

Canadian tax alert

2015-2016 Yukon budget highlights



On April 2, 2015, Yukon Premier and Finance Minister Darrell Pasloski tabled the territory's 2015-2016 budget. Here are some of the highlights:

- The budget aims to stimulate the private sector economy by reducing personal taxes.
- A surplus of \$23 million for 2015-2016 is projected. This is a reduction from the revised \$49 million surplus for 2014-2015.
- The budget proposes significant capital investment in infrastructure with the stated aim of stimulating employment.

Personal tax rates, credits and benefits

- The budget revises the personal income tax rate structure, effective January 1, 2015, and includes new tax rates for all existing tax brackets. The 5% surtax on taxes payable over \$6,000 is eliminated and a fifth tax bracket on incomes over \$500,000 is introduced.

Tax bracket	Current rate including surtax	Proposed rate
\$0 – \$44,700	7.04%	6.4%
\$44,701 – \$89,400	9.68%	9.0%
\$89,401 – \$138,585	12.01%	10.9%
\$138,586 – \$500,000	13.40%	12.8%
\$500,001 and over	13.40%	15.0%

- The Yukon children’s fitness tax credit is changed from a non-refundable credit to a refundable credit.
- The Yukon child tax benefit will be enhanced beginning with the July 2015 payment. The maximum annual amount per child will rise to \$820 from \$690, and the family income threshold for receiving the maximum benefit will increase to \$35,000 from \$30,000.
- The political contribution tax credit will be increased to match, on an ongoing basis, the federal political contribution tax credit.
- The interim electrical rebate will be extended for another year.

The government expects to table the amendments to Yukon’s Income Tax Act this spring.

For further details, we refer you to the [Department of Finance website](#).

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Your dedicated team:

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Heather Evans

Canadian Managing Partner, Tax

heevans@deloitte.ca

416-601-6472

Albert Baker

National Tax Policy Leader

abaker@deloitte.ca

416-643-8753



Deloitte

2 Queen Street East, Suite 1200

P.O. Box 8

Toronto, ON M5C 3G7

Canada

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