News

Canada Revenue Agency Provides Further Information about New Volunteer Firefighter Tax Credit

Date: June 8, 2011

As originally announced in March of 2011 and confirmed with the re-introduction of the Federal Budget on June 6, the Budget proposes a non-refundable tax credit for volunteer firefighters for 2011 and future tax years. This credit will be available to volunteer firefighters who perform at least 200 hours of service for their communities during a year. Volunteer service for a fire department will be ineligible if the firefighter also provides firefighting services, other than as a volunteer, to that fire department.

The Canada Revenue Agency posted supplementary information about the new tax credit yesterday.

The fire chief or a delegate will be required, on request, to certify the number of eligible volunteer firefighting service hours performed by persons claiming this tax credit.

Eligible volunteer firefighters who currently receive honoraria in respect of their duties as volunteer firefighters will be able to choose between claiming the new tax credit and continuing to be entitled to the existing tax exemption of up to $1,000 for honoraria. Starting in 2011, the tax-exempt portion of the honoraria will also need to be included on the firefighter's T4.

If you have any questions about the new tax credit or your organization's tax reporting obligations, please contact your regular Hicks Morley lawyer.