



Information for Residents of Yukon

What's new for 2011?

The income levels and most of the non-refundable tax credits used to calculate your Yukon income tax have changed.

The \$10,000 limit for the allowable amount of medical expenses for other dependants has been eliminated.

The rates used to calculate the dividend tax credit have changed.

Form YT428, YUKON TAX, reflects these changes.

General information

Yukon Child Benefit

The Yukon Child Benefit is a non-taxable amount paid monthly to help low- and modest-income families with the cost of raising children

under 18 years of age. Benefits are combined with the Canada Child Tax Benefit into a single monthly payment.

For more information on the payment amounts, see Booklet T4114, CANADA CHILD BENEFITS.

File your tax return – You (and your spouse or common-law partner) should file your 2011 tax return(s) as soon as possible. The information you give on your return(s) will determine how much you will get starting in July 2012.

This program is funded by Yukon with a contribution from Indian and Northern Affairs Canada on behalf of Status Indian children. For more information, call **1-800-387-1193**.

Did you reside on Yukon First Nations settlement land?

If you resided on settlement land of a self-governing Yukon First Nation at the end of the year, enter the First Nation name and identification number on page 5 [1] of your return.

Complete Form YT432, YUKON FIRST NATIONS TAX, to calculate the part of federal and territorial tax that is transferred to the self-governing Yukon First Nation government responsible for the settlement land where you resided. Attach a copy to your return.

For more information

If you have questions about **Yukon tax credits**, contact:

Department of Finance
Government of Yukon
2071 2nd Avenue, 3rd floor
Post Office Box 2703
Whitehorse YT Y1A 2C6

Call: **867-667-5343** or **1-800-661-0408**

If you have questions about **Yukon tax**, visit the Canada Revenue Agency (CRA) Web site at **www.cra.gc.ca** or call the CRA at **1-800-959-8281**.

If you have questions about **Yukon First Nations Tax**, call the CRA at **1-800-367-9058** (available in area codes **867** and **250**).

To get forms, go to the CRA Web page at **www.cra.gc.ca/forms** or call **1-800-959-2221**.

Completing your Yukon forms

All the information you need to calculate your Yukon tax and credits is included on the following pages. You will find two copies of Form YT428, YUKON TAX, Form YT479, YUKON CREDITS, and Form YT432, YUKON FIRST NATIONS TAX, in this book. Complete the forms that apply to you, and attach a copy to your return.

The following information will help you complete Form YT428, Form YT479, and Form YT432.

The terms **spouse** and **common-law partner** are defined in the GENERAL INCOME TAX AND BENEFIT GUIDE.

The term **end of the year** means December 31, 2011, the date you left Canada if you emigrated in 2011, or the date of death for a person who died in 2011.

Tax Tip

A number of Yukon tax measures are distinct from corresponding federal measures. However, many rules for calculating Yukon 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 YT428, Yukon Tax

Complete Form YT428 if you were a resident of Yukon at the end of the year.

If you had income from a business with a permanent establishment outside of Yukon, complete Form T2203, PROVINCIAL AND TERRITORIAL TAXES FOR 2011 – MULTIPLE JURISDICTIONS, **instead of** completing Form YT428.

You also have to complete Form YT428 if you were a non-resident of Canada in 2011 and you earned income from employment in Yukon or received income from a business with a permanent establishment only in Yukon.

Step 1 – Yukon non-refundable tax credits

The eligibility criteria and rules for claiming the Yukon non-refundable tax credits are the same as for the federal non-refundable tax credits. In addition, **the value and calculation of many of the Yukon non-refundable tax credits are the same as the corresponding federal credits.**

Newcomers to Canada and emigrants

If you prorated any of the amounts you claimed on lines 300, 301, 303, 305, 367, 306, 315, 316, 318, 324, and 326 of your federal Schedule 1, you have to prorate the corresponding territorial amounts on lines 5804, 5808, 5812, 5816, 5825, 5820, 5840, 5844, 5848, 5860, and 5864.

Line 5804 – Basic personal amount

Claim \$10,527.

Line 5808 – Age amount

You can claim this amount if you met the rules for claiming the amount on line 301 of federal Schedule 1. Enter on line 5808 the same amount that you entered on line 301 of your federal Schedule 1.

Tax Tip

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. For more information, see line 5864.

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. Enter on line 5812 the same amount that you entered on line 303 of your federal Schedule 1.

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 pages 3 and 4 [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. Enter on line 5816 the same amount that you entered on line 305 of your federal Schedule 1.

Note

If you were a single parent on December 31, 2011, and you choose to include all Universal Child Care Benefit amounts you received in 2011 in the income of your dependant, include this amount in the calculation of his or her net income.

If you have not already completed federal Schedule 5, complete and attach it to your return.

Line 5825 – Amount for children born in 1994 or later

You can claim this amount if the rules are met for claiming the amount on line 367 of federal Schedule 1. Enter on line 5825 the same amount that you entered on line 367 of your federal Schedule 1.

Note

Only residents of Yukon are eligible for this amount. If you are not a resident of Yukon, you cannot claim this non-refundable tax credit in calculating your Yukon tax even though you may have received income from a source inside Yukon in 2011.

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. Enter on line 5820 the same amount that you entered on line 306 of your federal Schedule 1.

Line 5824 – CPP or QPP contributions through employment

Enter on this line the amount you claimed on line 308 of your federal Schedule 1.

Line 5828 – CPP or QPP contributions on self-employment and other earnings

Enter on this line the amount you claimed on line 310 of your federal Schedule 1.

Line 5832 – Employment Insurance premiums through employment

Enter on this line the amount you claimed on line 312 of your federal Schedule 1.

Line 5829 – Employment Insurance premiums on self-employment and other eligible earnings

Enter on this line the amount you claimed on line 317 of your federal Schedule 1.

Line 5834 – Canada employment amount

You can claim this amount if you met the rules for claiming the amount on line 363 of federal Schedule 1. Enter on line 5834 the same amount that you entered on line 363 of your federal Schedule 1.

Line 5835 – Public transit amount

You can claim this amount if you met the rules for claiming the amount on line 364 of federal Schedule 1. Enter on line 5835 the same amount that you entered on line 364 of your federal Schedule 1.

Line 5838 – Children's fitness amount

You can claim this amount if you met the rules for claiming the amount on line 365 of federal Schedule 1. Enter on line 5838 the same amount that you entered on line 365 of your federal Schedule 1.

Note

Only residents of Yukon are eligible for this amount. If you are not a resident of Yukon, you cannot claim this non-refundable tax credit in calculating your Yukon tax even though you may have received income from a source inside Yukon in 2011.

Line 5833 – Adoption expenses

You can claim this amount if the rules are met for claiming the amount on line 313 of federal Schedule 1. Enter on line 5833 the same amount that you entered on line 313 of your federal Schedule 1.

Note

Only residents of Yukon are eligible for this amount. If you are not a resident of Yukon, you cannot claim this non-refundable tax credit in calculating your Yukon tax even though you may have received income from a source inside Yukon in 2011.

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. Enter on line 5836 the same amount that you entered on line 314 of your federal Schedule 1.

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. Enter on line 5840 the same amount that you entered on line 315 of your federal Schedule 1.

Line 5844 – Disability amount (for self)

You can claim this amount if you met the rules for claiming the amount on line 316 of federal Schedule 1. Enter on line 5844 the same amount that you entered on line 316 of your federal Schedule 1.

Line 5848 – Disability amount transferred from a dependant

You can claim this amount if the rules are met for claiming the amount on line 318 of federal Schedule 1. Enter on line 5848 the same amount that you entered on line 318 of your federal Schedule 1.

Line 5852 – Interest paid on your student loans

Enter on this line the amount you claimed on line 319 of your federal Schedule 1.

Line 5856 – Your tuition, education, and textbook amounts

Complete Schedule YT(S11), TERRITORIAL TUITION, EDUCATION, AND TEXTBOOK AMOUNTS.

Supporting documents – If you are filing electronically, keep all your documents in case we ask to see them at a later date. If you are filing a **paper return, attach your completed Schedule YT(S11)**, but do not send your other documents. Keep all your documents in case we ask to see them at a later date.

Transferring and carrying forward amounts

You may not need all of your 2011 tuition, education, and textbook amounts to reduce your territorial income tax to zero. In this case, you can **transfer** all or some of the unused part to **one** person, either to your spouse or common-law partner (who would claim it on line 5864) or to your or your spouse's 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's or common-law partner's parent or grandparent, if your spouse or common-law partner does not claim an amount for you on line 5812 or 5864.

Complete the "Transfer/Carryforward of unused amount" section of Schedule YT(S11) to calculate the territorial amount available to transfer, as well as Form T2202, EDUCATION AND TEXTBOOK AMOUNTS CERTIFICATE, T2202A, TUITION, EDUCATION, AND TEXTBOOK AMOUNTS CERTIFICATE, TL11A, TUITION, EDUCATION, AND TEXTBOOK AMOUNTS CERTIFICATE – UNIVERSITY OUTSIDE CANADA, TL11B, TUITION, EDUCATION, AND TEXTBOOK AMOUNTS CERTIFICATE – FLYING SCHOOL OR CLUB, or TL11C, TUITION, EDUCATION, AND TEXTBOOK AMOUNTS

CERTIFICATE – COMMUTER TO THE UNITED STATES, to designate who can claim the transferred amount and to specify the amount this person can claim. This amount may be different from the amount calculated for the same person on your federal Schedule 11. Enter the territorial amount you are transferring on line 24 of your Schedule YT(S11).

Tax Tip

If you are transferring an amount to a designated individual, only transfer the amount this person can use. That way, you can carry forward as much as possible to use in a future year.

Complete the "Transfer/Carryforward of unused amount" section of Schedule YT(S11) to calculate the amount you can **carry forward** to a future year. This amount corresponds to the part of your tuition, education, and textbook amounts you do not need to use (and do not transfer) for the year.

Line 5860 – Tuition, education, and textbook amounts transferred from a child

You can claim these amounts if the rules are met for claiming the amount on line 324 of federal Schedule 1.

Enter on line 5860 the total of all territorial amounts that each student has transferred to you as shown on his or her Form T2202, T2202A, TL11A, TL11B, or TL11C.

Notes

The student **must have entered this amount on line 24** of his or her Schedule YT(S11). He or she may have chosen to transfer an amount that is less than the available territorial amount. The student cannot transfer to you any unused tuition, education, and textbook amounts carried forward from a previous year.

If you and the student were residents of different territories or provinces on December 31, 2011, special rules may apply. Call the Canada Revenue Agency 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. Read line 324 in the GENERAL INCOME TAX AND BENEFIT GUIDE.

Supporting documents – If you are filing electronically or filing a **paper return**, do not send any documents. Keep all your documents in

case we ask to see them at a later date. The **student** must attach Schedule YT(S11) to his or her paper return.

Line 5864 – Amounts transferred from your spouse or common-law partner

You can claim these amounts if the rules are met for claiming the amount on line 326 of federal Schedule 1.

Complete Schedule YT(S2), TERRITORIAL AMOUNTS TRANSFERRED FROM YOUR SPOUSE OR COMMON-LAW PARTNER, and attach a copy to your return.

Line 5868 – Medical expenses for self, spouse or common-law partner, and your dependent children born in 1994 or later

The medical expenses you can claim on line 5868 are the same as those you can claim on line 330 of your federal Schedule 1. They have to cover the **same 12-month period** ending in 2011, and no one has claimed them on a 2010 return.

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 can claim on line 5872 are the same as those you can claim on line 331 of your federal Schedule 1. They have to cover the **same 12-month period** ending in 2011, and no one has claimed them on a 2010 return.

Line 5896 – Donations and gifts

Enter the amounts from lines 345 and 347 of your federal Schedule 9 and multiply them by the rates on lines 31 and 32 of Form YT428.

Step 2 – Yukon tax on taxable income

Enter on line 35 your taxable income from line 260 of your return. Complete the appropriate column depending on the amount entered.

Step 3 – Yukon tax

Line 44 – Yukon 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 Yukon 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 52 – Yukon additional tax for minimum tax purposes

If you have to pay federal minimum tax as calculated on Form T691, ALTERNATIVE MINIMUM TAX, you will have to determine your Yukon additional tax for minimum tax purposes.

To do this, complete the calculation on line 52 of Form YT428. You can find more information on minimum tax in the GENERAL INCOME TAX AND BENEFIT GUIDE.

Line 60 – Territorial 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 a territorial 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 (read "For more information" on page 3 [1] of this book).

Enter, on line 60 of Form YT428, the tax credit amount from line 5 of Form T2036.

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

Lines 63 to 76 – Yukon low-income family tax credit

This credit reduces Yukon tax by up to \$300 for low-income individuals and families who were resident in Yukon at the end of the year. Complete the calculation of your **adjusted net income** at

lines 63 to 67 of Form YT428. You can claim this credit if your **adjusted net income** is less than \$25,000.

If you had a spouse or common-law partner on December 31, 2011, you can claim this credit if you are the person with the higher net income.

If you both had the same net income, you and your spouse or common-law partner must decide who will claim the tax credit, as only one of you can make this claim.

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 pages 3 and 4 [1] of your return.

If you are completing this return for a person who died in 2011, you can claim this credit for the person if he or she otherwise qualifies.

Form YT479, Yukon Credits

Lines 1 to 4 – Yukon political contribution tax credit

You can deduct part of the contributions you made in 2011 to a registered Yukon political party or to a candidate seeking election to the Yukon Legislative Assembly.

How to claim

Enter your total contributions on line 1 of Form YT479, and calculate the amount to enter on line 2 as follows:

- For contributions of **more than \$1,150**, enter \$500 on line 2.
- For contributions of **\$1,150 or less**, complete the calculation for line 2 on the TERRITORIAL WORKSHEET in this book.

Supporting documents – For each contribution, attach to your paper return the official receipt signed by an official agent of the political party or candidate. If you are filing electronically, keep all your documents in case we ask to see them.

Lines 5 to 14 – Small business investment tax credit

You can claim this credit if, at the end of the year, you were a resident of Yukon **and** you were 19 years of age or older.

The credit is equal to 25% of the value of eligible shares and subordinated debt that you invested in eligible Yukon businesses in 2011 (that you did not claim on your 2010 return) or in the first 60 days of 2012.

Enter on line 5 of Form YT479, the tax credit amount shown on Certificate YSBITC-1, SMALL BUSINESS CORPORATION INVESTMENT TAX CREDIT (issued by the Yukon government).

Supporting documents – Attach the YSBITC-1 certificate to your paper return. If you are filing electronically, keep all your documents in case we ask to see them.

Unused small business investment tax credit

You can carry forward your unused small business investment tax credits for seven years or carry them back three years.

Any unused tax credit is shown on your most recent notice of assessment or notice of reassessment. Enter any unused credit from previous years on line 6 of Form YT479 to reduce your 2011 Yukon tax. The maximum amount available is \$25,000 per year. This limit includes any carryover amount.

You may not need all of your credit to reduce your 2011 territorial income tax to zero. Complete the calculation for lines 12 to 14 on the TERRITORIAL WORKSHEET in this book to determine any unused credit available to carry back to previous years.

Lines 15 to 24 – Labour-sponsored venture capital corporation tax credit

You can claim a credit equal to 25% of eligible investments you made in the Fireweed Fund Corporation in 2011 (that you did not claim on your 2010 return) or in the first 60 days of 2012. The maximum annual credit is \$1,250.

If the investment was made into a spousal or common-law partner RRSP, you or your spouse or common-law partner may claim the tax credit.

Enter, on line 15 of Form YT479, the amount shown on the tax credit certificate you received from the Fireweed Fund Corporation.

Supporting documents – Attach the certificate to your paper return. If you are filing electronically, keep all your documents in case we ask to see them.

Tax Tip

You are also eligible for a federal tax credit. For more information, read lines 413 and 414 in the GENERAL INCOME TAX AND BENEFIT GUIDE.

Unused labour-sponsored venture capital corporation tax credit

You can carry forward your unused labour-sponsored venture capital corporation tax credits for seven years or carry them back three years.

Any unused tax credit is shown on your most recent notice of assessment or notice of reassessment. Enter any unused credit from previous years on line 16 of Form YT479 to reduce your 2011 Yukon tax.

You may not need all of your credit to reduce your 2011 territorial income tax to zero. Complete the calculation for lines 22 to 24 on the TERRITORIAL WORKSHEET in this book to determine any unused credit available to carry back to previous years.

Line 25 – Research and development tax credit

You can claim this credit if you were a resident of Yukon at the end of the year and you made eligible expenditures in the tax year for scientific research and experimental development carried out in Yukon.

To claim the credit, get Form T1232, YUKON RESEARCH AND DEVELOPMENT TAX CREDIT (INDIVIDUALS), from the CRA's Web site or by contacting us (read "For more information" on page 3 [1] of this book).

Enter, on line 25 of Form YT479, the tax credit from line 8 of Form T1232.

Supporting documents – Attach Form T1232 to your paper return. If you are filing electronically, keep all your documents in case we ask to see them.

Line 27 – Yukon First Nations income tax credit

If you resided on Yukon First Nations settlement land at the end of the year, complete Form YT432, YUKON FIRST NATIONS TAX.

This form contains all the information about this credit.