

# CHILDREN'S ARTS TAX CREDIT - Information for Teachers and Parents

For full text and further information, call Children's Arts Tax Credit CRA General Inquiries 1-800-959-8281

<http://www.cra-arc.gc.ca/gncy/bdgt/2011/qa01-eng.html>

## 1. What is the Children's Art Tax Credit (CATC)?

For 2011 and subsequent years, the federal budget proposes a new non-refundable tax credit based on eligible expenses paid for the cost of registration or membership of your child in a prescribed program of artistic, cultural, recreational or developmental activity (eligible program).

## 2. How much can I claim for each of my children?

The CATC will let you claim eligible expenses of up to \$500 per year for each of your children who are:

- under 16 years of age at the beginning of the year in which the expenses are paid; or
- under 18 years of age at the beginning of the year in which the expenses are paid if the child is eligible for the disability tax credit.

Also, if at least \$100 in eligible expenses has been paid for a child eligible for the disability tax credit, an **additional** amount of \$500 can be claimed for that child.

## 3. How is the credit calculated?

The CATC is calculated by multiplying the lowest personal income tax rate (15% in 2011) by the eligible amount for each child.

## 4. How will I claim the CATC?

Beginning with the 2011 personal income tax and benefit return, a new line will be incorporated into the Schedule 1, Federal Tax, to allow you to claim the credit.

## 5. What programs are eligible for the CATC?

To be eligible, a program must be supervised and suitable for children.

Eligible programs include:

- a weekly program of a minimum eight **consecutive** weeks duration in which a minimum of 90% of all the activities are eligible activities;
- a program of a minimum five **consecutive** days duration in which more than 50% of the daily activities are eligible activities;

A program that is part of a school curriculum will be ineligible.

## 6. What are eligible activities?

Eligible activities will include an activity that:

- contributes to the development of creative skills or expertise in artistic or cultural activities.

## 7. What do creative skills or expertise in artistic or cultural activities involve?

Creative skills or expertise involve a child's ability to improve dexterity or coordination, or acquire and apply knowledge in the pursuit of artistic or cultural activity. Artistic and cultural activities include literary arts, visual arts, performing arts, music, media, languages, customs and heritage.

## 8. What expenses are eligible for the CATC?

Eligible expenses are fees paid for the cost of registration or membership, which includes the costs of administration, instruction, and the rental of facilities or equipment.

## 9. I paid fees for my child to attend a program that involves both physical activity and artistic, cultural, recreational and developmental activities. Can I claim both the CATC and the Children's Fitness Tax Credit?

No. If the fees are considered an eligible expense for the purposes of the

Children's Fitness Tax Credit, you will not be able to claim the CATC for these fees.

## 10. How do I know if a program is eligible for the CATC?

Although the CRA will administer the CATC, organizations are in the best position to determine if the programs they offer are eligible.

## 11. Should I ask for a receipt?

You should receive, or ask for, a receipt from organizations that provide prescribed art programs for which you paid to have your child enrolled. The organizations will determine the part of the fee that qualifies for the CATC.

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

## 12. What does the CRA consider to be an acceptable receipt?

A receipt should contain the following information:

- organization's name and address;
- name of the eligible program;
- amount received, date received, amount that is eligible for the CATC;
- full name of the payer;
- full name of the child, and the child's year of birth;
- and authorized signature.

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