

Completing Your Ontario Forms

The information in this section will help you complete Form ON428, *Ontario Tax*, and Form ON479, *Ontario Credits*. The terms **spouse** and **common-law partner** are defined in the *General Income Tax and Benefit Guide*.

For the purposes of the Ontario tax reduction (Form ON428) and the Ontario sales tax credit (Form ON479), the term **dependent child** refers to a child born in 1986 or later of whom you are the parent (legal or in fact) and who, in 2004, lived with you and was resident in Canada. A child for whom anyone claims an amount for an eligible dependant on line 5816 of Form ON428 may be a dependent child. However, a child for whom anyone claims a spouse or common-law partner amount on line 5812 or receives an amount under the federal *Children's Special Allowances Act* is not a dependent child.

The term **end of the year** means December 31, 2004, if you were a resident of Ontario on that date, the date you left Canada if you emigrated in 2004, or the date of death for a resident of Ontario who died in 2004.

Tax Tip

A number of Ontario tax measures are distinct from corresponding federal measures. However, many rules for calculating Ontario 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 ON428, Ontario Tax

Complete Form ON428 if you were a resident of Ontario at the end of the year.

If you had income from a business with a permanent establishment outside Ontario, complete Form T2203, *Provincial and Territorial Taxes for 2004 – Multiple Jurisdictions*, **instead of** Form ON428.

You also have to complete Form ON428 if you were a non-resident of Canada in 2004 and you earned income from employment in Ontario, or received income from a business with a permanent establishment only in Ontario.

Step 1 – Ontario 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 three columns you have to complete. Enter this amount on line 2 of the applicable column and complete the calculation.

Step 2 – Ontario non-refundable tax credits

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

To calculate many 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 \$8,044.

Line 5808 – Age amount

You can claim this amount if you were 65 or older on December 31, 2004, and your net income (line 236 of your return) is less than \$55,424.

If your net income is:

- \$29,237 or less, enter \$3,928 on line 5808; or
- more than \$29,237 but less than \$55,424, 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 may still 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 \$7,513.

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

- \$683 or less, enter \$6,830 on line 5812; or
- more than \$683 but less than \$7,513, complete the calculation on Form ON428 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 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. You may still 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 \$7,513.

If your dependant's net income is:

- \$683 or less, enter \$6,830 on line 5816; or
- more than \$683 but less than \$7,513, 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 may still 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 \$9,181.

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. Complete the calculation for line 5836 on the *Provincial Worksheet* in this book to determine your claim. The maximum amount you can claim is \$1,112.

Note

Only residents of Ontario are eligible for this amount. If you are not a resident of Ontario, you cannot claim this tax credit in calculating your Ontario tax even though you may have received income from a source inside Ontario in 2004.

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 may still 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 \$16,762.

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 meet 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 \$6,499 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 \$3,791 in addition to the disability amount of \$6,499. 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 ON(S11), *Provincial Tuition and Education Amounts*, to calculate your claim.

Receipts – If you are filing a paper return, attach the completed Schedule ON(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 2004 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 at line 5812 or 5864.

Complete the "Transfer / Carry forward of unused amount" section of Schedule ON(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 Fees and Education Amount Certificate – University Outside Canada* 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 ON(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 ON(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 or TL11A. The maximum amount each student can transfer is \$5,562.

Notes

The student **must have entered this amount on line 20** of his or her Schedule ON(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, 2004, 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 ON(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 them on line 326 of federal Schedule 1. Complete Schedule ON(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 allowable medical expenses you can claim on line 5868 are the same as those you can claim on line 330 of your federal Schedule 1, except for the following:

- the maximum Ontario claim for attendant care expenses is \$11,124 (\$22,247 in the year of death);
- the maximum Ontario claim for the cost of a van adapted for transporting a patient who requires the use of a wheelchair is \$5,562; and
- the maximum Ontario claim for moving expenses for a patient's move to a more accessible dwelling is \$2,225.

The medical expenses you claim have to cover the **same 12-month period** ending in 2004 and must not have been claimed on a 2003 return. Your total medical expenses have to be more than either 3% of your net income (line 236) or \$1,821, 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 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 federal Schedule 1, except for the medical expenses listed at line 5868. They have to cover the **same 12-month period** ending in 2004 and must not have been claimed on a 2003 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 \$1,821, whichever is less. The maximum amount you can claim is \$5,000 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 for 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 ON428.

Step 3 – Ontario tax

Line 38 – Ontario 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 – Ontario additional tax for minimum tax purposes

If you have to pay minimum tax as calculated on Form T691, *Alternative Minimum Tax*, you will also have to determine your Ontario additional tax for minimum tax purposes. To do this, complete the calculation on line 46 of Form ON428. You can find more information about minimum tax in the *General Income Tax and Benefit Guide*.

If applicable, Ontario minimum tax carryover can be calculated using Form T1219-ON, *Ontario Minimum Tax Carryover*.

Step 4 – Ontario tax reduction

If you were a resident of Ontario on December 31, 2004, you may be able to reduce or eliminate your Ontario tax by claiming an Ontario tax reduction.

Only one person can claim the reduction for a dependent child or a disabled or infirm dependant (line 53 and line 54). If you had a spouse or common-law partner on December 31, 2004, only the **spouse or common-law partner with the higher net income** (line 236 of his or her return) can make these claims.

You **cannot claim** the tax reduction if you were subject to the Ontario additional tax for minimum tax purposes at line 46.

If you are preparing a return for a person who died in 2004, you can claim the tax reduction on the deceased person's final return.

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 53 – Reduction for dependent children born in 1986 or later

Enter beside box 6269 the number of dependent children you have. See the definition of a dependent child on page 1.

Claim \$343 for **each** dependent child.

If the child is disabled or infirm, you can claim an additional \$343 for that dependant on line 54.

Line 54 – Reduction for disabled or infirm dependants

Enter beside box 6097 the number of disabled or infirm dependants for whom you or your spouse or common-law partner claims an amount on line 5816, 5820, or 5848 of Form ON428.

You can include a disabled or infirm spouse or common-law partner if you are claiming a disability amount transferred from your spouse or common-law partner on line 3 of your Schedule ON(S2), *Provincial Amounts Transferred From Your Spouse or Common-law Partner*.

You can also claim this reduction for each **disabled or infirm** dependant child, born in 1986 or later, that you claimed on line 53.

Claim \$343 for **each** of these dependants.

Step 5 – 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 an Ontario 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..." at the beginning of this book).

Enter, on line 60 of Form ON428, the tax credit calculated on line 5 of Form T2036.

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

Step 6 – Ontario labour sponsored investment fund (LSIF) and employee ownership (EO) tax credits

Lines 62 and 63 – Labour sponsored investment fund (LSIF) tax credit

You can claim the LSIF tax credit if you purchased shares in a registered labour sponsored investment fund.

Tax credits are based on investments made in 2004 (that were not claimed on your 2003 return) or in the first 60 days of 2005. If an RRSP for a spouse or common-law partner became the first registered holder of the share, either the RRSP contributor or the annuitant may claim this credit for that share.

Enter in box A the total cost of the shares shown in boxes 02 and 04 of the LSIF Tax Credit Certificate(s). The amount of credit you can claim on line 62 is 15% of that cost **or** \$750, whichever is **less**.

If, in the year of purchase, the LSIF qualifies as a research-oriented investment fund (ROIF), you can claim an additional credit of 5% of the cost of the shares. Enter in box B the total cost of ROIF eligible shares from boxes 03 and 05 of the LSIF Tax Credit Certificate(s) (formerly OIEO (LSIF) Tax Credit Certificate). The amount of credit you can claim on line 63 is 5% of that cost **or** \$250, whichever is **less**.

The credit can be claimed on a deceased person's return if the shares were purchased before the date of death.

Receipts – Attach to your paper return the LSIF Tax Credit Certificate(s) (formerly OIEO (LSIF) Tax Credit Certificate). If you are filing electronically, keep it in case we ask to see it.

Line 64 – Employee ownership (EO) tax credit

You can claim the EO tax credit if you were an employee who lived in Ontario when you invested in a registered employee ownership labour sponsored venture capital corporation.

Tax credits are based on investments made in the years 1999 to 2004, or in the first 60 days of 2005. If an RRSP for a spouse or common-law partner became the first registered holder of the share, either the RRSP contributor or the annuitant may claim this credit for that share.

The credit can be claimed on a deceased person's return if the shares were purchased before the date of death.

How to claim

Enter beside box 6280 the **lesser** of:

- the total EO tax credit amount from boxes 09 and 11 of the EO Tax Credit Certificate(s) (formerly OIEO (EO) Tax Credit Certificate) you received for 1998 and subsequent tax years, **less** the total of the amounts you entered beside box 6280 of your Forms ON428 or T1C (ONT.) TC for the 1998 and subsequent years; **or**
- \$4,150.

Any part of the amount entered at box 6280 that is not used to reduce your Ontario tax for 2004 to zero can be carried forward for five years. Your 2004 *Notice of Assessment* will advise you of your total unused employee ownership tax credits from 2004 and prior years.

Receipts – Attach to your paper return the EO Tax Credit Certificate(s) (formerly OIEO (EO) Tax Credit Certificate). If you are filing electronically, keep it in case we ask to see it.

Line 65 – Unused employee ownership (EO) tax credits from previous years

Your most recent *Notice of Assessment* or *Notice of Reassessment* shows your unused employee ownership tax credits from the previous five years.

Enter this amount on line 65 of Form ON428.

Step 7 – Ontario Health Premium

If you were a resident of Ontario at the end of the year, and your taxable income (from line 260 of your return) is more than \$20,000, you are required to pay the Ontario Health Premium (OHP). The OHP you pay is based on your taxable income.

To determine the amount, complete the calculation for Step 7 on the *Provincial Worksheet* in this book.

Part A provides the premium amount for most individuals.

If your taxable income does not fall within an income range in Part A, you have to calculate your OHP using the chart in Part B.

Form ON479, Ontario Credits

Did you have a spouse or common-law partner in 2004?

If you lived with your spouse or common-law partner on December 31, 2004, only one of you can claim the property, sales, and Ontario home ownership savings plan (OHOSP) tax credits for both of you. If one spouse or common-law partner is 65 or older, that spouse or common-law partner has to claim these credits for both of you.

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.

Although you have shown your marital status on your return as married or living common-law, if you and your spouse or common-law partner occupied separate principal residences in Ontario for part or all of the year for **medical, educational, or business reasons**, we will consider you to be **involuntarily separated** during that period for property and sales tax credit purposes.

If you and your spouse or common-law partner were involuntarily separated on December 31, 2004, each of you can claim property and sales tax credits. In this situation, do not enter your spouse or common-law partner's net income on line 2, but enter your spouse or common-law partner's address beside box 6089 in that section of the form.

If you and your spouse or common-law partner were separated or divorced on December 31, 2004, each of you can claim Ontario tax credits. Do not enter your spouse or common-law partner's net income on line 2.

If your spouse or common-law partner died in 2004, you can claim the Ontario tax credits on your return. However, you **cannot claim** an additional sales tax credit for your deceased spouse or common-law partner. In this situation, do not enter your spouse or common-law partner's net income on line 2.

Deceased person

You **cannot claim** the Ontario property and sales tax credits or the Ontario home ownership savings plan (OHOSP) tax credit on the final return for a person who died in 2004.

However, you **can claim** the Ontario political contribution tax credit and the Ontario focused flow-through share tax credit on the deceased person's final return. If the deceased person was self-employed, you can claim the applicable Ontario tax credits for self-employed individuals.

Were you an international student in 2004?

If you are a student from another country (visa student) who attended an Ontario educational institution in 2004, call the Canada Revenue Agency's International Tax Services Office at 1-800-267-5177 or (613) 952-3741 for information about your residency status. If we determine that, for tax purposes, you were a resident of Ontario on December 31, 2004, you may be eligible for Ontario tax credits.

Were you bankrupt in 2004?

If you were bankrupt in 2004, claim your Ontario tax credits on the post-bankruptcy return you file for 2004.

When you calculate "Income for Ontario credits" on line 3 of Form ON479, include your net income for the pre- and post-bankruptcy periods and the net income of your spouse or common-law partner with whom you lived on December 31, 2004.

Your property tax credit claim is based on your occupancy cost for all of 2004. Your political contribution tax credit is based on contributions made during all of 2004.

Your bankruptcy trustee may claim the Ontario tax credits for self-employed individuals if you were eligible for the credit(s) during the period when the trustee acted on your behalf.

Property tax credit (lines 4 to 10)

You can claim this credit if **all** of the following conditions apply:

- you were a resident of Ontario on December 31, 2004;
- rent or property tax on a principal residence (as defined below) was paid by or for you in 2004; and
- you were 16 or older on December 31, 2004.

You **cannot** claim this credit if you were under 19 on December 31, 2004, and you lived with someone who received a Canada Child Tax Benefit payment for you in 2004.

A **principal residence** is a housing unit in **Ontario** that you usually occupy during the year. It can be a house, apartment, condominium, hotel or motel room, mobile home, or rooming house. A principal residence does not include a residence exempt from municipal and school tax.

Occupancy cost

Your occupancy cost only covers the period in 2004 that you lived in your principal residence in Ontario.

If you were a homeowner, occupancy cost is the property tax paid in Ontario on your principal residence in 2004.

If you rented, occupancy cost is 20% of the rent paid in Ontario in 2004.

If you were a farmer, occupancy cost is the property tax paid or the rent paid for your principal residence and one acre of land.

If you lived in a mobile or modular home that you owned, and it was situated on leased land, base your occupancy cost on either the property tax paid (the property tax for the home and lot) or on the rent paid (20% of the total of rent paid for the land and property tax paid for the home).

If you lived in a nursing home, hospital, charitable institution, group home, or a similar institution, and the institution paid full municipal and school taxes, your occupancy cost must not include any accommodation subsidy paid by a government agency.

Your occupancy cost **cannot include** amounts such as:

- payments to relatives or friends who are not reporting the payments as rental income on their returns;
- property tax or rent paid on part of a home you used for rental or business purposes; or
- property tax or rent paid on a second residence, such as a cottage, if you claimed property tax or rent on your principal residence for the same period.

If you and your spouse or common-law partner lived together on December 31, 2004, your occupancy cost is based on the **total** rent or property tax paid during the year, including amounts paid by each spouse or common-law partner during a period of separation.

If you and your spouse or common-law partner separated during the year and lived apart on December 31, 2004, your occupancy cost is based on your share of the rent or property tax for the part of the year before the separation, plus your own rent or property tax after the separation.

If you shared a principal residence with one or more persons (other than your spouse or common-law partner), your occupancy cost is based on your share of the rent or property tax you paid for the year

Line 6 – Student residence

If you lived in a designated Ontario university, college, or private school residence, you can claim **only \$25** as your occupancy cost for the part of the year you lived in such a residence.

To find out if your residence is designated, contact your residence administrator or the Ontario Ministry of Finance at the address or numbers listed in the section called “Information for Residents of Ontario” in this book.

Receipts – If you are filing a paper return, do not include your property tax or rent receipts. Whether you are filing a paper return or electronically, keep all of your documents in case we ask to see them.

Sales tax credit (lines 11 to 14)

You can claim the sales tax credit if all of the following conditions apply:

- you were a resident of Ontario on December 31, 2004;
- you were 16 or older on December 31, 2004; and
- no one else claimed an Ontario sales tax credit for you.

You cannot claim this credit if either of the following conditions apply:

- you were under 19 on December 31, 2004, and you lived with someone who received Canada Child Tax Benefit payments for you in 2004; or
- you were confined to a prison or a similar institution on December 31, 2004, and you were there for a period of more than six months during 2004.

Line 11 – Basic sales tax credit

Claim \$100 for yourself.

Line 12 – Additional credit for spouse or common-law partner

Claim \$100 if you had a spouse or common-law partner on December 31, 2004.

If your spouse or common-law partner died in 2004, you **cannot claim** this credit for your deceased spouse or common-law partner. In this situation, do not enter your spouse or common-law partner’s net income on line 2.

Line 13 – Number of dependent children born in 1986 or later

Enter beside box 6099 the number of dependent children you have. See the definition of a dependent child on page 1.

Claim \$50 for **each** dependent child.

Only one person can claim a sales tax credit for a dependent child.

Ontario political contribution tax credit (lines 19 and 20)

You can claim this credit if you were a resident of Ontario at the end of the year and you contributed to a registered Ontario political party or constituency association, or to a candidate in an Ontario provincial election.

Only claim contributions you made during 2004.

You or your spouse or common-law partner can claim the credit, but a contribution cannot be divided between the two of you if only one receipt was issued.

How to claim

Enter your total contributions on line 19 of Form ON479.

Determine the amount to enter on line 20 as follows:

- For contributions of **\$336 or less**, complete Column 1 below;
- For contributions of more than **\$336 but not more than \$1,120**, complete Column 2 below;
- For contributions of more than **\$1,120 but not more than \$2,548**, complete Column 3 below;
- For contributions of more than **\$2,548**, enter \$1,120, on line 20.

	Column 1	Column 2	Column 3	
Enter your total contributions				A
	- 0	- 336.00	- 1120.00	B
Line A minus line B	=	=	=	C
	x 75%	x 50%	x 33.33%	D
Multiply line C by the rate on line D	=	=	=	E
	+ 0	+ 252.00	+ 644.00	F
Add lines E and F	=	=	=	G
Enter the result on line 20 of Form ON479.				

Receipts – Attach official receipts to your paper return. If you are filing electronically, keep them in case we ask to see them.

Ontario home ownership savings plan (OHOSP) tax credit (lines 21 to 26)

As a planholder, you can claim this credit if **all** of the following conditions apply:

- you were a resident of Ontario on December 31, 2004;
- you were 18 or older on December 31, 2004;
- you made contributions to a plan on or before May 18, 2004, and;
- your net income is less than \$40,000. If you have a spouse or common-law partner, or if you are claiming an amount for an eligible dependant, your combined net income has to be less than \$80,000.

Your claim is based on contributions made during the first five calendar years of a plan, starting with the calendar year in which you opened your plan.

If you bought a home in 2004, you can claim a tax credit for contributions you made to your plan up to the date of the home purchase.

If you lived with your spouse or common-law partner on December 31, 2004, only one of you can claim the OHOSP tax credit for both of you based on contributions made to your and/or your spouse or common-law partner's plan.

You **cannot claim** this credit if you closed your plan without buying a home.

The table on page 12 provides the tax credit factor to use on line 25 to calculate your tax credit.

Receipts – Attach to your paper return the official TIC-OHOSP receipts for qualifying contributions issued by the financial institution where you have your plan. If you are filing electronically, keep them in case we ask to see them.

Ontario focused flow-through share tax credit (line 27)

Enter beside box 6266 the total expenses reported at line 4 of Form T1221, *Ontario Focused Flow-Through Share Resource Expenses for 2001 and Subsequent Years (Individuals)*. You can get this form from the CRA's Web site or by contacting us (see the section called "If you have questions..." at the beginning of this book).

Receipts – If you are filing a paper return, attach this form along with the information slips (Form T101, *Statement of Resource Expenses*, or T5013, *Statement of Partnership Income*) you received from a mining exploration corporation that incurred qualifying expenses in Ontario. If you are filing electronically, keep all of your documents.

Ontario tax credits for self-employed individuals (lines 29 to 35)

The following tax credits apply **only** to self-employed individuals. **Include the amount of credits claimed for 2004 as self-employed income on your 2004 return.**

Receipts – If you are filing a paper return, do not include documents relating to these credits. Whether you are filing a paper return or electronically, keep all of your documents in case we ask to see them.

Line 29 – Apprenticeship training tax credit

If you hired an eligible apprentice in a qualifying skilled trade to work at your permanent establishment located in Ontario, you may be able to claim a tax credit from 25% to 30% of eligible expenditures (as defined below).

Eligible expenditures are salaries, wages, and other remuneration you paid **after May 18, 2004**, to an apprentice who is in the first 36 months of an apprenticeship training program in a qualifying skilled trade.

Claiming the credit

If the total salaries and wages paid in the previous year was:

- \$600,000 or greater, the credit is 25% of eligible expenditures for each apprentice;
- not greater than \$400,000, the credit is 30% of eligible expenditures for each apprentice,
- greater than \$400,000 but less than \$600,000, calculate the credit using the chart on page 10.

The annual maximum credit is \$5,000 for each eligible apprentice employed by you for the entire year. To determine the maximum annual claim for an apprentice who was employed part of the year, multiply \$5,000 by the number of days that the apprentice was employed by you after May 18, 2004, divided by the number of days in the taxation year.

Example

If an apprenticeship began on April 1, 2004, the maximum claim would be \$3,101. This is calculated as \$5,000 multiplied by 227 (the number of days **after May 18, 2004**) divided by 366 days.

This credit may be claimed for each apprentice up to a maximum of \$15,000 over a 36-month period.

Enter your claim on line 29 of Form ON479. For more information, get Information Bulletin *Apprenticeship Training Tax Credit* from the Ontario Ministry of Finance at the address or numbers listed in the section called “Information for Residents of Ontario” in this book.

Line 30 – Co-operative education tax credit

If you hired co-op students enrolled in an Ontario university or college, or students or apprentices enrolled in qualifying leading-edge technology programs in an educational institution in Ontario, you may be able to claim a tax credit from 10% to 15% of eligible expenditures (as defined below).

Eligible expenditures are salaries, wages, and other remuneration you paid to a student in a qualifying work placement, or payments made to an eligible educational institution or a placement agency for a qualifying work placement. The student must work at a permanent establishment of the employer in Ontario.

Note

The eligible expenditures paid to qualifying apprenticeships **before May 19, 2004**, qualify for the co-operative education tax credit, and amounts paid **after May 18, 2004**, may qualify for the new apprenticeship training tax credit.

Claiming the credit

If the qualifying work placement ended in 2004, claim this credit to a maximum of \$1,000 for each four months of employment, with a minimum employment of 10 weeks.

The maximum employment period is as follows:

- **16 months** for co-op internships, qualifying leading-edge technology work placements other than apprenticeships, and qualifying leading-edge technology apprenticeships whose employment started before May 5, 1999; and
- **24 months** for qualifying leading-edge technology apprenticeships whose employment started after May 4, 1999.

If the total salaries and wages paid in the previous tax year was:

- \$600,000 or greater, claim 10% of eligible expenditures for the qualifying work placement;
- not greater than \$400,000, claim 15% of eligible expenditures for the qualifying work placement; or
- greater than \$400,000 but less than \$600,000, calculate your claim using the chart on page 10.

Enter your claim on line 30 of Form ON479. For more information, get Information Bulletin *Co-operative Education Tax Credit* from the Ontario Ministry of Finance at the address or numbers listed in the section called “Information for Residents of Ontario” in this book.

Line 31 – Graduate transitions tax credit

If you hired an eligible unemployed Ontario post-secondary graduate for a minimum of six months, **up to and including July 5, 2004**, you may be able to claim a tax credit from 10% to 15% of eligible expenditures (as defined below) for graduates hired.

Eligible expenditures are salaries, wages, and other remuneration you paid to the post-secondary graduate in the first 12 months of work at a permanent establishment in Ontario.

Claiming the credit

Claim the credit on your Form ON479 if the qualifying employment ended in 2004 or the first 12-month placement period ended in 2004.

The maximum credit is \$4,000 for each new graduate hired. If the total of salaries and wages paid in the previous tax year was:

- \$600,000 or greater, claim 10% of eligible expenditures for the qualifying employment;
- not greater than \$400,000, claim 15% of eligible expenditures for the qualifying employment; or
- greater than \$400,000 but less than \$600,000, calculate your claim using the chart on page 10.

Enter your claim on line 31 of Form ON479.

For more information, get Information Bulletin *Graduate Transitions Tax Credit* from the Ontario Ministry of Finance at the address or numbers listed in the section called "Information for Residents of Ontario" in this book.

Apprenticeship training, Co-operative education or Graduate transitions tax credits

Use this chart to calculate these credits if the total of the salaries and wages paid in the previous tax year was greater than \$400,000 but less than \$600,000.

Reproduce the chart to do separate calculations for each individual claimed for each credit.

Amount of eligible expenditures		x %*			=	1
Enter again the amount of eligible expenditures		x 5%		=	2	
Total of salaries and wages paid in the previous tax year		- \$400,000	=	3		
Amount from line 3 (if negative, enter "0")		÷ 200,000	=	4		
1 minus the amount from line 4 -	=	(if negative, enter "0")		x	5	
Multiply line 2 by line 5			=	+	6	
Add lines 1 and 6				=	7	Credit amount

*Enter the applicable rate for line 1: Apprenticeship training tax credit = 25%
 Co-operative education tax credit = 10%
 Graduate transitions tax credit = 10%

Line 32 – Workplace child care tax credit

If you created additional licensed child care facilities or improved existing facilities (and were not in the business of providing child care), you may be eligible to claim a credit of 5% of qualifying expenditures incurred in the year.

Qualifying expenditures are:

- capital costs of the construction of new on-site licensed child care facilities in Ontario or capital renovations of existing child care facilities in Ontario;
- capital costs of the purchase of certain equipment fixed to the child care facility; or
- contributions made by a business to an unrelated entity that are used to fund the capital cost of new licensed child care facilities in Ontario or capital renovations of existing child care facilities in Ontario.

Claiming the credit

Enter your qualifying expenditures beside box 6332 and claim your credit on line 32 of Form ON479.

For more information, get Information Bulletin *The Workplace Child Care Tax Credit for Unincorporated Businesses* from the Ontario Ministry of Finance at the address or numbers listed in the section called "Information for Residents of Ontario" in this book.

Line 33 – Workplace accessibility tax credit

If you hired an eligible person with a disability, you may claim a credit of 15% of eligible expenditures (as defined below) **incurred in Ontario in the year** to accommodate that person.

Eligible expenditures are:

- interview costs for the prospective employee, such as fees paid to a sign language interpreter or intervener who assists in the job interview; and
- “qualifying expenditures” to a maximum of \$50,000 per employee.

Qualifying expenditures include:

- **during the 3 months before employment and during the first 12 months of employment** – certain disability-related modifications and equipment expenditures allowed as deductions under the federal *Income Tax Act*, and expenditures incurred for certain devices or equipment needed by the employee to work;
- **during the first 6 months of employment** – expenditures incurred to provide a job coach, a note taker, a sign language interpreter, or an intervener; and
- **for up to 12 months after the start of employment** – costs to train the employee or co-workers to use a device or equipment acquired for the impairment.

Claiming the credit

Use the following formula to calculate the credit for **each** employee: (interview costs + qualifying expenditures) × 15% = workplace accessibility tax credit.

Enter the eligible expenditures beside box 6334, and claim your credit on line 33 of Form ON479.

For more information, get Information Bulletin *The Workplace Accessibility Tax Credit for Unincorporated Businesses* from the Ontario Ministry of Finance at the address or numbers listed in the section called “Information for Residents of Ontario” in this book.

Line 34 – Educational technology tax credit

If you gave donations or provided price discounts to provincially-assisted Ontario colleges of applied arts and technology or universities to acquire new eligible teaching equipment or eligible learning technologies, you may claim a tax credit.

The credit is 5% of the amount by which the normal price exceeds the actual price paid by the eligible educational institution for the eligible teaching equipment or learning technologies.

Eligible teaching equipment includes new specialized machinery, instruments, tools, computer software, and other classroom, laboratory, studio, or shop instructional equipment integral to delivering courses.

Eligible learning technologies include new information and communications equipment, such as multi-media projectors, and specialized computer software that enhance instructional delivery and interaction among students and between students and instructors.

Claiming the credit

Enter the amount of donations or price discounts beside box 6330, and claim your credit on line 34.

For more information, get Information Bulletin *Educational Technology Tax Credit* from the Ontario Ministry of Finance at the address or numbers listed in the section called “Information for Residents of Ontario” in this book.

Line 35 – School bus safety tax credit

If you purchased an eligible school bus in the year, you may claim a credit of 5% of qualifying expenditures (as defined below).

A **qualifying expenditure** is the total capital cost of acquiring an eligible school bus.

An **eligible school bus** is a vehicle acquired by you, or a partnership in which you are a member, that meets **all** of the following conditions:

- it has not been used before its acquisition,
- it is a school bus, as defined under the *Highway Traffic Act*, that meets the requirements of sections 1 and 3 of Regulation 612 and it conforms to current CSA standards;
- it is used in Ontario primarily to transport children or to transport adults with a developmental disability; and
- the vehicle’s capital cost is included in class 10 of Schedule II to the regulations of the federal *Income Tax Act*.

Note

The eligible school bus must be used for at least 36 months after the date of acquisition. If you dispose of the bus before the end of the 36 months, you may be required to pay back a portion of the credit.

Claiming the credit

Enter your qualifying expenditures beside box 6331 and claim your credit on line 35 of Form ON479.

For more information on this credit, contact the Ontario Ministry of Finance at the address or numbers listed in the section called “Information for Residents of Ontario” in this book.

OHOSP tax credit factor table

To determine your tax credit factor, use the amount from line 21 of Form ON479, *Ontario Credits*.

OHOSP qualifying income		Tax credit factor	OHOSP qualifying income		Tax credit factor	OHOSP qualifying income		Tax credit factor	OHOSP qualifying income		Tax credit factor	OHOSP qualifying income		Tax credit factor
Equal to or over	Under		Equal to or over	Under		Equal to or over	Under		Equal to or over	Under		Equal to or over	Under	
0	20,080	0.250	24,080	24,160	0.199	28,160	28,240	0.148	32,240	32,320	0.097	36,320	36,400	0.046
20,080	20,160	0.249	24,160	24,240	0.198	28,240	28,320	0.147	32,320	32,400	0.096	36,400	36,480	0.045
20,160	20,240	0.248	24,240	24,320	0.197	28,320	28,400	0.146	32,400	32,480	0.095	36,480	36,560	0.044
20,240	20,320	0.247	24,320	24,400	0.196	28,400	28,480	0.145	32,480	32,560	0.094	36,560	36,640	0.043
20,320	20,400	0.246	24,400	24,480	0.195	28,480	28,560	0.144	32,560	32,640	0.093	36,640	36,720	0.042
20,400	20,480	0.245	24,480	24,560	0.194	28,560	28,640	0.143	32,640	32,720	0.092	36,720	36,800	0.041
20,480	20,560	0.244	24,560	24,640	0.193	28,640	28,720	0.142	32,720	32,800	0.091	36,800	36,880	0.040
20,560	20,640	0.243	24,640	24,720	0.192	28,720	28,800	0.141	32,800	32,880	0.090	36,880	36,960	0.039
20,640	20,720	0.242	24,720	24,800	0.191	28,800	28,880	0.140	32,880	32,960	0.089	36,960	37,040	0.038
20,720	20,800	0.241	24,800	24,880	0.190	28,880	28,960	0.139	32,960	33,040	0.088	37,040	37,120	0.037
20,800	20,880	0.240	24,880	24,960	0.189	28,960	29,040	0.138	33,040	33,120	0.087	37,120	37,200	0.036
20,880	20,960	0.239	24,960	25,040	0.188	29,040	29,120	0.137	33,120	33,200	0.086	37,200	37,280	0.035
20,960	21,040	0.238	25,040	25,120	0.187	29,120	29,200	0.136	33,200	33,280	0.085	37,280	37,360	0.034
21,040	21,120	0.237	25,120	25,200	0.186	29,200	29,280	0.135	33,280	33,360	0.084	37,360	37,440	0.033
21,120	21,200	0.236	25,200	25,280	0.185	29,280	29,360	0.134	33,360	33,440	0.083	37,440	37,520	0.032
21,200	21,280	0.235	25,280	25,360	0.184	29,360	29,440	0.133	33,440	33,520	0.082	37,520	37,600	0.031
21,280	21,360	0.234	25,360	25,440	0.183	29,440	29,520	0.132	33,520	33,600	0.081	37,600	37,680	0.030
21,360	21,440	0.233	25,440	25,520	0.182	29,520	29,600	0.131	33,600	33,680	0.080	37,680	37,760	0.029
21,440	21,520	0.232	25,520	25,600	0.181	29,600	29,680	0.130	33,680	33,760	0.079	37,760	37,840	0.028
21,520	21,600	0.231	25,600	25,680	0.180	29,680	29,760	0.129	33,760	33,840	0.078	37,840	37,920	0.027
21,600	21,680	0.230	25,680	25,760	0.179	29,760	29,840	0.128	33,840	33,920	0.077	37,920	38,000	0.026
21,680	21,760	0.229	25,760	25,840	0.178	29,840	29,920	0.127	33,920	34,000	0.076	38,000	38,080	0.025
21,760	21,840	0.228	25,840	25,920	0.177	29,920	30,000	0.126	34,000	34,080	0.075	38,080	38,160	0.024
21,840	21,920	0.227	25,920	26,000	0.176	30,000	30,080	0.125	34,080	34,160	0.074	38,160	38,240	0.023
21,920	22,000	0.226	26,000	26,080	0.175	30,080	30,160	0.124	34,160	34,240	0.073	38,240	38,320	0.022
22,000	22,080	0.225	26,080	26,160	0.174	30,160	30,240	0.123	34,240	34,320	0.072	38,320	38,400	0.021
22,080	22,160	0.224	26,160	26,240	0.173	30,240	30,320	0.122	34,320	34,400	0.071	38,400	38,480	0.020
22,160	22,240	0.223	26,240	26,320	0.172	30,320	30,400	0.121	34,400	34,480	0.070	38,480	38,560	0.019
22,240	22,320	0.222	26,320	26,400	0.171	30,400	30,480	0.120	34,480	34,560	0.069	38,560	38,640	0.018
22,320	22,400	0.221	26,400	26,480	0.170	30,480	30,560	0.119	34,560	34,640	0.068	38,640	38,720	0.017
22,400	22,480	0.220	26,480	26,560	0.169	30,560	30,640	0.118	34,640	34,720	0.067	38,720	38,800	0.016
22,480	22,560	0.219	26,560	26,640	0.168	30,640	30,720	0.117	34,720	34,800	0.066	38,800	38,880	0.015
22,560	22,640	0.218	26,640	26,720	0.167	30,720	30,800	0.116	34,800	34,880	0.065	38,880	38,960	0.014
22,640	22,720	0.217	26,720	26,800	0.166	30,800	30,880	0.115	34,880	34,960	0.064	38,960	39,040	0.013
22,720	22,800	0.216	26,800	26,880	0.165	30,880	30,960	0.114	34,960	35,040	0.063	39,040	39,120	0.012
22,800	22,880	0.215	26,880	26,960	0.164	30,960	31,040	0.113	35,040	35,120	0.062	39,120	39,200	0.011
22,880	22,960	0.214	26,960	27,040	0.163	31,040	31,120	0.112	35,120	35,200	0.061	39,200	39,280	0.010
22,960	23,040	0.213	27,040	27,120	0.162	31,120	31,200	0.111	35,200	35,280	0.060	39,280	39,360	0.009
23,040	23,120	0.212	27,120	27,200	0.161	31,200	31,280	0.110	35,280	35,360	0.059	39,360	39,440	0.008
23,120	23,200	0.211	27,200	27,280	0.160	31,280	31,360	0.109	35,360	35,440	0.058	39,440	39,520	0.007
23,200	23,280	0.210	27,280	27,360	0.159	31,360	31,440	0.108	35,440	35,520	0.057	39,520	39,600	0.006
23,280	23,360	0.209	27,360	27,440	0.158	31,440	31,520	0.107	35,520	35,600	0.056	39,600	39,680	0.005
23,360	23,440	0.208	27,440	27,520	0.157	31,520	31,600	0.106	35,600	35,680	0.055	39,680	39,760	0.004
23,440	23,520	0.207	27,520	27,600	0.156	31,600	31,680	0.105	35,680	35,760	0.054	39,760	39,840	0.003
23,520	23,600	0.206	27,600	27,680	0.155	31,680	31,760	0.104	35,760	35,840	0.053	39,840	39,920	0.002
23,600	23,680	0.205	27,680	27,760	0.154	31,760	31,840	0.103	35,840	35,920	0.052	39,920	40,000	0.001
23,680	23,760	0.204	27,760	27,840	0.153	31,840	31,920	0.102	35,920	36,000	0.051	40,000	& over	0.000
23,760	23,840	0.203	27,840	27,920	0.152	31,920	32,000	0.101	36,000	36,080	0.050			
23,840	23,920	0.202	27,920	28,000	0.151	32,000	32,080	0.100	36,080	36,160	0.049			
23,920	24,000	0.201	28,000	28,080	0.150	32,080	32,160	0.099	36,160	36,240	0.048			
24,000	24,080	0.200	28,080	28,160	0.149	32,160	32,240	0.098	36,240	36,320	0.047			