

# Children's Fitness Tax Credit

Starting with the 2007 tax year, the Government of Canada allows a non-refundable tax credit based on eligible fitness expenses paid by parents to register a child in a prescribed program of physical activity.

## Amount of the tax credit

The children's fitness tax credit lets parents claim up to \$500 per year for eligible fitness expenses paid for each child who is under 16 years of age at the beginning of the year in which the expenses are paid.

If a child qualifies for the disability tax credit, parents can claim up to \$500 per year in eligible fitness expenses paid for the child who is under **18 years of age** at the beginning of the year. Also, if at least \$100 in eligible fitness expenses has been paid for the child, an **additional** amount of \$500 can be added to the eligible fitness expenses actually incurred.

As with most other non-refundable tax credits, the children's fitness tax credit is calculated by multiplying the total expense by the lowest marginal tax rate (the rate for 2007 is 15%).

## Prescribed programs of physical activity

An eligible fitness expense must be for the cost of registration or membership of an eligible child in a prescribed program of physical activity. Generally, such a program must:

- be ongoing (either a minimum of eight consecutive weeks long or, for children's camps, five consecutive days long);
- be supervised;
- be suitable for children; and
- include a significant amount of **physical activity** that contributes to cardio-respiratory endurance, plus one or more of: muscular strength, muscular endurance, flexibility, or balance.

Under the *Income Tax Regulations*, the definition of physical activity includes:

- horseback riding; and
- **if the child is eligible for the disability tax credit**, activities that result in movement and in an observable use of energy in a recreational context.

An activity for which a child rides on, or in, a motorized vehicle as an essential part of the activity does not qualify for the children's fitness tax credit.

Since certain expenses paid by parents for the registration or the membership of a child in a prescribed program of physical activity are not eligible for the children's fitness tax credit, organizations offering such **prescribed programs** should determine the part of the registration or membership fee that is eligible for the credit.

### **Don't forget to ask for a receipt**

You should receive, or ask for, a receipt from organizations that provide prescribed programs of physical activity for which you paid to have your child enrolled. The organizations will determine the part of the fee that qualifies for the children's fitness tax credit.

### **Note**

It is not an organization's responsibility to determine whether or not a child is eligible for the disability tax credit. If a parent tells an organization that a child is eligible for the disability tax credit, the organization should issue a receipt accordingly.

Keep the receipts issued by the organizations that deliver the programs. Do not include the receipts when you file your income tax return. However, keep the receipts in case we ask for them to verify your claim. Keep receipts for six years.

For more information and details visit this link <http://www.cra-arc.gc.ca/fitness/>