

Did You Know?

(A publication for the clients and contacts of Gary S. Aslett, Chartered Accountant)

CHILDREN'S FITNESS TAX CREDIT

Starting in 2007, there is a tax credit on eligible amounts paid to register a child in certain programs of physical activity. The following outlines the general guidelines for this credit based on preliminary information available at this time:

- **Effective date:** The credit applies for programs of physical activity in 2007 and future years.
- **Age of child:** Eligible children are those under the age of 16 at any time during the year. The age limit is 18 for children who qualify for the disability tax credit.
- **Credit amount:** The maximum claim is \$500 per year of eligible expenses paid per eligible child. The credit translates into a tax savings of approximately \$110 per eligible child based on Ontario tax rates for 2007. (There is an additional \$500 credit for children who qualify for the disability tax credit.)
- **Eligible activities:** In order to qualify for the credit, a program must be:
 - A minimum of eight weeks duration with a minimum of one session per week or, in the case of children's camps, five consecutive days;
 - Supervised;
 - Suitable for children; and
 - Substantially all of the activities must include a significant amount of physical activity.
- **Year of claim:** The year in which the tax credit can be claimed on your personal tax return is determined by the date when the fees are *paid*, not when the activity takes place. Therefore, fees paid in 2006 for 2007 activities will not qualify.
- **Receipts:** You should ask for a receipt from organizations providing eligible programs of physical activity. Organizations will determine the fees which qualify for the credit.
- **How to claim the credit:** This credit will be claimed on your personal income tax return.

Please contact Gary Aslett at 905-629-3318 or gary@aslettca.ca if you require further information on this subject.

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This information is based on existing legislation or legislation which is expected to be passed into law. Such legislation is subject to change without notice. Readers are advised to obtain specific professional advice before acting on the basis of material contained in this article.

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