



Northwest Territories Cost of Living Offset

What is the Northwest Territories Cost of Living Offset?

The NWT Cost of Living Offset (COLO) is a tax-free benefit paid to individuals and families living in the NWT to help offset the cost of the territorial carbon tax that became effective September 1, 2019. The COLO is not based on family income and will increase as the carbon tax rate increases.

How much is the annual benefit?

Annual benefits for 2022-23 are \$260 for adults aged 18 or older and \$300 for children under the age of 18. For example, a family of two adults and two children will receive an annual benefit of \$1,120.

Annual benefits increase in step with carbon tax rate increases.

When will I receive the COLO payments?

The annual COLO is issued quarterly in July, October, January and April.

Only one payment is issued for families. For a child in shared custody each parent will receive one-half of the benefit for the child.

The Canada Revenue Agency issues COLO payments on behalf of the Government of the Northwest Territories.

Who can receive the COLO?

You will receive the COLO if you are an NWT resident for at least three months before the payment date and you filed an income tax and benefit return for the previous year. Even if you have no income or your income is tax-exempt, you must file your income tax and benefit return to receive the COLO payments.

Do I need to apply to receive the COLO?

No. You do not need to apply to receive the COLO. The Canada Revenue Agency will determine your eligibility and issue payments to all entitled individuals and families.

How are payments issued?

Payments are issued by cheque or direct deposit based on the information and preferences you have on file with the Canada Revenue Agency.

More information

Please call 1-866-426-1527 for more information or if you have not received your benefits within two weeks after the month they are issued.