

Northern Residents Deductions – Residency

We are now seeing more and more cases of the northern residency deductions being reviewed by Canada Revenue Agency through their assessment programs after your initial tax return has been submitted and accepted.

Although the process of replying to an assessment is pretty straight forward these notices come sometime after the fact and you would be best to get your supporting documentation in place while your return is being prepared.

If you are a homeowner one of the following will support your residency claim: annual mortgage statement supplied by your bank, property tax notices for the tax year, monthly (all 12) utility/power bills with your name and service address clearly indicated.

If you are a tenant and rent your home/apartment one of the following will support your residency claim: a copy of the lease/rental agreement with your landlord, monthly (all 12) rent receipts with your name and address clearly indicated, monthly (all 12) utility/power bills with your name and service address clearly indicated.

If you have changed your residence over the course of the year you will need to supply supporting documents for each residence that you have maintained and wish to claim.

If you have shared a residence with someone other than a spouse or partner you will need to establish with your housemate(s) who will be claiming the residency amounts and if one person will be claiming the additional residency amounts during any portion of the year.

The following page has a form that will help you record your claim in the case of multiple tenants/occupants. Although you are not required to complete this form to have your tax return prepared it will assist you in replying to an assessment and supporting your claim should your return be chosen for assessment Canada Revenue Agency at a later date.

For more information on the northern residence deductions please review the information sheet we have put together on our site in the Personal Tax section.

February 1, 2011

Canada Revenue Agency
Winnipeg Tax Centre
66 Stapon Road
Winnipeg, Manitoba
R3C-3M2

RE: Northern Residents Deductions – Residency 15406e

To Whom It May Concern:

I _____, during the period of _____ to _____ maintained residence
(Client Name) (Date Range: DD/MM/YY to DD/MM/YY)
and a dwelling in _____.
(City/Town/Community Name)

_____ is located in Zone A - prescribed northern zone.
(City/Town/Community Name)

My residence in _____ is described as _____.
(City/Town/Community Name) (House #/Lot #/Street Address)

During the 2010 tax year the following individual(s) resided along with me at the residence noted above:

- 1> _____ from _____ to _____
(First and Last Name) (Social Insurance Number) (Date Range: DD/MM/YY to DD/MM/YY)
- 2> _____ from _____ to _____
(First and Last Name) (Social Insurance Number) (Date Range: DD/MM/YY to DD/MM/YY)
- 3> _____ from _____ to _____
(First and Last Name) (Social Insurance Number) (Date Range: DD/MM/YY to DD/MM/YY)

I am claiming the basic residency amount from _____ to _____ at this residence.
(Date Range: DD/MM/YY to DD/MM/YY)

I am claiming the additional residency amount from _____ to _____ at this residence.
(Date Range: DD/MM/YY to DD/MM/YY)

The individuals listed above have been informed regarding my residency claim on form T2222 (2010) and understand that during any period that I have claimed additional residency that they may not claim the basic or additional residency amounts for this residence. The individuals above have signed-off and acknowledged my claim through their signatures below:

- 1> _____, 2> _____, 3> _____
(Signature of co-occupant) (Signature of co-occupant) (Signature of co-occupant)

This letter has been drafted to satisfy the requirements supporting the claim on line 255 – Northern residents deductions – RESIDENCY on the T1 2008 Individual Income Tax and Benefit Return being assessed by CRA.

Attached to this letter please find copies of the following documents to support my claim on line 255:

(rent receipts, property tax bills, utility bills, copy of rent agreement or lease, home insurance statement, or mortgage statement)

Sincerely,

_____ Date: _____
(Client signature) (DD/MM/YYYY)