner's parent or grandparent (who would claim it on line 58600 of their Form NL428)

Note

If your spouse or common-law partner is claiming an amount for you on line 58120 or line 58640 of their Form NL428, you cannot transfer your unused tuition and education amounts for the current-year to your (or your spouse's or common-law partner's) parent or grandparent.

To **designate** who can claim the transferred amount and to **specify** the provincial amount they can claim, complete any of the following forms that you received as a student:

- Form T2202, Tuition and Enrolment Certificate
- Form TL11A, Tuition and Enrolment Certificate – University Outside Canada
- Form TL11C, Tuition and Enrolment Certificate – Commuter to the United States

Complete the "Transfer or carryforward of unused amounts" section of Schedule NL(S11) to transfer an amount.

Carrying forward amounts

Complete the "Transfer or carryforward of unused amounts" section of Schedule NL(S11) to calculate the amount you can carry forward to a future year.

This amount is the part of your tuition and education amounts that you are not claiming for the current year and are not transferring to a designated individual.

Supporting documents

If you are filing a paper return, attach your completed Schedule NL(S11). Keep your supporting documents in case you are asked to provide them later.

Line 58600 – Tuition and education amounts transferred from a child or grandchild

You may be able to claim the transfer of all or part of the unused 2021 tuition and education amounts from your child or grandchild or their spouse or common-law partner.

The maximum amount each student can transfer to you is \$5,000 **minus** the current year's amount that they claimed.

How to claim this amount

Enter, on line 58600, the total of all tuition and education amounts transferred to you from each student as shown on their forms T2202, TL11A, and/or TL11C.

Notes

The student must enter this amount on line 59200 of their Schedule NL(S11). They may choose 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 previous years.

If you and the student were not residents of the same province or territory on December 31, 2021, special rules may apply. For more information, call the CRA at **1-800-959-8281**.

Line 58689 – Medical expenses for self, spouse or common-law partner, and your dependent children born in 2004 or later

The medical expenses you can claim on line 58689 are the same as those you can claim on line 33099 of your return. They also have to cover the same 12-month period ending in 2021 and must be expenses that were not claimed for 2020.

Line 58729 – Allowable amount of medical expenses for other dependants

You can claim medical expenses for other dependants in addition to the medical expenses for self, spouse or common-law partner, and your dependent children born in 2004 or later on line 58689.

The medical expenses you can claim on line 58729 are the same as those you can claim on line 33199 of your return. They also have to cover the same 12-month period ending in 2021 and must be expenses that were not claimed for 2020.

Part C – Newfoundland and Labrador tax

Line 57 – Newfoundland and Labrador tax on split income

If you are reporting federal tax on split income on line 40424 of your return, complete Part 3 of Form T1206, Tax on Split Income, to calculate the Newfoundland and Labrador tax to enter on line 42800 of your return.

Line 64 – Newfoundland and Labrador additional tax for minimum tax purposes

If you need to pay federal minimum tax as calculated on Form T691, Alternative Minimum Tax, complete the calculation on line 64 of your Form NL428 to determine your Newfoundland and Labrador additional tax for minimum tax purposes.

Line 66 – 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 able to claim a provincial foreign tax credit.

How to claim this credit

Complete Form T2036, Provincial or Territorial Foreign Tax Credit.

Supporting documents

If you are filing a paper return, attach your Form T2036.

Line 69 – Newfoundland and Labrador political contribution tax credit

You can claim this credit if, in 2021, you contributed to a registered Newfoundland and Labrador political party or district association, or to a registered Newfoundland and Labrador independent political candidate during an election period.

How to claim this credit

Enter your total political contributions made in 2021 on line 61750 of your Form NL428. Then calculate and enter your credit on line 69 as follows:

- For contributions of **more than \$1,150**, enter \$500 on line 69 of your Form NL428
- For contributions of **\$1,150 or less**, complete the calculation for line 69 using Worksheet NL428

Supporting documents

If you are filing a paper return, attach the official receipt (signed by an official of the registered political party or constituency association, or by the non-affiliated candidate's agent) for each contribution.

Line 71 – Direct equity tax credit

You can claim this credit for investments in eligible shares you acquired in 2021 (that you did not claim on your 2020 return) or in the first 60 days of 2022.

How to claim this credit

Complete Form T1272, Newfoundland and Labrador Direct Equity Tax Credit. The maximum credit you can claim is \$50,000 per tax year including any unused amounts from other years.

Supporting documents

If you are filing a paper return, attach your Form T1272 and your NL DETC-1 receipts.

Unused direct equity tax credit

You can carry forward your unused Newfoundland and Labrador direct equity tax credits for seven years or carry them back three years.

Any unused direct equity tax credit is shown on your last notice of assessment or reassessment.

You may not need all of your credit to reduce your 2021 Newfoundland and Labrador income tax to zero. Use Form T1272 to calculate any unused credit available to carry back to previous years or carry forward to a future year.

Line 73 – Resort property investment tax credit

You can claim this credit if you invested in a registered resort development property in 2021 and you were at least 19 years of age when you made the investment.

How to claim this credit

Complete Form T1297, Newfoundland and Labrador Resort Property Investment Tax Credit (Individuals). The maximum credit you can claim is \$50,000 per tax year including any unused amounts from other years. The lifetime maximum you can claim is \$150,000.

Supporting documents

If you are filing a paper return, attach your Form T1297 and your official NL RPITC receipt(s).

Unused resort property investment tax credit

You can carry forward your unused resort property investment tax credits for seven years or carry them back three years.

Any unused resort property investment tax credit is shown on your last notice of assessment or reassessment.

You may not need all of your credit to reduce your 2021 Newfoundland and Labrador income tax to zero. Use Form T1297 to calculate any unused credit available to carry back to previous years or carry forward to a future year.

Line 75 – Venture capital tax credit

You can claim a credit for investments you made in a qualifying venture capital fund in 2021 (that you did not claim on your 2020 return) or in the first 60 days of 2022.

How to claim this credit

Enter, on line 75 of your Form NL428, the credit shown on your Certificate(s) NL VCTC. The lifetime maximum you can claim is \$75,000.

Supporting documents

If you are filing a paper return, attach your Certificate(s) NL VCTC.

Unused venture capital tax credit

You can carry forward your unused venture capital tax credits for seven years or carry them back three years.

To claim an unused amount shown on your last notice of assessment or reassessment, enter the amount on line 76 of your Form NL428.

To claim a carry-back amount, you must ask the CRA to adjust your previous-year return. For more information, read "How to change a return" in the Federal Income Tax and Benefit Guide.

Newfoundland and Labrador low-income tax reduction

You can claim the Newfoundland and Labrador low-income tax reduction if you were a resident of Newfoundland and Labrador on December 31, 2021.

If you had a spouse or common-law partner on December 31, 2021, you and your spouse or common-law partner need to decide who will claim this tax reduction. The other spouse or common-law partner can claim any unused amount on their Form NL428.

If you are preparing a return for a resident of Newfoundland and Labrador who died in 2021, you can claim the tax reduction on their final return. If the deceased person had a spouse or common-law partner, you can claim the tax reduction on either the deceased person's final return or their surviving spouse's or common-law partner's return.

Line 79 – Unused low-income tax reduction from your spouse or common-law partner

If you had a spouse or common-law partner on December 31, 2021, and they did not need to use all of the low-income tax reduction to reduce their Newfoundland and Labrador tax to zero, you can claim their unused amount (from their Form NL428) on line 79 of your Form NL428.

Adjusted family income calculation for the Newfoundland and Labrador low-income tax reduction

To calculate your adjusted family income, complete lines 81 to 86 of your Form NL428 using the information from your and your spouse's or common-law partner's returns for the year.

Line 89 – Reduction for spouse or common-law partner

Claim \$481 if you had a spouse or common-law partner on December 31, 2021. If your spouse or common-law partner died in 2021, you **can** claim this amount.

Line 90 – Reduction for an eligible dependant

Claim \$481 if you claimed the amount for an eligible dependant on line 58160 of your Form NL428 and you did **not** claim a reduction for your spouse or common-law partner on line 89.

Unused low-income tax reduction that your spouse or common-law partner can claim

If you had a spouse or common-law partner on December 31, 2021, they can claim on their Form NL428 any amount of the low-income tax reduction that you do not need to use to reduce your Newfoundland and Labrador tax to zero.

Complete the calculation on lines 99 to 101 of your Form NL428 to determine the unused amount that your spouse or common-law partner can claim on line 79 of their Form NL428.

Form NL479, Newfoundland and Labrador Credits

You may be entitled to the credits listed in this section even if you do not have to pay tax. If the total of these credits is more than the taxes you have to pay, you may get a refund for the difference.

To claim these credits, attach a completed Form NL479, Newfoundland and Labrador Credits, to your return.

Physical activity tax credit

If you were a resident of Newfoundland and Labrador at the end of the year, you can claim up to \$2,000 per family for the fees paid in 2021 on registration in an **eligible program** of physical activity or membership in an eligible organization for the following individuals:

- yourself
- your (or your spouse's or common-law partner's) child under 18 years of age at the end of the year
- your spouse or common-law partner

You must reduce your eligible expenses by the amount of any assistance you received, or expect to receive, that is related to the eligible expenses.

Amounts deductible as child care expenses are not eligible expenses.

If you have a spouse or common-law partner, one of you may claim the entire Physical activity tax credit, or each of you may split the total amount claimed. The combined amount that can be claimed per family is either \$2,000 **or** the amount of eligible expenses paid, **whichever is less**.

Eligible program of physical activity

To qualify for this amount, a program must include a significant amount of physical activity contributing to cardio-respiratory endurance, **plus** one or more of muscular strength, muscular endurance, flexibility, and/or balance.

Note

Physical activity includes horseback riding, but does not include activities where, as an essential part, an individual rides on or in a motorized vehicle.

Reimbursement of an eligible expense

You can only claim the portion of the eligible expenses that you have not been, or will not be, reimbursed for. However, you can claim the full amount if the reimbursement is reported in your income (such as a benefit shown on a T4 slip) and you did not deduct the reimbursement anywhere else on your return.

Were you bankrupt in 2021?

The Newfoundland and Labrador physical activity tax credit can be claimed on your pre- or post-bankruptcy return depending on when the eligible expenses were paid or became payable.

Are you filing for a deceased person?

If you are preparing a return for a person who died in 2021, you can claim this credit on their final return.

Supporting documents

Do not send any supporting documents when you file your return. Keep them in case you are asked to provide them later.

Research and Development Tax Credit (Individuals)

You can claim this credit if your business had a permanent establishment in Newfoundland and Labrador in the tax year and you made eligible expenditures for scientific research and experimental development carried out in Newfoundland and Labrador.

How to claim this credit

Complete Form T1129, Newfoundland and Labrador Research and Development Tax Credit (Individuals).

Supporting documents

If you are filing a paper return, attach your Form T1129 and your eligible expenditures sheet.