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What's new



Children's Fitness Tax Credit

Information for organizations providing eligible programs of physical activity

While the Canada Revenue Agency (CRA) will administer the children's fitness tax credit, organizations are in the best position to determine eligibility. This page contains information that will help you determine whether the programs you provide should qualify for the purposes of the proposed tax credit as well as calculate eligible fees and issue receipts.

(Note: A receipt does not guarantee the eligibility of the program for which it is issued.)

Eligible programs

On December 19, 2006, the Department of Finance released information explaining what programs of physical activity will qualify. It proposes that in order to qualify for the tax credit a program must be:

- ongoing (either 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 that contributes to cardio-respiratory endurance plus one or more of: muscular strength, muscular endurance, flexibility, or balance.

For more information about the criteria for eligible programs of physical activity, click [here](#).

Calculating eligible fees

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To be eligible for the children's fitness tax credit, the fees must be paid for a child who is under 16 at any time in the year. The fees must relate to the cost of registration or membership in an eligible program of physical activity. If your organization provides family memberships relating to an eligible program of physical activity, you will be able to issue a tax receipt for the child's portion of the membership fees.

Registration and membership costs can include the costs of administration, instruction, and the rental of facilities. If the fees charged to parents include a part for accommodation, travel, food, or beverages (for example, room and board at a fitness camp), then this part must be deducted when calculating the part of the fees that qualify

for the tax credit.

Example:

You operate an away-from-home hockey camp for children. Parents pay an all-inclusive registration fee of \$700 for the one-week camp. The camp provides hockey pucks, jerseys, and goalie nets that are shared during the camp but that are retained by the organization at week's end. Children must bring all other necessary equipment with them and parents are responsible for transporting the children to and from the camp. The \$700 fee includes \$200 for accommodation and \$150 for meals. The portion of the fee that is eligible for purposes of the children's fitness tax credit is \$350 (\$700 - \$200 - \$150).

Issuing receipts

You should issue a receipt for income tax purposes for amounts **paid in 2007 only**. Amounts paid in 2006 do not qualify even if all or part of the activity takes place in 2007. A receipt should contain the following information:

- Organization's name and address
- Name of the eligible program or activity
- Total amount received, date received, and the amount that is eligible for the children's fitness tax credit
- Full name of the payer
- Name of the child and child's year of birth
- Authorized signature.

Note: An authorized signature is not required for electronically generated receipts.

Answering the questions in the [Children's Fitness Tax Credit Eligibility Checklist](#) will help you determine whether a program should qualify for purposes of the proposed tax credit. **If you answer "yes" to all four questions**, then you should issue receipts to parents for the purposes of this credit.

If the fee is for membership in a mixed-use facility such as a community centre, or for enrolment in an organization in which only some activities qualify, see the **Memberships and mixed-use facilities** section below.

Memberships and mixed-use facilities

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A child's full membership fee in a club or other organization for two months or more can qualify if:

- more than 50% of the programs available to a qualifying child as a result of membership are eligible programs; **or**
- more than 50% of available time is devoted to eligible programs for qualifying children.

Example:

Membership in a local boys and girls club entitles each child to participate in a wide range of programs, some of which are eligible (biking club, weekend hip hop dances, open swim or gym, ski club) and some of which are not (career planning, board games, reading club). A receipt for the full amount of the annual membership cost can be issued if more than 50% of the programs qualify. A receipt for the full annual membership fee paid can also be issued if more than half of the club's scheduled time (i.e. total program hours) is devoted to eligible programs.

If neither of the 50% tests are met, a receipt can be issued for a pro-rated amount.

Family memberships

The portion of a family membership attributable to a qualifying child's participation in eligible programs will qualify. A receipt for that portion of the family membership cost can be issued.



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