

This publication is provided as a guide only. It is not intended as a substitute for the *Taxation Act, 2007* and Regulations.

Corporations who wish to claim a tax credit should refer to the Information Bulletin titled “Political Contributions Tax Credit for Corporations” for more detailed information.

Tax credit - corporations

The Canada Revenue Agency administers Ontario's corporate income tax as part of a single collection system for tax years ending after December 31, 2008.

In June 2009, the government passed legislation that will convert the tax deduction that was available for corporations making eligible Ontario political contributions under the *Corporations Tax Act* into a non-refundable tax credit under the *Taxation Act, 2007*. This measure was introduced in Bill 162, the *Budget Measures Act, 2009*. The tax credit, effective for taxation years ending after December 31, 2008, will maintain a similar level of support as that provided under the former tax deduction.

Subject to certain restrictions, the credit is generally determined by multiplying the corporation's eligible contribution balance by its basic Ontario corporate income tax rate.

The maximum tax credit that a corporation can claim in a year is \$2,604 based on political contributions at the annual limit of \$18,600. Any contributions exceeding the annual limit will be carried forward to a subsequent taxation year, but will be limited to the annual ceiling for that year. For detailed information refer to the Political Contribution Tax Credit for Corporations.

Tax credit - individuals

For 2009 and subsequent tax years

The annual contribution levels and resulting Ontario political contribution tax credits are indexed based on requirements specified in the *Elections Finances Act*.

The formula is:

75% of the first \$372, plus
50% of the next \$868, plus
33.33% of an amount exceeding \$1,240, but not more than \$2,821

The maximum yearly Ontario political contribution tax credit is \$1,240 which is reached when you have made eligible contributions totalling \$2,821. The tax credit is refundable. This means that if your total amount of tax credits is more than your taxes owing, the Canada Revenue Agency will issue a refund based on the difference.

For 2008 and
prior tax years

2004 to 2008	<p>75% of the first \$336, plus</p> <p>50% of the next \$784, plus</p> <p>33.33% of an amount exceeding \$1,120, but not more than \$2,548</p> <p>The maximum yearly Ontario political contribution tax credit is \$1,120 which is reached when you have made eligible contributions totalling \$2,548. The tax credit is refundable for these tax years.</p>
1999 to 2003	<p>75% of the first \$300, plus</p> <p>50% of the next \$700, plus</p> <p>33.33% of an amount exceeding \$1,000, but not more than \$2,275</p> <p>The maximum yearly Ontario political contribution tax credit is \$1,000 which is reached when you have made eligible contributions totalling \$2,275. The tax credit is refundable for these tax years.</p>
1998 and prior tax years	<p>75% of the first \$200, plus</p> <p>50% of the next \$600, plus</p> <p>33.33% of any amount exceeding \$800</p> <p>The maximum yearly Ontario political contribution tax credit is \$750 which is reached when you have made eligible contributions totalling \$1,700. For 1998 and prior tax years, the tax credit is non-refundable for and can only be used to reduce Ontario tax payable.</p>

Eligibility

On December 31 of the tax year, you must:

- be an Ontario resident and
- have made eligible contributions to a registered Ontario political party, registered constituency association or to a candidate in an Ontario provincial election during that year.

Who can claim?

Either spouse or common-law partner may claim the Ontario political contribution tax credit. However, a single contribution cannot be divided between spouses (or common-law partners) if only one official receipt was issued. The Ontario political contribution tax credit cannot be claimed for contributions to municipal or federal elections.

This tax credit can only be claimed for the year in which the contribution was made. The Ontario political contribution tax credit may be claimed on the return of a person who died in the tax year.

How to claim Calculate your credit by using the chart provided in the Completing Your Ontario Forms instruction sheet included with the federal T1 General income tax return package. Complete and return the form ON479, Ontario Credits with the rest of your income tax return.

Receipts When filing a paper copy of your personal income tax return, you must attach all official receipts to the Ontario Credits form. If you are eligible to file your income tax return electronically, you must keep these receipts along with other documents pertaining to your return for six years.

Official receipts are available from:

- the Chief Financial Officer of a registered party
- registered constituency association or
- candidate in an Ontario provincial election.

Additional information about official receipts and political contributions may be obtained from:

Elections Ontario-Election Finances
51 Rolark Drive
Toronto ON M1R 3B1

Telephone: 416 325-9401 or 1 866 566-9066

Facsimile: 416 325-9466

Website: www.electionsontario.on.ca

Written interpretations

To obtain a written interpretation on a specific situation not addressed in this publication, please send your request in writing to:

Ministry of Revenue
Tax Advisory Services Branch
Income Tax Related Programs Section
33 King Street West, 3rd Floor
Oshawa ON L1H 8H5

More information

To obtain the most current version of this publication, or additional information, visit our website at ontario.ca/revenue and enter 586 in the find page field at the bottom of the webpage or contact the Ministry of Revenue at:

1 866 ONT-TAXS (1 866 668-8297)

1 800 263-7776 teletypewriter (TTY)

*Cette publication est disponible en français sous le titre « Crédit d'impôt pour contributions politiques »
Vous pouvez en obtenir un exemplaire en appelant le 1 866 ONT-TAXS (1 866 668-8297) ou en visitant ontario.ca/revenu.*