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YUKON TO INTRODUCE NEW CHILD TAX CREDITS

WHITEHORSE – Finance Minister Dennis Fentie announced today that the Yukon government will amend the *Income Tax Act* to introduce two new child tax credits effective for the 2007 income tax year.

“These two new child tax credits will return approximately \$1 million annually of taxpayers’ money to Yukon families,” Fentie said. “They will assist parents in offsetting some of the costs of raising their families, as well as encourage their children’s participation in programs that contribute to healthy, active living.”

The Yukon Child Tax Credit amount of \$2,000 per child under the age of 18 will provide tax relief of up to \$140.80 per child. When combined with matching federal tax credits, Yukon parents will realize annual tax savings of up to \$450.80 per child.

The second initiative, the Yukon Child Fitness Tax Credit of up to \$500 per child, will provide Yukon parents with tax relief of up to \$35.20 per child. This credit will support children’s participation in sports and other recreational programs. When combined with matching federal tax credits, Yukon parents will realize up to \$112.70 per child in annual tax savings.

Parents of children with disabilities will also be entitled to claim an additional amount of \$500 under the Yukon Child Fitness Tax Credit, in recognition of the extra costs encountered to engage these children in programs of physical activity.

The new tax measures will also serve to simplify the process of filing tax returns as they will match new federal tax credits introduced for 2007.

“These income tax amendments follow those introduced in 2006, which saw increases to several other tax credits,” Fentie added. “They are part of the government’s ongoing efforts to reduce taxes for the benefit of Yukoners.”

The new amendments to Yukon’s *Income Tax Act* will be presented in the fall sitting of the Yukon Legislative Assembly.

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