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## Retired seniors: look for the ▼ symbol

If you are a retired senior, the ▼ symbol in this forms book and the *General Income Tax and Benefit Guide* will help you find information on the **most common** types of pension income, as well as deductions and credits that you may be entitled to.

If you received income or want to claim deductions or credits that are **not identified** with the ▼ symbol, read the information for those types of income, deductions, or credits in this forms book and the guide.

## What's new for 2016?

The Alberta non-refundable tax credits have been increased to offset inflation.

As of July 2016, lower-income families with children under 18 years of age qualify to receive the Alberta child benefit.

The individual income tax rates have changed for taxable income over \$125,000, \$150,000, \$200,000, and \$300,000.

The Alberta overseas employment tax credit has been eliminated and removed from Form AB428, *Alberta Tax and Credits*.

The rate used to calculate the dividend tax credit for other than eligible dividends has changed.

Form AB428, *Alberta Tax and Credits*, reflects these changes.

## General information

### Alberta family employment tax credit

This credit is a non-taxable amount paid to families with working income that have children under 18 years of age. This program is fully funded by the Province of Alberta. The amount is split into two payments and is paid separately from the Canada child benefit.

For more information on the payment amounts, see Booklet T4114, *Canada Child Benefit*.

There is no need to apply separately to get payments under this program. We will use the information from your Canada child benefits application to determine your eligibility for the program.

**File your return** – You (and your spouse or common-law partner) need to file your 2016 income tax and benefit return(s) to receive the Alberta family employment tax credit. The information you give on your return(s) will determine the amount you will receive in July 2017 and January 2018. To ensure timely delivery of payments, file your 2016 return(s) by April 30, 2017.

For more information, call **1-800-959-2809**.

### Alberta child benefit

This benefit is a non-taxable amount paid quarterly to help lower-income families support their family and provide a better quality of life for their children. This program is fully funded by the Province of Alberta.

The first payment was issued in August 2016 and is paid separately from the Canada child benefit and the Alberta family employment tax credit.

For more information on the payment amounts, see Booklet T4114, *Canada Child Benefit*.

There is no need to apply separately to get payments under this program. We will use the information from your Canada child benefits application to determine your eligibility for the program.

**File your return** – You (and your spouse or common law partner) need to file your 2016 return(s) to receive the Alberta child benefit. The information you give on your return(s) will determine how much you will get starting in July 2017. To ensure timely delivery of payments, file your 2016 return(s) by April 30, 2017.

For more information, call **1-800-959-2809**.

## For more information

If you have questions about **Alberta tax and credits**, visit the Canada Revenue Agency (CRA) website at [cra.gc.ca](http://cra.gc.ca) or call the CRA at **1-800-959-8281**.

To get forms, go to [cra.gc.ca/forms](http://cra.gc.ca/forms).

## Completing your Alberta form

All the information you need to complete your Form AB428, *Alberta Tax and Credits*, is included on the following pages.

You will find two copies of Form AB428 in this book. Attach a completed copy of Form AB428 to your return.

The terms **spouse** and **common-law partner** are defined in the *General Income Tax and Benefit Guide*.

The term **end of the year** means December 31, 2016, the date you left Canada if you emigrated in 2016, or the date of death for a person who died in 2016.

### Tax Tip

You should calculate your federal tax first since many rules for calculating Alberta tax are based on the federal *Income Tax Act*.

## Form AB428, Alberta Tax and Credits

Complete Form AB428 if you were a resident of Alberta at the end of the year.

If you had income from a business (including income you received as a limited or non-active partner), and the business has a permanent establishment outside Alberta, complete Form T2203, *Provincial and Territorial Taxes for 2016 – Multiple Jurisdictions*, **instead of** completing Form AB428.

You also have to complete Form AB428 if you were a non-resident of Canada in 2016 and you earned income from employment in Alberta or received income from a business with a permanent establishment only in Alberta.

## Step 1 – Alberta non-refundable tax credits

The eligibility criteria and rules for claiming the Alberta non-refundable tax credits are the same as for the federal non-refundable tax credits. However, **the value and calculation of some Alberta non-refundable tax credits are different from the corresponding federal credits.**

### Newcomers to Canada and emigrants

If you prorated any of the amounts you claimed on lines 300 to 306, 315, 316, 318, 324, and 326 of your federal Schedule 1, you have to prorate the corresponding provincial amounts on lines 5804 to 5820, 5840, 5844, 5848, 5860, and 5864.

#### ▼Line 5804 – Basic personal amount

Claim \$18,451.

#### ▼Line 5808 – Age amount

You can claim this amount if you were 65 years of age or older on December 31, 2016, and your net income (line 236 of your return) is less than \$72,549.

If your net income is:

- \$38,275 or less, enter \$5,141 on line 5808; or
- more than \$38,275 but less than \$72,549, complete the calculation for line 5808 on the *Provincial Worksheet* in this book.

### Tax Tip

You may be able to transfer all or part of your age amount to your spouse or common-law partner or to claim all or part of his or her age amount. For more information, read line 5864.

#### ▼Line 5812 – Spouse or common-law partner amount

You can claim this amount if the rules are met for claiming the amount on line 303 of federal Schedule 1 and your spouse's or common-law partner's net income (line 236 of his or her return, or the amount that it would be if he or she filed a return) is less than \$18,451.

Complete the calculation on Form AB428, and enter the amount on line 5812.

### Note

Enter your marital status and the information about your spouse or common-law partner (including his or her net income, even if it is zero) in the "Identification" area on page 1 of your return.

#### Line 5816 – Amount for an eligible dependant

You can claim this amount if the rules are met for claiming the amount on line 305 of federal Schedule 1 and your dependant's net income (line 236 of his or her return, or the amount that it would be if he or she filed a return) is less than \$18,451.

Complete the calculation on Form AB428, and enter the amount on line 5816.

### Note

**If you were a single parent** on December 31, 2016, and you choose to include all universal child care benefit amounts you received in 2016 in the income of your dependant, include this amount in the calculation of his or her net income.

### **Line 5820 – Amount for infirm dependants age 18 or older**

You can claim this amount if the rules are met for claiming the amount on line 306 of federal Schedule 1 and your dependant's net income (line 236 of his or her return, or the amount that it would be if he or she filed a return) is less than \$17,736.

#### **Note**

You may be able to claim an amount on this line even if you claimed an amount on line 5816.

Complete the calculation for line 5820 on the *Provincial Worksheet* in this book.

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

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

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

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

### **Line 5832 – Employment insurance premiums through employment**

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

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

Enter on this line the amount you claimed on line 317 of your federal Schedule 1.

### **Line 5833 – Adoption expenses**

You can claim this amount if the rules are met for claiming the amount on line 313 of federal Schedule 1.

You can claim on line 5833 up to \$12,619 of eligible adoption expenses for each child.

The two adoptive parents can split the claim for adoption expenses as long as the combined total claim for each child is not more than the eligible amount before the split.

#### **Note**

Only residents of Alberta are eligible for this amount. If you are not a resident of Alberta, you cannot claim this non-refundable tax credit in calculating your Alberta tax even though you may have received income from a source inside Alberta in 2016.

### **▼Line 5836 – Pension income amount**

You can claim this amount if you met the rules for claiming the amount on line 314 of federal Schedule 1.

The amount you can claim on line 5836 is the amount on line 314 of your federal Schedule 1 or \$1,421, whichever is less.

#### **Note**

Only residents of Alberta are eligible for this amount. If you are not a resident of Alberta, you cannot claim this non-refundable tax credit in calculating your Alberta tax even though you may have received income from a source inside Alberta in 2016.

### **Line 5840 – Caregiver amount**

You can claim this amount if the rules are met for claiming the amount on line 315 of federal Schedule 1 and your dependant's net income (line 236 of his or her return, or the amount that it would be if he or she filed a return) is less than \$27,662.

Complete the calculation for line 5840 on the *Provincial Worksheet* in this book.

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

You can claim this amount if you met the rules for claiming the amount on line 316 of federal Schedule 1.

If you were **18 years of age or over** at the end of the year, enter \$14,232 on line 5844.

If you were **under 18 years of age** at the end of the year, you may be eligible to claim a supplement up to a maximum of \$10,680 in addition to the base amount of \$14,232. Complete the calculation for line 5844 on the *Provincial Worksheet* in this book.

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

You can claim this amount if the rules are met for claiming the amount on line 318 of federal Schedule 1.

Complete the calculation for line 5848 on the *Provincial Worksheet* in this book.

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

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

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

Complete Schedule AB(S11), *Provincial Tuition and Education Amounts*.

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

### **Transferring and carrying forward amounts**

You may not need all of your 2016 tuition and education amounts to reduce your provincial income tax to zero. In this case, you can **transfer** all or some of the unused part to **one** person, either your spouse or common-law partner (who would claim it on line 5864) or your or your spouse's or common-law partner's parent or grandparent (who would claim it on line 5860).

You can only transfer an amount to your parent or grandparent, or your spouse's or common-law partner's parent or grandparent, if your spouse or common-law partner does not claim an amount for you on line 5812 or 5864.

To designate who can claim the transferred amount and to specify the amount this person can claim, complete the "Transfer/Carryforward of unused amount" section of Schedule AB(S11) to calculate the provincial amount available to transfer, as well as the related form:

- T2202A, *Tuition, Education, and Textbook Amounts Certificate*;
- TL11A, *Tuition, Education, and Textbook Amounts Certificate – University Outside Canada*;
- TL11B, *Tuition, Education, and Textbook Amounts Certificate – Flying School or Club*; or
- TL11C, *Tuition, Education, and Textbook Amounts Certificate – Commuter to the United States*.

The transferred amount may be different from the amount calculated for the same person on your federal Schedule 11. Enter the provincial amount you are transferring on line 20 of your Schedule AB(S11).

#### Tax Tip

If you are transferring an amount to a designated individual, only transfer the amount this person can use. That way, you can carry forward as much as possible to use in a future year.

Complete the "Transfer/Carryforward of unused amount" section of Schedule AB(S11) to calculate the amount you can **carry forward** to a future year. This amount corresponds to the part of your tuition and education amounts you do not need to use (and do not transfer) for the year.

### Line 5860 – Tuition and education amounts transferred from a child

You can claim these amounts if the rules are met for claiming an amount on line 324 of federal Schedule 1.

Enter on line 5860 the total of all provincial amounts that each student has transferred to you as shown on his or her Form T2202A, TL11A, TL11B, or TL11C.

#### Notes

The student **must have entered this amount on line 20** of his or her Schedule AB(S11). He or she may have chosen to transfer an amount that is less than the available provincial amount. The student cannot transfer to you any unused tuition and education amounts carried forward from a previous year.

If you and the student were residents of different provinces or territories on December 31, 2016, special rules may apply. Contact the Canada Revenue Agency to determine the amount you can claim on line 5860.

Other rules may apply if the student has a spouse or a common-law partner. Read line 324 in the *General Income Tax and Benefit Guide*.

**Supporting documents** – If you are filing electronically or filing a **paper return**, do not send any documents. Keep all your documents in case we ask to see them later. The **student** must attach Schedule AB(S11) to his or her paper return.

### ▼Line 5864 – Amounts transferred from your spouse or common-law partner

You can claim these amounts if the rules are met for claiming an amount on line 326 of federal Schedule 1.

Complete Schedule AB(S2), *Provincial Amounts Transferred From Your Spouse or Common-law Partner*, and attach a copy to your return.

### ▼Line 5868 – Medical expenses for self, spouse or common-law partner, and your dependent children born in 1999 or later

The medical expenses you can claim on line 5868 are the same as those you can claim on line 330 of your federal Schedule 1. They have to cover the **same 12-month period** ending in 2016, and no one claimed them on a 2015 return.

However, your total expenses have to be more than either **3%** of your net income (line 236 of your return) or **\$2,384**, whichever is **less**.

### Line 5872 – Allowable amount of medical expenses for other dependants

In addition to the medical expenses claimed on line 5868, you can also claim medical expenses for other dependants.

The medical expenses you can claim on line 5872 are the same as those you can claim on line 331 of your federal Schedule 1. They have to cover the **same 12-month period** ending in 2016, and no one claimed them on a 2015 return.

The total expenses for each dependant have to be more than either **3%** of that dependant's net income (line 236 of his or her return) or **\$2,384**, whichever is **less**.

Complete the calculation for line 5872 on the *Provincial Worksheet* in this book.

### ▼Line 5896 – Donations and gifts

Enter the amounts from lines 16 and 17 of your federal Schedule 9 and multiply them by the rates on lines 27 and 28 of Form AB428.

## Step 2 – Alberta tax on taxable income

Enter on line 31 your taxable income from line 260 of your return. Complete the appropriate column depending on the amount entered.

## Step 3 – Alberta tax

### Line 40 – Alberta tax on split income

If you have to pay federal tax on split income on line 424 of your federal Schedule 1, complete Part 2 of Form T1206, *Tax on Split Income*, to calculate the Alberta tax that applies to this income.

Form T1206 also contains a special rule that applies to the amount you enter on line 428 of your return. For more information on tax on split income, see the *General Income Tax and Benefit Guide*.

### Line 47 – Alberta additional tax for minimum tax purposes

If you have to pay federal minimum tax as calculated on Form T691, *Alternative Minimum Tax*, you will also have to determine your Alberta additional tax for minimum tax purposes.

To do this, complete the calculation at line 47 of Form AB428.

For more information about minimum tax, see the *General Income Tax and Benefit Guide*.

### Line 49 – Provincial foreign tax credit

If your federal foreign tax credit on non-business income is less than the related tax you paid to a foreign country, you may be eligible to claim a provincial foreign tax credit.

To claim this credit, complete Form T2036, *Provincial or Territorial Foreign Tax Credit*. You can get this form from the CRA's website or by contacting us (read "For more information" on page 2 of this book).

Enter, on line 49 of Form AB428, the amount from line 5 of Form T2036.

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

### Lines 51 to 55 – Alberta political contribution tax credit

You can claim this credit if you contributed to:

- a registered Alberta political party, a registered candidate, or a registered constituency association in an election held under the *Election Act* for this province; or

- a registered Alberta political party that has nominated a candidate or a registered candidate in an election held under the *Senatorial Selection Act* for this province.

Only claim contributions you made during 2016.

You have to claim this credit on your return or within 90 days after the date of the notice of assessment or notice of reassessment for the tax year.

#### How to claim – Official receipt called *Annual Contribution*

Enter your contributions on line 51 of Form AB428 and calculate the amount to enter on line 52 as follows:

- For contributions of **more than \$2,300**, enter \$1,000 on line 52 of Form AB428.
- For contributions of **less than \$2,300**, complete the calculation for line 52 on the *Provincial Worksheet* in this book.

#### How to claim – Official receipt called *Senatorial Selection Campaign Contribution*

Enter your contributions on line 53 of Form AB428 and calculate the amount to enter on line 54 as follows:

- For contributions of **more than \$2,300**, enter \$1,000 on line 54 of Form AB428.
- For contributions of **less than \$2,300**, complete the calculation for line 54 on the *Provincial Worksheet* in this book.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, for each contribution attach the official receipt signed by an official of the registered party, the registered constituency association, or the registered candidate.

### Alberta stock savings plan tax credit

If you had any unused stock savings plan tax credit amount to be applied in 2016, attach a completed Form T89, *Alberta Stock Savings Plan Tax Credit*.

**Supporting documents** – If you are filing electronically, keep all your documents in case we ask to see them later. If you are filing a **paper return**, attach your Form T89.