

Completing Your Yukon Forms

The information in this section will help you complete Form YT428, *Yukon Tax*, Form YT479, *Yukon Credits*, and Form YT432, *Yukon First Nations Tax*.

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, 2005, the date you left Canada if you emigrated in 2005, or the date of death for a person who died in 2005.

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 2005 – Multiple Jurisdictions*, **instead of** completing Form YT428.

You also have to complete Form YT428 if you were a non-resident of Canada in 2005 and you earned income from employment in Yukon or received income from a business with a permanent establishment only in Yukon.

Step 1 – Yukon tax on taxable income

Enter on line 1 your taxable income from line 260 of your return. Use this amount to determine which **one** of the four columns you have to complete. Enter this amount on line 2 of the applicable column and complete the calculation.

Step 2 – Yukon non-refundable tax credits

Yukon now has its own non-refundable tax credits. These credits reduce the amount of territorial tax you owe. However, if the total of these credits is more than the amount of territorial tax you owe, you will not get a refund for the difference.

The eligibility criteria and rules for claiming the Yukon non-refundable tax credits are the same as for the federal non-refundable tax credits. However, **the value and calculation of some Yukon non-refundable tax credits are different from the corresponding federal credits.**

To calculate some of the non-refundable tax credits, you will need to use the **new Territorial Worksheet** in this book.

Newcomers to Canada and emigrants

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

Line 5804 – Basic personal amount

Claim the basic personal amount of \$8,148.

Line 5808 – Age amount

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

Note

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. See line 5864 for details.

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 and your spouse or common-law partner's net income (line 236 of his or her return, or the amount that it would be if he or she filed a return) is less than \$7,611.

If your spouse or common-law partner's net income is:

- \$692 or less, enter \$6,919 on line 5812; or
- more than \$692 but less than \$7,611, complete the calculation on Form YT428 to determine your claim and enter the result on line 5812.

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 page 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 and your dependant's net income (line 236 of his or her return, or the amount that it would be if he or she filed a return) is less than \$7,611.

If your dependant's net income is:

- \$692 or less, enter \$6,919 on line 5816; or
- more than \$692 but less than \$7,611, complete the calculation on the *Territorial Worksheet* in this book to determine your claim.

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

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.

Complete the calculation for line 5820 on the *Territorial Worksheet* in this book to determine your claim.

Line 5824 – Canada Pension Plan or Quebec Pension Plan contributions through employment

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

Line 5828 – Canada Pension Plan or Quebec Pension Plan contributions on self-employment and other earnings

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

Line 5832 – Employment Insurance premiums

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

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.

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.

Complete the calculation for line 5840 on the *Territorial Worksheet* in this book to determine your claim.

Line 5844 – Disability amount

You can claim this amount if you met the rules for claiming the amount on line 316 of federal Schedule 1.

- If you were **18 or over** at the end of the year, enter \$6,596 on line 5844.

- If you were **under 18** at the end of the year, you may be eligible to claim a supplement up to a maximum of \$3,848 in addition to the disability amount of \$6,596. Complete the calculation for line 5844 on the *Territorial Worksheet* in this book to determine your claim.

Line 5848 – Disability amount transferred from a dependant (other than your spouse or common-law partner)

You can claim this amount if the rules are met for claiming the amount on line 318 of federal Schedule 1.

Complete the calculation for line 5848 on the *Territorial Worksheet* in this book to determine your claim.

Line 5852 – Interest paid on your student loans

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

Line 5856 – Your tuition and education amounts

The tuition and education amounts that you claimed on line 323 of your federal Schedule 1 may be different from the territorial amounts you calculate.

Complete Schedule YT(S11), *Territorial Tuition and Education Amounts*, to calculate your claim.

Receipts – If you are filing a paper return, **attach the completed Schedule YT(S11)**. Whether you are filing a paper return or electronically, keep all of your forms and official tuition receipts in case we ask to see them.

Transferring and carrying forward amounts

You may not need all of your 2005 tuition and education amounts to reduce your territorial income tax to zero. In this case, you may transfer all or part of the unused portion to **one** person, either your spouse or common-law partner (who would claim it on line 5864), your parent or grandparent, or your spouse 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 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/Carry forward of unused amount" section of Schedule YT(S11) to calculate the territorial amount available to transfer, as well as Form T2202, *Education Amount Certificate*, T2202A, *Tuition and Education Amounts Certificate*, or TL11A, *Tuition and Education Amounts Certificate – University Outside Canada*, or TL11C, *Tuition and Education Amounts Certificate – Commuter to the United States*, to designate who can claim it and the amount the person can claim. This amount may be different from the amount calculated for the same person on your federal Schedule 11. You must enter the territorial amount you are transferring on line 20 of your Schedule YT(S11).

Tax Tip

If you are transferring an amount to a designated person, do not transfer more than the person can use. That way, you can carry forward as much as possible to use in a future year.

Complete the "Transfer/Carry forward 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 and education amounts you do not need to use (and do not transfer) for the year.

Line 5860 – Tuition and education amounts transferred from a child

You can claim this amount 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 transferred to you that each student designated on his or her Form T2202, T2202A, TL11A, or T11C.

Notes

The student must have entered this amount on line 20 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 and education amounts carried forward from a previous year.

If the student was a resident of another territory or province on December 31, 2005, special rules may apply. Call us 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. See line 324 in the *General Income Tax and Benefit Guide*.

Receipts – If you are filing a paper return, **do not include the student's Schedule YT(S11)**, forms or official tuition fees receipts. Whether you are filing a paper return or electronically, keep all of your documents in case we ask to see them.

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*, to calculate your claim. Attach this schedule to your return.

Line 5868 – Medical expenses

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 2005 and must not have been claimed on a 2004 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 use to calculate your claim on line 5872 are the same as those used to calculate your federal claim on line 331 of your federal Schedule 1. They have to cover the **same 12-month period** ending in 2005 and must not have been claimed on a 2004 return.

The maximum amount you can claim is \$10,000 for each dependant.

Complete the calculation for line 5872 on the *Territorial Worksheet* in this book to determine your claim.

Line 5896 – Donations and gifts

To calculate your claim for line 5896, enter the amounts from lines 345 and 347 of federal Schedule 9 and multiply them by the rates on lines 33 and 34 of Form YT428.

Step 3 – Yukon tax

Line 38 – 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 46 – 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 46 of Form YT428. You can find information about minimum tax in the *General Income Tax and Benefit Guide*.

Line 54 – 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 (see the section called "If you have questions..." at the beginning of this book).

Enter, on line 54 of Form YT428, the tax credit amount calculated on line 5 of Form T2036.

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

Lines 56 to 64 – 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. You can claim this credit if your net income is less than \$25,000.

If you had a spouse or common-law partner on December 31, 2005, 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.

Form YT479, Yukon Credits

Lines 1 to 4 – Yukon political contribution tax credit

You can deduct part of the contributions you made in 2005 to a registered Yukon political party or to a candidate seeking election to the Legislative Assembly.

How to claim

Enter your total contributions on line 1, and determine the amount to enter on line 2 as follows:

- For contributions of **\$100 or less**, complete Column 1.
- For contributions of **more than \$100 but not more than \$550**, complete Column 2.
- For contributions of **more than \$550 but not more than \$1150**, complete Column 3.
- For contributions of **more than \$1,150**, enter \$500 on line 2.

	Column 1	Column 2	Column 3	
Enter your total contributions				A
	– 0	– 100.00	– 550.00	B
Line A minus line B	=	=	=	C
	× 75 %	× 50 %	× 33.33 %	D
Multiply line C by the rate on line D	=	=	=	E
	+ 0	+ 75.00	+ 300.00	F
Add lines E and F	=	=	=	G
Enter the result on Line 2 of Form YT479.				

Receipts – Attach to your paper return official receipts 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 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 2005 (that you did not claim on your 2004 return) or in the first 60 days of 2006.

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 page 1 of your return.

If you are completing this return for a person who died in 2005, you can claim this credit for the person if he or she otherwise qualifies.

Enter on line 5 the tax credit amount shown on Certificate YSBITC-1, *Small Business Corporation Investment Tax Credit* (issued by the Yukon government).

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

Unused small business investment tax credits

You can carry forward unused tax credits for seven years, or 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 2005 Yukon tax. The maximum amount available is \$25,000 per investor per year. This limit includes any carry-over amount.

You may not need all of your credit to reduce your 2005 territorial income tax to zero. Use the chart below to calculate any unused credit available to carry back to previous years.

Unused small business investment tax credit		
Enter the amount from line 7 of Form YT479		A
Enter the amount from line 11 of Form YT479	–	B
Line A minus line B	=	C

On Form YT479, enter on line 12, any part of this amount you want to apply against your 2004 Yukon tax, on line 13 the amount you want to apply against your 2003 Yukon tax, and on line 14 the amount you want to apply to your 2002 Yukon tax.

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 2005 (that you did not claim on your 2004 return) or in the first 60 days of 2006. 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.

Receipts – Attach that certificate to your paper return or, 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 details, read lines 413 and 414 in the *General Income Tax and Benefit Guide*.

Unused labour-sponsored venture capital corporation tax credits

You can carry forward your unused 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 2005 Yukon tax.

You may not need all of your credit to reduce your 2005 territorial income tax to zero. Use the chart below to calculate any unused credit available to carry back to previous years.

Unused labour-sponsored venture capital corporation tax credit	
Enter the amount from line 17 of Form YT479	A
Enter the amount from line 21 of Form YT479	B
Line A minus line B	C

On Form YT479, enter on line 22, any part of this amount you want to apply against your 2004 Yukon tax, on line 23 the amount you want to apply against your 2003 Yukon tax, and on line 24 the amount you want to apply to your 2002 Yukon tax.

Line 25 – Mineral exploration tax credit

You can claim this credit if you were a resident of Yukon at the end of the year and you incurred qualified mineral exploration expenses. The expenses must have been incurred during 2005 to determine the existence, location, extent, or quality of a mineral resource in Yukon.

To claim the credit, get Form T1199, *Yukon Mineral Exploration Tax Credit*, from the CRA’s Web site or by contacting us (see the section called “If you have questions...” at the beginning of this book).

Enter, on line 25 of Form YT479, the tax credit calculated on line 14 of Form T1199.

Receipts – Attach Form T1199 to your paper return. If you are filing electronically, keep all your documents in case we ask to see them.

Line 26 – 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 for scientific research and experimental development 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 (see the section called “If you have questions...” at the beginning of this book).

Enter, on line 26 of Form YT479, the tax credit calculated on line 8 of Form T1232.

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

Line 28 – Yukon First Nations income tax credit

If you resided on Yukon First Nations settlement land at the end of the year, see Form YT432, *Yukon First Nations Tax*, at the back of Form YT479, for information about this credit.