



TAX HIGHLIGHTS FROM THE 2019 YUKON TERRITORIAL BUDGET

Yukon Premier, Sandy Silver, tabled Yukon's budget for 2019-2020 on March 7, 2019 at Whitehorse.

The key priorities in this Budget are capital projects related to education, health and housing.

This year's budget tables a Five-Year Capital Plan and keeps the government's operating and maintenance expenditure at \$1.2 billion, an increase of 1.9% of over the 2018-2019 forecast. The total spending is estimated \$1.5 billion.

The budget includes a \$5.9 million deficit, but the government is forecasting a surplus in 2020-2021.

There are no new taxes in the budget.

Highlights from the budget:

Investing in housing: Government will spend \$19 million to develop residential lots, including \$4 million for rural lots and \$15 million for lot development in Whitehorse.

Education: Government will invest \$214.5 million to meet the needs of growing student population, including \$19 million to build French first language secondary school.

Health services: Government will spend more than \$140 million for health services.

Personal Tax Matters

Personal income tax rates

The 2019 budget does not announce tax rate changes. The tax brackets are increased for 2019 by an indexation factor of 1.022. Here are the tax rates and brackets for 2019:

Taxable income range	2019 tax rates
0-\$47,630	6.40%
\$47,60-\$95,259	9.00%
\$95,259-\$147,667	10.90%
\$147,667-\$500,000	12.80%
Over \$500,000	15.00%

Personal income tax revenue is expected to increase in 2019-2020 by 4.5% to \$74.9 million.

Combined Federal and Yukon Tax Brackets and Tax Rates

2019 Taxable Income	2019 Marginal Tax Rates			
	Other Income	Capital Gains	Eligible Can. Div.	Non-Eligible Can. Div.
0-\$47,630	21.40%	10.70%	-7.78%	11.58%
\$47,630-\$95,259	29.50%	14.75%	3.40%	20.90%
\$95,259-\$147,667	36.90%	18.45%	13.61%	29.41%
\$147,667-\$210,371	41.80%	20.90%	20.37%	35.04%
\$210,371-\$500,000	45.80%	22.90%	25.89%	39.64%
over \$500,000	48.00%	24.00%	28.93%	42.17%

Corporate Tax Matters

Yukon does not announce any tax rate changes to corporates.

The table below shows territorial tax rates and the small business limit for 2019.

Corporate tax rates

Category	2019 tax rates
General rate	12.00%
Manufacturing and Processing Rate	2.50%
Investment Income rate	12.00%
Small business rate	2.00%
Small business limit	\$500,000

Type of Income	2019 combined tax rates
Small business income	11.00%
Active income over \$500,000	27.00%
Manufacturing and processing income	17.50%
Investment income	50.70%



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Other Measures

Starting on July 1, 2019, the federal carbon levy will be applied to fuels purchased in Yukon. Carbon dioxide emissions will initially be taxed at a rate of \$20 per ton. This rate will increase on April 1 of each year until it reaches \$50 per ton in April 2022.

- Individuals will receive quarterly rebates starting in October 2019. Those in remote communities receive a 10% supplement starting in July 2020 to offset higher energy needs.
- Yukon businesses will receive their rebate as a refundable income tax credit based on a weighting of assets that consume fossil fuels or displace the consumption of fossil fuels.
- Placer miners and quartz mines emitting fewer than 6,000 tons of carbon dioxide will receive a full rebate on all fuel purchases.
- First Nations and municipal governments will be paid on a fiscal year basis, with payments made at year end.

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