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New for Yukon for 2020

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

The Yukon **basic personal amount**, **spouse or common law partner amount** and **amount for an eligible dependant** have changed to mirror the calculation of the same federal amounts.

Additional undepreciated capital cost asset classes are now eligible for the **Yukon Carbon Price Rebate**.

The **small business investment tax credit** has been renamed to **business investment tax credit**.

The **labour-sponsored venture capital corporation tax credit** has been discontinued.

Yukon benefits for individuals and families

Yukon child benefit

This 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. This benefit is combined with the Canada child benefit (CCB) into one monthly payment.

You do not need to apply for the Yukon child benefit. The Canada Revenue Agency (CRA) will use the information from your CCB application to determine if you are entitled to receive this benefit.

Yukon Government Carbon Price Rebate – Individuals

This rebate is a non-taxable amount paid to individuals and families to help offset the cost of the federal carbon pollution pricing levy. This amount is combined with the quarterly payment of the federal GST/HST credit.

You do not need to apply for the GST/HST credit or the Yukon Government Carbon Price Rebate – Individuals. The CRA will use the information from your return to determine if you are entitled to receive these credits. However, if you resided outside of Whitehorse on December 31, 2020, complete Part 1 of Schedule YT(S14), Yukon Government Carbon Price Rebate, to claim a 10% remote supplement.

File your return

To make sure you get your payments on time, you (and your spouse or common-law partner) need to file your 2020 Income Tax and Benefit Return(s) by April 30, 2021. The CRA will use the information from your return(s) to calculate the payments you are entitled to get from these programs.

The Yukon child benefit and the Yukon Government Carbon Price Rebate are funded by Yukon. The Yukon child benefit also gets a contribution from Indigenous and Northern Affairs Canada on behalf of Indian children. (The term “Indian” is defined in the Indian Act.)

For more information about these programs, go to canada.ca/cra-benefits-prov-terr or call the CRA at 1-800-387-1193.

Did you reside on the Settlement Land of a Yukon First Nation?

If you resided on the 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 1 of your return.

Complete Form YT432, Yukon First Nations Tax, to calculate the part of your 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.

Completing your Yukon forms

All the information you need to complete Form YT428, Yukon Tax, Form YT479, Yukon Credits, and Form YT432, Yukon First Nations Tax, is included in this package. Complete the forms that apply to you and attach a copy to your return.

Forms YT428, YT479 and YT432 and those mentioned in this guide are available at canada.ca/cra-forms.

Definitions

Spouse refers to a person you are legally married to.

Common-law partner refers to a person who is not your spouse but with whom you are in a conjugal relationship and **at least one** of the following conditions applies:

- This person has been living with you in a conjugal relationship for at least 12 continuous months (including any period of time where you were separated for less than 90 days because of a breakdown in the relationship)

Form YT428, Yukon Tax

Complete Form YT428 if **one** of the following applies:

- You were a resident of Yukon at the end of the year
- You were a non-resident of Canada in 2020 and **any** of the following applies:
 - You earned income from employment in Yukon
 - You received income from a business with a permanent establishment **only** in Yukon

When to complete Form T2203, Provincial and Territorial Taxes for Multiple Jurisdictions

Complete Form T2203, Provincial and Territorial Taxes for Multiple Jurisdictions, **instead** of Form YT428, if **both** of the following apply:

- You resided in Yukon on December 31, 2020 (or the date you left Canada if you emigrated in 2020)
- All or part of your 2020 business income (including income received as a retired, inactive, or limited partner) was earned and can be allocated to a permanent establishment **outside** Yukon

You also must complete Form T2203 if **both** of the following apply:

- You were a non-resident of Canada throughout 2020
- You were carrying on business in **more than one** province or territory in Canada or were receiving income from an office or employment that can reasonably be attributed to duties performed in **more than one** province or territory in Canada

- This person is the parent of your child by birth or adoption
- This person has custody and control of your child (or had custody and control immediately before the child turned 19 years of age) and your child is wholly dependent on them for support

End of the year means **any** of the following dates:

- December 31, 2020
- the date you left Canada if you emigrated in 2020
- the date of death for a person who died in 2020

Part A – Yukon tax on taxable income

Yukon tax rates for 2020

The following tax rates are used in the calculation of your Yukon tax on taxable income:

- 6.4% on the portion of your taxable income that is \$48,535 or less, **plus**
- 9% on the portion of your taxable income that is more than \$48,535 but not more than \$97,069, **plus**
- 10.9% on the portion of your taxable income that is more than \$97,069 but not more than \$150,473, **plus**
- 12.8% on the portion of your taxable income that is more than \$150,473 but not more than \$500,000, **plus**
- 15% on the portion of your taxable income that is more than \$500,000

Part B – Yukon non-refundable tax credits

The eligibility conditions and rules for claiming most Yukon non-refundable tax credits are the same as those for the federal non-refundable tax credits. In addition, the amount and calculation of many of the Yukon non-refundable tax credits are the same as the corresponding federal credits.

Newcomers to Canada and emigrants

As a newcomer or an emigrant, you may be limited in the amount you can claim for certain territorial non-refundable tax credits.

If you reduced your claim for any of the following federal amounts, you also need to reduce your claim for the corresponding territorial amount in the same manner.

Federal amount on your return	Corresponding territorial amount on Form YT428
line 30000	line 58040
line 30100	line 58080
line 30300	line 58120
line 30400	line 58160
line 30425	line 58170
line 30450	line 58180
line 30500	line 58189
line 31600	line 58440
line 31800	line 58480
line 32400	line 58600
line 32600	line 58640

For examples on how to calculate these amounts, see Guide T4055, Newcomers to Canada.

Line 58120 – Spouse or common-law partner amount

You can claim this amount if the rules are met for claiming the amount on line 30300 of your return.

Line 58160 – Amount for an eligible dependant

You can claim this amount if the rules are met for claiming the amount on line 30400 of your return.

Line 58189 – Caregiver amount for infirm children under 18 years of age

You can claim this amount if the rules are met for claiming the amount on line 30500 of your return.

Note

Only residents of Yukon are eligible for this amount. If you were not a resident of Yukon at the end of the year, you cannot claim this tax credit when calculating your Yukon tax even if you may have received income from a source in Yukon in 2020.

Line 58310 – Canada employment amount

You can claim this amount if the rules are met for claiming the amount on line 31260 of your return.

The amount you can claim on line 58310 is the amount on line 31260 of your return or \$1,245, whichever is less.

Note

Only residents of Yukon are eligible for this amount. If you were not a resident of Yukon at the end of the year, you cannot claim this tax credit when calculating your Yukon tax even if you may have received income from a source in Yukon in 2020.

Line 58326 – Children’s arts amount

You can claim up to \$500 per child for fees paid in 2020 relating to the cost of registration or membership for your (or your spouse’s or common-law partner’s) child in a **prescribed program** of artistic, cultural, recreational, or developmental activity.

The child must have been **under 16 years of age** (or under 18 years of age if eligible for the disability tax credit on line 58440 of Form YT428) at the beginning of the year the eligible arts expense was paid.

You can claim this amount if another person has not already claimed the same fees, and the total amount claimed is not more than the maximum allowable amount if only one of you were making the claim.

Children with disabilities

If the child is eligible for the disability tax credit and is **under 18 years of age** at the beginning of the year, you can claim an additional \$500 if a minimum of \$100 is paid for registration or membership fees for a **prescribed program** in an artistic activity.

Notes

Eligible expenses do not include amounts that can be claimed under the Yukon children’s fitness tax credit (line 1 of Form YT479, Yukon Credits) or as a deduction by any person, such as the child care expenses deduction (line 21400 of the return). In addition, eligible expenses do not include amounts that any person has claimed as a tax credit.

Programs that are part of a school curriculum are not eligible.

If an organization provides your child with two **distinct** prescribed programs and one program is eligible for the children’s arts amount and the other program is eligible for the children’s fitness tax credit, you should get two receipts. If you get only one receipt, it must clearly show the amount paid to the organization for each distinct program.

Prescribed program

To qualify for this amount, a program must be **all** of the following:

- ongoing (lasting at least eight consecutive weeks, or in the case of children's camps, five consecutive days)
- supervised
- suitable for children

The program must also meet **at least one** of the following conditions:

- It contributes to the development of creative skills or expertise in an artistic or cultural activity
- It provides a substantial focus on wilderness and the natural environment
- It helps children develop and use particular intellectual skills

- It includes structured interaction between children where supervisors teach or help children develop interpersonal skills
- It provides enrichment or tutoring in academic subjects

Note

An activity that develops creative skills or expertise is eligible only if it is intended to improve a child's dexterity or co-ordination or helps in acquiring and applying knowledge through artistic or cultural activities such as literary arts, visual arts, performing arts, music, media, languages, customs, and heritage.

Reimbursement of an eligible expense

You can claim only the part of the amount you have not been, or will not be, reimbursed for. However, you can claim the full amount if the reimbursement is reported as income (such as a benefit shown on a T4 slip) and you did not deduct the reimbursement anywhere else on your return.

Note

Only residents of Yukon are eligible for this amount. If you were not a resident of Yukon at the end of the year, you cannot claim this tax credit when calculating your Yukon tax even if you may have received income from a source in Yukon in 2020.

Line 58330 – Adoption expenses

You can claim this amount if the rules are met for claiming the amount on line 31300 of your return.

You can claim up to \$16,563 of eligible expenses for each child.

Note

Only residents of Yukon are eligible for this amount. If you were not a resident of Yukon at the end of the year, you cannot claim this tax credit when calculating your Yukon tax even if you may have received income from a source in Yukon in 2020.

Line 58560 – Your tuition, education, and textbook amounts

Complete Schedule YT(S11), Yukon Tuition, Education, and Textbook Amounts.

Transferring amounts

If you do not use all of your 2020 tuition amount to reduce your territorial income tax to zero, you can transfer all or part of the unused amount to **one** of the following designated individuals:

- your spouse or common-law partner (who would claim it on line 59090 of their Schedule YT(S2))
- your parent or grandparent (who would claim it on line 58600 of their Form YT428)
- your spouse's or common-law partner's parent or grandparent (who would claim it on line 58600 of their Form YT428)

Note

If your spouse or common-law partner is claiming an amount for you on line 58120 or line 58640 of their Form YT428, you cannot transfer your unused current-year amount to your (or your spouse's or common-law partner's) parent or grandparent.

To **designate** who can claim the transferred amount and to **specify** the territorial amount they can claim, complete any of the following designated forms that you received as a student:

- Form T2202, Tuition and Enrolment Certificate
- Form TL11A, Tuition and Enrolment Certificate – University Outside Canada
- Form TL11C, Tuition and Enrolment Certificate – Commuter to the United States

Complete the "Transfer or carryforward of unused amounts" section of Schedule YT(S11) to transfer an amount.

Carrying forward amounts

Complete the "Transfer or carryforward of unused amounts" section of Schedule YT(S11) to calculate the amount you can carry forward to a future year.

This amount is the part of your tuition, education, and textbook amounts that you are not claiming for the current year and are not transferring to a designated individual.

Supporting documents

If you are filing a paper return, attach your completed Schedule YT(S11). Keep your supporting documents in case you are asked to provide them later.

Line 58600 – Tuition amount transferred from a child

You can claim this amount if the rules are met for claiming an amount on line 32400 of your return.

You may be able to claim the transfer of all or part of the unused 2020 tuition amounts from your child or grandchild or their spouse or common-law partner.

The maximum amount each student can transfer to you is \$5,000 **minus** the amount that they claimed.

How to claim this amount

Enter, on line 58600, the total of all tuition amounts transferred to you from each student as shown on their forms T2202, TL11A, or TL11C.

Notes

The student must enter this amount on line 59200 of their Schedule YT(S11). They may choose 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 previous years.

If you and the student were not residents of the same province or territory on December 31, 2020, special rules may apply. For more information, call the CRA at 1-800-959-8281.

Line 58689 – Medical expenses for self, spouse or common-law partner, and your dependent children born in 2003 or later

The medical expenses you can claim on line 58689 are the same as those you can claim on line 33099 of your return. They also have to cover the same 12-month period ending in 2020 and must be expenses that were not claimed for 2019.

Line 58729 – Allowable amount of medical expenses for other dependants

You can claim medical expenses for other dependants in addition to the medical expenses for self, spouse or common-law partner, and your dependent children born in 2003 or later on line 58689.

The medical expenses you can claim on line 58729 are the same as those you can claim on line 33199 of your return. They also have to cover the same 12-month period ending in 2020 and must be expenses that were not claimed for 2019.

Part C – Yukon tax

Line 48 – Yukon tax on split income

If you are reporting federal tax on split income on line 40424 of your return, complete Part 3 of Form T1206, Tax on Split Income, to calculate the Yukon tax to enter on line 42800 of your return.

Line 55 – Yukon additional tax for minimum tax purposes

If you need to pay federal minimum tax as calculated on Form T691, Alternative Minimum Tax, complete the calculation on line 55 of your Form YT428 to determine your Yukon additional tax for minimum tax purposes.

Form YT479, Yukon Credits

You may be entitled to the credits listed in this section even if you do not have to pay tax. If the total of these credits is more than the taxes you have to pay, you may get a refund for the difference.

To claim these credits, attach a completed Form YT479, Yukon Credits, to your return.

Children’s fitness tax credit

You can claim up to \$1,000 per child for eligible fees paid in 2020 for the cost of registration or membership for your (or your spouse’s or common-law partner’s) child in a **prescribed program** of physical activity.

The child must have been **under 16 years of age** (or under 18 years of age if eligible for the disability tax credit on line 58440 of Form YT428) at the start of the year the eligible fitness expense was paid.

The refundable part of the credit is 6.4% of the total eligible fees.

Line 57 – 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 able to claim a territorial foreign tax credit.

How to claim this credit

Complete Form T2036, Provincial or Territorial Foreign Tax Credit.

Supporting documents

If you are filing a paper return, attach your Form T2036.

Line 60 – Yukon political contribution tax credit

You can claim this credit if, in 2020, you contributed to a registered Yukon political party or to a candidate seeking election to the Yukon Legislative Assembly.

How to claim this credit

Enter your total political contributions made in 2020 on line 63850 of your Form YT428. Then calculate and enter your credit on line 60 as follows:

- For contributions of **more than \$1,275**, enter \$650 on line 60 of your Form YT428
- For contributions of **\$1,275 or less**, complete the calculation for line 60 using Worksheet YT428

Supporting documents

If you are filing a paper return, attach the official receipt (signed by an official agent of the political party or candidate) for each contribution.

You can claim this tax credit if another person has not already claimed the same fees, and the total claimed is not more than the maximum allowable tax credit if only one of you were making the claim.

Children with disabilities

If the child is eligible for the disability tax credit and is **under 18 years of age** at the start of the year, you can claim an additional \$500 if a minimum of \$100 is paid for registration or membership fees for a **prescribed program** of physical activity.

Notes

If you paid an amount that would qualify to be claimed as child care expenses (line 21400 of the return) **and** the children’s fitness tax credit, you must first claim this amount as child care expenses. Any unused part can be claimed for the children’s fitness tax credit if the requirements are met.

If an expense is eligible for the children’s fitness tax credit, it is **not** eligible for the children’s arts amount (line 58326 of Form YT428).

If an organization provides your child with two **distinct** prescribed programs and one program is eligible for the children's fitness tax credit and the other program is eligible for the children's arts amount, you should get two receipts. If you get only one receipt, it must clearly show the amount paid to the organization for each distinct program.

Prescribed program

To qualify for the children's fitness tax credit a program must be **all** of the following:

- ongoing (lasting at least eight consecutive weeks, or in the case of children's camps, five consecutive days)
- supervised
- suitable for children
- require significant physical activity (most of the activities must generally include a significant amount of physical activity contributing to cardiorespiratory endurance **and** muscular strength, muscular endurance, flexibility, and/or balance)

Notes

For a child who is eligible for the disability tax credit, the requirement for significant physical activity is met if the activities result in movement and in an observable use of energy in a recreational context.

Physical activity includes horseback riding but does not include activities where a child rides mainly on or in a motorized vehicle.

Reimbursement of an eligible expense

You can claim only the part of the tax credit you have not been, or will not be, reimbursed for. However, you can claim the full tax credit if the reimbursement is reported as income (such as a benefit shown on a T4 slip) and you did not deduct the reimbursement anywhere else on your return.

Enter, on line 63800 of your Form YT479, the amount of the total eligible fees up to a maximum of \$1,000 per child. Multiply this amount by 6.4% and enter the result on line 1 of your Form YT479.

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 2020 (that you did not claim on your 2019 return) or in the first 60 days of 2021.

Enter, on line 2 of your Form YT479, the amount of the tax credit shown on Certificate YBITC-1, Business Investment Tax Credit (issued by the Yukon government).

Unused business investment tax credit

You can carry forward your unused 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 reassessment. Enter any unused credit from previous years on line 3 of your Form YT479 to reduce your 2020 Yukon tax. The maximum amount available is \$25,000 per year. This limit includes any carryover amount.

You may not need to use all of your credit to reduce your 2020 territorial income tax to zero. Complete lines 7 to 9 to calculate your unused credit available to carry back to previous years.

Supporting documents

If you are filing a paper return, attach your Certificate YBITC-1.

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.

How to claim this credit

Complete Form T1232, Yukon Research and Development Tax Credit (Individuals).

Supporting documents

If you are filing a paper return, attach your Form T1232 and your eligible expenditures sheet.

Yukon Business Carbon Price Rebate

You may be able to claim this rebate if, in 2020, you operated a business in Yukon or you earned income from a rental property while you lived in Yukon.

How to claim this rebate

Complete Part 2 of Schedule YT(S14), Yukon Government Carbon Price Rebate.

Supporting documents

If you are filing a paper return, attach your Schedule YT(S14).

Yukon First Nations income tax credit

If you resided on the Settlement Land of a self-governing Yukon First Nation at the end of the year, complete Form YT432, Yukon First Nations Tax. This form contains all the information about this credit.