

Completing Your British Columbia Forms

The information in this section will help you complete Form BC428, BRITISH COLUMBIA TAX, and Form BC479, BRITISH COLUMBIA CREDITS.

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, 2005, the date you left Canada if you emigrated in 2005, or the date of death for a person who died in 2005.

Tax Tip

A number of British Columbia tax measures are distinct from corresponding federal measures. However, many rules for calculating British Columbia tax are still based on the federal INCOME TAX ACT. As a result, you may find it easier to calculate your federal tax first. Your total taxes payable will be the same, no matter which tax you calculate first.

Form BC428, British Columbia Tax

Complete Form BC428 if you were a resident of British Columbia at the end of the year.

If you had income from a business with a permanent establishment outside British Columbia, complete Form T2203, PROVINCIAL AND TERRITORIAL TAXES FOR 2005 – MULTIPLE JURISDICTIONS, **instead of** completing Form BC428.

You also have to complete Form BC428 if you were a non-resident of Canada in 2005 and you earned income from employment in British Columbia, or received income from a business with a permanent establishment only in British Columbia.

If you paid royalties to the province of British Columbia in 2005, you have to complete Form T81, BRITISH COLUMBIA ROYALTY AND DEEMED INCOME REBATE (INDIVIDUALS), to calculate your rebate or additional British Columbia tax resulting from the royalties paid.

Step 1 – British Columbia tax on taxable income

Enter on line 1 your taxable income from line 260 of your return. Use this amount to determine which **one** of the five columns you have to complete. Enter this amount on line 2 of the applicable column and complete the calculation.

Step 2 – British Columbia non-refundable tax credits

The eligibility criteria and rules for claiming the British Columbia non-refundable tax credits are the same as for the federal non-refundable tax credits.

However, **the value and calculation of most British Columbia non-refundable tax credits are different from the corresponding federal credits.**

To calculate some of the non-refundable tax credits, you will need to use the **PROVINCIAL WORKSHEET** in this book.

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 at lines 5804 to 5820, 5840, 5844, 5848, 5860, and 5864.

Line 5804 – Basic personal amount

Claim the basic personal amount of \$8,676.

Line 5808 – Age amount

You can claim this amount if you were 65 or older on December 31, 2005, and your net income (line 236 of your return) is less than \$54,902.

If your net income is:

- \$28,962 or less, enter \$3,891 on line 5808; or
- more than \$28,962 but less than \$54,902, complete the calculation for line 5808 on the PROVINCIAL WORKSHEET in this book to determine your claim.

Note

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. See line 5864 for details.

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. You still may be able to claim the provincial amount if your spouse 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 \$8,172.

If your spouse or common-law partner's net income is:

- \$743 or less, enter \$7,429 on line 5812; or
- more than \$743 but less than \$8,172, complete the calculation on Form BC428 to determine your claim and enter the result 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 pages 3 and 4 [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. You still may be able to claim the provincial amount if 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 \$8,172.

If your dependant's net income is:

- \$743 or less, enter \$7,429 on line 5816; or
- more than \$743 but less than \$8,172, complete the calculation for line 5816 on the PROVINCIAL WORKSHEET in this book to determine your claim.

If you have not already completed federal Schedule 5, complete and attach it to your return.

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. You still may be able to claim the provincial amount if 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 \$9,844.

Complete the calculation for line 5820 on the PROVINCIAL WORKSHEET in this book to determine your claim.

Line 5824 – Canada Pension Plan or Quebec Pension Plan contributions through employment

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

Line 5828 – Canada Pension Plan or Quebec Pension Plan contributions on self-employment and other earnings

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

Line 5832 – Employment Insurance premiums

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

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. Enter on line 5836 the same amount that you entered on line 314.

Note

Only residents of British Columbia are eligible for this amount. If you are not a resident of British Columbia, you cannot claim this tax credit in calculating your British Columbia tax even though you may have received income from a source inside British Columbia in 2005.

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. You still may be able to claim the provincial amount if 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 \$16,645.

Complete the calculation for line 5840 on the PROVINCIAL WORKSHEET in this book to determine your claim.

Line 5844 – Disability amount

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 or over** at the end of the year, enter \$6,507 on line 5844.
- If you were **under 18** at the end of the year, you may be eligible to claim a supplement up to a maximum of \$3,796 in addition to the disability amount of \$6,507. Complete the calculation for line 5844 on the PROVINCIAL WORKSHEET in this book to determine your claim.

Line 5848 – Disability amount transferred from a dependant (other than your spouse or common-law partner)

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 to determine your claim.

Line 5852 – Interest paid on your student loans

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

Line 5856 – Your tuition and education amounts

The tuition and education amounts that you claimed on line 323 of your federal Schedule 1 may be different from the provincial amounts you calculate.

Complete Schedule BC(S11), PROVINCIAL TUITION AND EDUCATION AMOUNTS, to calculate your claim.

Receipts – If you are filing a paper return, **attach the completed Schedule BC(S11)**. Whether you are filing a paper return or electronically, keep your forms and official tuition fees receipts in case we ask to see them.

Transferring and carrying forward amounts

You may not need all of your 2005 tuition and education amounts to reduce your provincial income tax to zero. In this case, you may transfer all or part of the unused portion to **one** person, either your spouse or common-law partner (who would claim it on line 5864), your parent or grandparent, or your spouse 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 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.

Complete the "Transfer/Carry forward of unused amount" section of Schedule BC(S11) to calculate the provincial amount available to transfer, as well as Form T2202, EDUCATION AMOUNT CERTIFICATE,

T2202A, TUITION AND EDUCATION AMOUNTS CERTIFICATE, or TL11A, TUITION AND EDUCATION AMOUNTS CERTIFICATE – UNIVERSITY OUTSIDE CANADA, or TL11C, TUITION AND EDUCATION AMOUNTS CERTIFICATE – COMMUTER TO THE UNITED STATES, to designate who can claim it and the amount the person can claim. This amount may be different from the amount calculated for the same person on your federal Schedule 11. You must enter the provincial amount you are transferring on line 20 of your Schedule BC(S11).

Tax Tip

If you are transferring an amount to a designated person, do not transfer more than the person can use. That way, you can carry forward as much as possible to use in a future year.

Complete the "Transfer/Carry forward of unused amount" section of Schedule BC(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 this amount if the rules are met for claiming the amount on line 324 of federal Schedule 1.

Enter on line 5860 the total of all provincial amounts transferred to you that each student designated on his or her Form T2202, T2202A, TL11A, or TL11C.

Notes

The student **must have entered this amount on line 20** of his or her Schedule BC(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 the student was a resident of another province or territory on December 31, 2005, special rules may apply. Call us 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. See line 324 in the GENERAL INCOME TAX AND BENEFIT GUIDE.

Receipts – If you are filing a paper return, **do not include the student's Schedule BC(S11)**, forms, or official tuition fees receipts. Whether you are filing a paper return or electronically, keep all of your documents in case we ask to see them.

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

You can claim these amounts if the rules are met for claiming the amount on line 326 of federal Schedule 1. Complete Schedule BC(S2), PROVINCIAL AMOUNTS TRANSFERRED FROM YOUR SPOUSE OR COMMON-LAW PARTNER, to calculate your claim. Attach this schedule to your return.

Line 5868 – Medical expenses

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 2005 and must not have been claimed on a 2004 return. However, your total expenses have to be more than either 3% of your net income (line 236 of your return) or \$1,804, whichever is less.

Note

If the total medical expenses claimed is more than \$1,804 but less than \$1,844, it is important that you enter the amount on line 5868 **and** on line 330 of your federal Schedule 1.

Line 5872 – Allowable amount of medical expenses for other dependants

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

The medical expenses you use to calculate your claim on line 5872 are the same as those used to calculate your federal claim on line 331 of your federal Schedule 1. They have to cover the **same 12-month period** ending in 2005 and must not have been claimed on a 2004 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 \$1,804, whichever is **less**. The maximum amount you can claim is \$10,000 for each dependant.

Complete the calculation for line 5872 on the PROVINCIAL WORKSHEET in this book to determine your claim.

Line 5896 – Donations and gifts

To calculate your claim on line 5896, enter the amounts from lines 345 and 347 of federal Schedule 9 and multiply them by the rates on lines 33 and 34 of Form BC428.

Step 3 – British Columbia tax

Line 38 – British Columbia 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 provincial 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. You can find more information on tax on split income in the **GENERAL INCOME TAX AND BENEFIT GUIDE**.

Line 46 – British Columbia 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 British Columbia additional tax for minimum tax purposes.

To do this, complete the calculation on line 46 of Form BC428. You can find information about minimum tax in the **GENERAL INCOME TAX AND BENEFIT GUIDE**.

Line 48 – 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 the credit, get Form T2036, **PROVINCIAL OR TERRITORIAL FOREIGN TAX CREDIT**, from the CRA's Web site or by contacting us

(see the section called "If you have questions . . ." on page 5010-PC – 3 [at the beginning of this book]).

Enter, on line 48 of Form BC428, the tax credit amount calculated on line 5 of Form T2036.

Receipts – Attach Form T2036 to your paper return. If you are filing electronically, keep all your documents in case we ask to see them.

Lines 52 to 58 – BC tax reduction

If your net income for the year is less than \$26,000, you may be able to reduce or eliminate your British Columbia tax by claiming a BC tax reduction.

If you are preparing a return for a person who died in 2005, you can claim the tax reduction on the deceased person's final return.

Line 60 – British Columbia logging tax credit

If you have logging operations in British Columbia on which British Columbia logging tax is payable for 2005, you may be able to claim this credit.

Enter your credit (shown on Form FIN 542, LOGGING TAX RETURN OF INCOME) on line 60 of Form BC428.

Lines 64 and 65 – British Columbia political contribution tax credit

You can claim contributions you or your spouse made in 2005 to political parties or constituency associations registered in British Columbia, or to candidates in an election to the British Columbia legislature.

How to claim

Enter your total contributions on line 64 of Form BC428, and determine the amount to enter on line 65 as follows:

- For contributions of **more than \$1,150**, enter \$500 on line 65 of Form BC428.
- For contributions of **\$1,150 or less**, complete the calculation for line 65 on the PROVINCIAL WORKSHEET in this book.

Receipts – Attach to your paper return official receipts signed by an official of the recognized political party or constituency association, or the candidate's agent. If you are filing electronically, keep your receipts in case we ask to see them.

Line 67 – British Columbia employee share ownership plan tax credit

You can claim this credit if you acquired shares from a registered British Columbia employee share ownership plan (ESOP) at any time in 2005 (and did not claim them on your 2004 return) or in the first 60 days of 2006.

Your Certificate ESOP 20 shows the date you bought your shares under "Investment date." If you bought shares under an employee share ownership plan, and you want to know if the plan is registered under the EMPLOYEE INVESTMENT ACT, ask your employer.

Enter, on line 67 of Form BC428, the "Tax credit amount" shown on Certificate ESOP 20.

Receipts – Attach Certificate ESOP 20 to your paper return. If you are filing electronically, keep all your certificates in case we ask to see them.

Line 68 – British Columbia employee venture capital tax credit

You can claim this credit if you acquired shares from a registered British Columbia employee venture capital corporation (EVCC) at any time in 2005 (and did not claim them on your 2004 return) or in the first 60 days of 2006. Your Certificate EVCC 30 shows the date you bought your shares under "Investment date."

Enter, on line 68 of Form BC428, the "Tax credit amount" shown on Certificate EVCC 30.

Receipts – Attach Certificate(s) EVCC 30 to your paper return. If you are filing electronically, keep all your certificates in case we ask to see them.

Tax Tip

If you bought shares from a registered EVCC, you are also eligible for a federal tax credit. For details, see lines 413 and 414 in the GENERAL INCOME TAX AND BENEFIT GUIDE.

If you have questions about the employee venture capital tax credit, contact the employee venture capital corporation that issued your shares, your stockbroker, or your investment advisor.

Line 69 – Total ESOP and EVCC tax credits

The maximum **total** ESOP and EVCC tax credits that you can claim on your 2005 return is \$2,000. The ESOP and EVCC tax credits that you do not claim in a year are not refundable, and you cannot carry them forward to future years.

If you bought ESOP or EVCC shares in the first 60 days of 2006, you can claim the tax credit on your 2005 or 2006 return **or** you can divide the credit between these two returns.

Write on the certificate the credit you are claiming on your 2005 return and the credit you will claim on your 2006 return. Similarly,

when you file your 2006 paper return, attach a photocopy of the original certificate that shows the breakdown of your credit between your 2005 and 2006 returns. If you are filing electronically, keep your certificate in case we ask to see it.

Line 71 – British Columbia mining flow-through share tax credit

You may claim this credit if you invested in flow-through shares and BC mining flow-through share expenditures (BC qualifying expenses) have been renounced to you.

Your BC qualifying expenses are shown in box 141 on Information Slip T101, STATEMENT OF RESOURCE EXPENSES, you received from a mining exploration corporation, or in section 3 of Information Slip T5013, STATEMENT OF PARTNERSHIP INCOME, you received as a member of a partnership.

To claim the credit, get Form T1231, BRITISH COLUMBIA MINING FLOW-THROUGH SHARE TAX CREDIT, from the CRA's Web site or by contacting us (see the section called "If you have questions . . ." on page 5010-PC – 3 [at the beginning of this book]).

Enter, on line 71 of Form BC428, the tax credit calculated on line 9 of Form T1231.

Receipts – If you are filing a paper return, attach a copy of Form T1231 and your T101 or T5013 slips. If you are filing electronically, keep all your documents in case we ask to see them.

Form BC479, British Columbia Credits

You may be entitled to the sales tax credit, venture capital tax credit, and mining exploration tax credit, even if you do not have to pay tax. To claim these credits, **attach** a completed Form BC479, BRITISH COLUMBIA CREDITS, to your return.

Sales tax credit

You can claim this credit if, on December 31, 2005, you were a resident of British Columbia and you met **any** of the following conditions:

- you were 19 years of age or older;

- you had a spouse or common-law partner; or
- you were a parent.

If you had a spouse or common-law partner on December 31, 2005, you and your spouse or common-law partner have to decide which one of you will claim the sales tax credit for both of you.

Only one claim can be made for each individual.

You **cannot** claim this credit if, on December 31, 2005, you were confined to a prison or a similar institution and were there for more than six months during 2005.

Do not claim this credit on a return for a person who died in 2005.

The sales tax credit is for low-income families and individuals. If you had a spouse or common-law partner on December 31, 2005, and your net family income was \$25,500 or more, do not complete the sales tax credit calculation. If you were single, separated, widowed, or divorced on December 31, 2005, and your net income was \$18,750 or more, do not complete the sales tax credit calculation.

Note

Enter your marital status and information about your spouse or common-law partner (including his or her net income, even if it is zero) in the Identification area on pages 3 and 4 [1] of your return.

Venture capital tax credit

If you acquired shares from a venture capital corporation (VCC) or eligible business corporation (EBC), registered in British Columbia at any time in 2005 (and did not claim them on your 2004 return) or in the first 60 days of 2006, you can claim this credit up to a maximum of \$60,000 in 2005. Your Certificate SBVC 10 shows the date you bought your shares under "Investment date."

If you bought VCC or EBC shares in 2005, enter, on line 11 of Form BC479, the "Tax credit amount" shown on Certificate SBVC 10.

If you bought VCC or EBC shares in the first 60 days of 2006, you can **elect** to claim the tax credit on your 2005 return or you can **claim** it on your 2006 return. If you are electing to claim the credit in 2005, enter, on line 12 of Form BC479, the "Tax credit amount" shown on Certificate SBVC 10.

Receipts – Attach the Certificate(s) SBVC 10 to your paper return. If you are filing electronically, keep all your certificates in case we ask to see them.

For questions about the venture capital tax credit, contact the venture capital corporation or eligible business corporation that issued your shares, your stockbroker, or your investment advisor.

Line 13 – Unused venture capital tax credit from previous years

Any unused venture capital tax credit from previous years is shown on your most recent NOTICE OF ASSESSMENT or NOTICE OF REASSESSMENT. Enter this amount on line 13 of Form BC479. We will show any amount available to carry forward to 2006 on your 2005 NOTICE OF ASSESSMENT.

Mining exploration tax credit

You can claim this refundable tax credit if you were resident in British Columbia at the end of the year and you incurred qualified mining exploration expenses in the province in 2005.

The expenses must have been incurred for determining the existence, location, extent, or quality of a mineral resource in British Columbia.

To claim the credit, get Form T88, BRITISH COLUMBIA MINING EXPLORATION TAX CREDIT FOR 2003 AND SUBSEQUENT YEARS (INDIVIDUALS), from the CRA's Web site or by contacting us (see the section called "If you have questions . . ." on page 5010-PC – 3 [at the beginning of this book]).

If you are claiming a mining exploration tax credit allocated from a partnership, you also have to complete Form T1249, BRITISH COLUMBIA MINING EXPLORATION TAX CREDIT PARTNERSHIP SCHEDULE. Enter your proportionate share on line 15 of Form T88 and on line 16 of Form BC479.

Enter, on line 15 of Form BC479, the tax credit amount calculated on line 16 of Form T88.

Receipts – Attach Form T88 and, if applicable, Form T1249 to your paper return. If you are filing electronically, keep all your documents in case we ask to see them.