

Questions about the simplified northern residents travel deduction

What is the simplified northern residents travel deduction?

The simplified northern residents deduction is a pilot project for the travel deduction that provides the lowest return airfare in the form of an airfare table, making it simple for eligible taxpayers to provide the necessary information in their claims.

What is the Agency hoping to achieve with the LRA table?

By introducing the lowest return airfare tables, the CRA is hoping to make the process of claiming the northern residents travel deduction easier.

Northern residents have told us that determining and documenting the lowest return airfare when claiming the northern residents deductions can be complex. Ever since, the CRA has been working on simplifying the process to claim these important deductions for northern families.

Simplifying the northern residents travel deduction was an initiative that was included in the Northern Service Improvement strategy in 2018.

Do I need to use the LRA table provided by the CRA, or can I use other methods to claim the LRA? Am I limited in using the CRA table?

Northern residents are not limited to using the lowest return airfare table when claiming the travel deduction. The tables are a tool that all northern residents can rely on if no alternatives are available.

To determine the LRA, northern residents have the option to choose one of the following methods:

- Use the cost of airfare for a round trip from the airport closest to your residence to the nearest designated city. In case the Canada Revenue Agency (CRA) asks for proof of the cost, keep your receipts and any supporting documents.
- Use the amount in the lowest return airfare table which corresponds to your travel date and the airport closest to your residence. With this option, you do not need to have an airfare quote, receipts or any other supporting documents.

What documentation can I provide to the CRA to support my claim?

If someone chooses to determine the LRA without using the airfare tables, they can support their claim for the LRA with a print or screenshot taken of the economy flights that were available for the day of the trip. This document should show that the amount submitted as the LRA quote was the lowest airfare amount offered between the closest airport to their residence and the nearest designated city.

The CRA will also accept an LRA claim that uses the price of an economy return airfare ticket bought before or the day of the trip, as long as it is for a ticket for a round-trip between the airport closest to the taxpayer's residence and the nearest designated city.

Can I use the LRA amounts produced by airlines for my tax return?

As we navigate the introduction of the new pilot project, the CRA will be flexible in what it will accept as part of the LRA.

Northern residents will be allowed to use the lowest return airfare tables provided by the CRA as well as tools offered by airlines, as long as they can demonstrate where and how they found the amount they claimed.

How do I actually use the amounts of the LRA table?

To use the amounts in the LRA tables, northern residents need to find and use the amount associated with the airport closest to their residence found in the airfare table and complete column 5 in Chart B of their [Form T2222, Northern Residents Deductions](#).

For a step by step, see www.canada.ca/lowest-return-airfare, or the steps below:

1. Find and open the table that matches the period of time when travel started. For example, if you travelled in November of 2022, find the table for the period of October 2022 to March 2023.
2. In the table, choose the airport closest to your residence.
3. Use the amount associated with the closest airport as your LRA and complete column 5 in Chart B of your form T2222, Northern Residents Deductions.

How did the CRA determine the numbers found in the lowest return airfare tables?

The CRA contracted an external travel provider who identified the airfare pricing that would qualify as part of the established criteria for the LRA within set periods of time.

The numbers in the tables represent the lowest level of economy return flights available, regardless of airline, to and from the eligible airport and the nearest designated cities.

Why are numbers provided in the CRA airfare tables lower than the amounts found in other available external tables or tools?

The numbers in the CRA airfare table will vary from the numbers found from other airlines or tools because different methods were used to identify the numbers.

As per the definition of the LRA, the numbers found in the CRA airfare tables represent the lowest level of economy return flights available, regardless of airline, to and from the eligible airport and the nearest designated cities.

How are the nearest designated cities determined?

The lowest return airfare is the cost of the cheapest round-trip airfare available when travel began, between the airport closest to the taxpayer's residence and the nearest designated city.

The nearest designated cities are cities that have been designated specifically for the purpose of this deduction. Several factors must be considered for a city to be considered the nearest designated city.

The first step is to determine the nearest airport to the taxpayer's residence. That airport must have regularly scheduled flights and must be reachable by means of public travel such as roads, highways, railways, and ferries, using the most reasonably direct route.

Once the nearest airport is determined, the next step is to determine which designated city is closest to that airport. If the nearest airport to the taxpayer's residence does not have flights directly to the nearest designated city geographically or to any other designated city, it is necessary to determine what is the nearest designated city.

The nearest designated city must be the closest city to the airport that is nearest to the taxpayer's residence in terms of **flight distance**, measured in nautical miles. There must also be flights between that airport and the airport closest to the taxpayer's residence.

Example:

If an individual is trying to find the LRA by using the airfare tables, and the nearest airport to their residence is Port-Menier airport, the nearest designated city in the airfare tables is the city of Quebec. Quebec was listed as the designated city because currently, there are no flights departing from Port-Menier going directly to Moncton, the city that is closest geographically.

Quebec is the nearest designated city because it is the closest in terms of flight distance. Flying from Port-Menier to Quebec can be done in two flights traveling a total distance of 370 nautical miles. However, there are no flights to Greater Moncton Roméo LeBlanc International airport.

If in the future a direct flight between Port-Menier airport and Greater Moncton Roméo LeBlanc International airport becomes available, the nearest designated city would be Moncton.