

# Graduate Retention Rebate

## FACTSHEET



The Province of Nova Scotia has introduced a new Graduate Retention Rebate as an incentive for recent post-secondary graduates to work and live in Nova Scotia. The new rebate replaces the Graduate Tax Credit.

### **Who is eligible for the rebate?**

Graduates with a recent university degree may be eligible to reduce their Nova Scotia income taxes by up to \$15,000 over six years, to a maximum of \$2,500 per year.

Graduates with a college diploma or certificate may be eligible to reduce their Nova Scotia income taxes by up to \$7,500 over six years, to a maximum of \$1,250 per year.

### **Do you need to be originally from Nova Scotia to receive the rebate?**

Graduates must be a resident of Nova Scotia, filing a Nova Scotia tax return to receive the rebate. They may have attended any eligible institution in Nova Scotia or outside the province.

### **Which educational programs qualify for the rebate?**

Students may claim the rebate if they graduated from institutions or programs outlined in the Master List of Designated Educational Institutions, under the Canada Student Loans Program.

### **What is the time period for eligibility?**

Eligible individuals who graduate after December 31<sup>st</sup> 2008 will be able to claim the Graduate Retention Rebate.

Individuals who graduated in 2006, 2007, and 2008 are eligible for the previous Graduate Tax Credit. These individuals who have unused credits from the previous Graduate Tax Credit may still apply them to provincial taxes payable in the year of graduation and in the two years following graduation.

### **Who will administer the program?**

The Canada Revenue Agency will administer the Graduate Retention Rebate as part of the annual tax return. The Graduate Retention Rebate can be claimed in the NS 428 form of the T1 package. The administration of the new Graduate Retention Rebate is similar to the previous Graduate Tax Credit .

### **How does this relate to the former Graduate Tax Credit?**

The Graduate Retention Rebate program works substantially the same way as the previous Graduate Tax Credit. However, there are two significant changes.

The total tax credit amounts have been increased to \$15,000 for university graduates and \$7,500 for college graduates.

Under the new Graduate Retention Rebate, eligible individuals can reduce their provincial taxes by \$2,500 (university graduates) or \$1,250 (college graduates) each year, starting in the year of graduation and the following five years.

Under the previous Graduate Tax Credit, eligible individuals could reduce their provincial taxes by \$1,000 (2006 and 2007) or \$2,000 (2008) in the year of graduation. Any portion of the Graduate Tax Credit that is not used in the year of graduation, is carried forward for two years. Unused portions of the Graduate Retention Rebate can not be carried forward, unlike the Graduate Tax Credit.

### **What is the cost of this program?**

Graduate Retention Rebate program replaces the \$14 million Graduate Tax Credit. The cost is expected to increase in future years.