



Ontario Amateur Wrestling Association

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Ontario Amateur Wrestling Association Children's Fitness Tax Credit Information

Introduction

The following material is drafted drawing upon resource information available from the Canada Revenue Agency. For more details, go to: <http://www.cra-arc.gc.ca:80/whatsnew/organi-e.html> Also available from Revenue Canada is the Children's Fitness Tax Credit Eligibility Checklist (<http://www.cra-arc.gc.ca/whatsnew/checklist-e.html>).

On December 19, 2006, the Government of Canada 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 (under 16, see calculating eligible fees below).
- 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.

Under these definitions, the OAWA expects that fees to participate in club-based programs are eligible, including cost for the program, cost to belong to OAWA, etc. The cost for fees to belong to the OAWA on their own are likely not eligible, but we expect that if included as part of a club fee they would be eligible, since they are then part of the cost of administering/providing the eligible activity.

Calculating eligible fees

To be eligible for the children's fitness tax credit, the fees must:

1. be paid for a child who is under 16 at any time in the year.
2. The fees must relate to the cost of registration or membership in an eligible program of physical activity. If your club 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.
3. Registration and membership costs can include the costs of administration, instruction, and the rental of facilities.
4. 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.

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:

- Club'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 (must be under 16 at any time in the year).
- Authorized signature (not required for electronically generated receipts).

Memberships

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

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

Given this, we feel that fees paid for Wrestling Club memberships qualify for the credit, since little of these fees fall outside the eligibility area.

Family memberships - Very few wrestling clubs issue family memberships but if they do, 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.

Is the cost of uniforms eligible for the children's fitness tax credit? - if a portion of the registration or membership fee is attributable to the cost of equipment or uniforms (for example, hats, shirts or shorts) and assuming the equipment or the uniforms has the portion of the registration or membership fee attributable to their cost can be included in the eligible fitness expense/receipt. If parents purchase uniforms or equipment from third-party suppliers or through the club but separate from membership/participation costs, these costs are not eligible.