

BRIEFING NOTES	LAST UPDATE	TAB #
HOT TOPICS		
2025–26 Supplementary Estimates No. 1		01
Supplementary Estimates No. 1 – Vote 12	<a href="#">December 3</a>	02
Fiscal and Economic Update		03
FTE Growth		04
Borrowing	<a href="#">December 8</a>	05
Eagle Gold Mine – Financial considerations	<a href="#">December 9</a>	06
Eagle Gold Mine – Overview (EMR/FIN)		07
	Reserved	8-10
URGENT REQUESTS AND QUESTION PERIOD RESPONSES		
	Reserved	A-B-C
Office of the Comptroller		
Public Accounts 2024–25 and news release		11
Management Board and Budgets Secretariat		
Using Fall Budget Cycle for Earlier Tendering	<a href="#">December 16</a>	12
Economics, Fiscal Policy and Statistics		
Grants from Canada (TTF, CHT, CST, Cannabis, Vaping)		13
Carbon Rebate	<a href="#">December 16</a>	14
Commodity Taxes		15
Income Tax		16
Supporting Pro-Growth Tax Reform		17

	Reserved	18
Financial Operations and Revenue Services		
Rural Community Banking		19
CORPORATE ISSUES		
2025–26 Supplementary Estimates No. 1 – Corporate (FIN)		20
Truth and Reconciliation Commission – Update on Calls to Action (ECO)		21

### 2025–26 Supplementary Estimates No. 1

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Finance

#### Recommended response:

- The 2025-26 Supplementary Estimates No. 1 forecasts an overall gross increase of \$150.4 million in O&M spending, with an offsetting increase of \$8.3 million in recoveries. The net increase in O&M spending is forecast at \$142.0 million when accounting for recoveries.
- Capital adjustments in the Supplementary Estimates No. 1 reflect an overall increase of \$1.0 million in spending and a \$1.6 million increase in capital recoveries. This results in a net decrease in capital spending of \$594 thousand.
- Budgetary revenues are projected to increase by \$5.9 million, primarily due to a \$5.7 million increase in accrued interest on loans to the Receiver for Victoria Gold Corporation.
- The Government of Yukon continues to maintain a budgetary surplus forecast for 2025-26 of \$12.5 million, revised down from the \$82.0 million forecast in the Main Estimates.

#### FTEs:

- There is an increase of 71.2 FTEs or “Full-Time Equivalents” in the Supplementary Estimates. This is primarily for 57.3 FTEs in Education, including teachers, Educational Assistants, and other positions to provide enhanced support for students.
- This increase also includes 11.4 positions in Health and Social Services for both frontline and administrative positions, and small personnel additions to the Department of Justice (2 FTEs) and the Public Service Commission (0.5 FTEs).

#### Additional response:

- The O&M increase of \$150.4 million is mainly driven by the following:
  - \$33.7 million in costs related to wildfire response.
  - \$21.9 million to meet health and social services system pressures, including additional funding for the Yukon Hospital Corporation, the Whitehorse Emergency Shelter, Family and Children's Services, physician compensation, and staffing within Continuing Care.
  - \$23.7 million to Highways and Public Works to address operational pressures in transportation and property management, support enterprise risk management, and repair and replace heavy equipment.
  - \$14.9 million in provisional contingencies for price and volume pressures, including inflation, increased demand for public services, and potential wage increases resulting from ongoing collective bargaining.
  - \$13.7 million for educational supports, including funding for the First Nation School Board and Commission scolaire francophone du Yukon; staffing at Yukon schools; and projects that increase inclusion in early learning and child care in underserved communities.
  - \$8.2 million in general contingencies across all departments to ensure they comply with financial authorities and remain within their voted budgets for the fiscal year.

- \$3.7 million for the mobile radio system, an essential communication tool for the Yukon's first responder agencies.
- \$1.6 million for the new Affordability Rate Relief program to partially offset the impact of Yukon Utilities Board approved interim electricity rate increases.
- The Supplementary Estimates for **capital** include various adjustments for updated timelines and estimated costs:

Increases include:

- \$7.5 million to advance work on a new convention centre in Whitehorse, pending a decision about the viability of the operating model.
- \$5 million to address capital pressures related to community infrastructure projects in Whitehorse and Teslin.
- \$3.9 million in additional funding for the Yukon Hospital Corporation for renovations to the Secure Medical Unit at Whitehorse General Hospital and Medical Device Reprocessing.
- \$4.7 million for purchase and fit-out of 408 Wood Street.
- \$3 million to work with the City of Whitehorse on planning and design for a new firehall in Whistle Bend and improvements to transportation corridors between Whistle Bend and downtown.

Decreases include:

- \$5.9 million due to delays on Johnson's Crossing Bridge Rehabilitation and the Lewes River Bridge Rehabilitation

- \$11.5 million due to delays to the Korbo housing project in Dawson while additional environmental remediation is completed
- \$4.0 million due to delays to the Burwash School project
- \$3.4 million due to delays in the Watson Lake Solar project under the Arctic Energy Fund

#### **Borrowing:**

- Total anticipated territorial borrowing was \$773.9 million in the 2025–26 Main Estimates, inclusive of \$400 million in long-term borrowing authorized in the *First Appropriation Act 2025–26*.
  - We expect to proceed with the second tranche of this borrowing in the spring, using the remaining \$200 million authorized.
  - Significant energy infrastructure pressures require an increase of \$100 million to the Yukon Development Corporation's short-term borrowing limit. This includes \$50 million authorized by the previous government, and an additional \$50 million being authorized by this government to address critical work in Mayo.
  - Other factors include a decrease of \$966,000 in a loan payable by Yukon University and a \$3.15 million increase in accrued interest payable.
  - Revised estimated total borrowing in 2025–26 is \$876.1 million. This leaves \$323.9 million available within the Yukon's \$1.2 billion borrowing limit.
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# Session Briefing Note

**TAB #01**

**Fall 2025**

## 2025–26 Supplementary Estimates No. 1

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Finance

### Context—this may be an issue because:

- The 2025–26 Second Appropriation Act will be tabled in the December 2025 session and will be the subject of debate.
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### Background:

- Supplementary estimates are introduced annually by the government to account for unforeseen spending at the time of tabling the annual Budget. It is common to have one of two spending updates during the fiscal year.
- Typically, Supplementary Estimates are tabled during the fall and spring sessions, debated and voted on in the legislature to provide departments with spending authority for O&M and Capital for the current fiscal year.

### Approved by:

Katherine White

December 8, 2025

\_\_\_\_\_  
Deputy Minister, Finance

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Date approved

### Supplementary Estimates No. 1 – Vote 12

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Finance

#### Recommended response:

- The 2025–26 Supplementary Estimates No. 1 for the Department of Finance is limited to changes in Operations & Maintenance (O&M) and Restricted Funds.
- An increase of \$189,000 is added to the department's personnel allotment as a provisional contingency for price and volume pressures, including inflation, increased demand for public services, and potential wage increases resulting from ongoing collective bargaining.
- An increase of \$64,000 is added to the department's other allotment as a general contingency to ensure compliance with financial authorities. These contingencies are included to ensure all departments remain within their voted budgets for the fiscal year given the potential for unforeseen pressures.
- An additional \$95,000 is required to support banking services provided by CIBC in Yukon rural communities.
- The Office of the Comptroller requires \$120,000 to undertake consultant support and system improvements related to implementation of the new conceptual framework and Financial Statement Presentation accounting standard (PS 1202).

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#### Context—this may be an issue because:

- The 2025–26 Supplementary Estimates No. 1 are being tabled in the Yukon Legislative Assembly during the Fall sitting.
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### Supplementary Estimates No. 1 – Vote 12

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Finance

#### Background:

- Rural community banking services are currently provided by CIBC, through a contract with the Government of Yukon. Costs include personnel, bank processing services, business premises, equipment, supplies and delivery services as described in the publicly tendered rural community banking request for proposals.
- The Office of the Comptroller is responsible for preparing the annual Public Accounts in accordance with the Financial Administration Act and the Public Sector Accounting Standards.
- As with previous years, the Department of Finance will not change the majority of its revenue forecasts at this time, but will update the forecast in the spring once the new Territorial Formula Financing (TFF) and Canada Revenue Agency (CRA) numbers are made available.

#### Approved by:

Katherine White

December 5, 2025

Deputy Minister, Finance

Date approved

#### Recommended response:

- The 2025–26 Interim Fiscal and Economic Update presents updated forecasts for the Government of Yukon’s finances and the territorial economy. It follows up on the 2025–26 Fiscal and Economic Outlook released in March 2025.
- Increased expenditures in 2025–26 reduced the government’s expected surplus to \$12.5 million, lower than projected in the Main Estimates. However, the net debt forecast has improved by \$17.9 million, due to spending lapses and higher than anticipated revenues in 2024–25.
- The Yukon’s economic outlook remains mixed. The suspension of production at the Eagle Gold Mine continues to weigh on GDP growth, and population growth has slowed.
- Updated estimates from Statistics Canada show that real GDP declined by 2.5 per cent in 2024, a sharper decline than the 0.6 per cent expected in the spring.
- However, some key indicators show resilience. So far in 2025, employment, construction activity, and tourism remain strong.

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#### Context—this may be an issue because:

- The economic forecast and fiscal projections are of interest to the public.

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#### Background:

##### Fiscal Update highlights

- Forecast total expenses, net of recoveries, are \$141.4 million above the Main Estimates, exceeding the \$75 million contingency and reducing the forecast surplus by \$69.5 million to \$12.5 million.

- The forecast for net debt, \$677.7 million, is lower than the Main Estimates due to an improved opening balance in 2025–26, resulting from higher than forecast revenues and lapses in both O&M and capital in 2024–25.
- There is a \$5.9 million increase to forecast revenues due mostly to an increase in accrued interest on loans to the Receiver for Victoria Gold Corp. The new interest amount is based on actual and revised forecast advances to the Receiver in 2025–26.
- Forecasts for federal transfer and personal and corporate tax revenues are unchanged.
- Large drivers increasing O&M expenditures are emergency response costs, additional health care funding, new staff for Yukon schools, and contingencies to ensure departments remain within their voted budgets for the fiscal year, mitigating the need for an additional supplementary estimates before March 31.
- Additions to the capital plan include funding for community infrastructure projects, the Yukon Hospital Corporation, and advancing work on a new convention centre in Whitehorse, pending a decision about the viability of the operating model.
- These additions are offset by deferrals in other capital projects due to project delays, including the Korbo project in Dawson City, the new school in Burwash Landing, and both the Johnson's Crossing and Lewes River bridge projects.
- The result is a \$1 million increase in the gross capital plan to \$478.3 million.

#### Economic Update highlights

- **Mining:** Silver and gold prices increased dramatically in 2025. This led to increased placer production and increased output at the Keno Hill Mine, helping to offset some of the impact of the Eagle Gold Mine on the territorial economy. It is expected to help the economy return to growth in 2026 with modest gains over the forecast.
- The Coffee Gold Mine was sold to Fuerte Metals in September, 2025. Selkirk First Nation acquired the rights to the Minto Mine and has started exploration, and the Casino project has been submitted to YESAB for review.

- **Labour:** The labour market has evolved in line with the expectations presented in the Fiscal and Economic Outlook. The unemployment rate is forecast to tick down to 4.2 per cent in 2025, with employment growth of 2.3 per cent.
- There is some indication that the Yukon's labour market has softened modestly from 2024, especially for goods-producing industries.
- **Population:** The Yukon's population grew by just 1.1 per cent in 2025, down from 3.6 per cent in 2024 and the lowest growth rate since 2013. This is primarily due to changes in immigration policy by the Government of Canada.
- **Cost of living:** Shelter costs continue to drive up inflation, which is now expected to average 3.0 per cent in 2025.
- The electricity component of the CPI increased by almost 40 per cent between August 2024 and July 2025.
- Both the cost of renting and owning a home have been significant contributors to inflation in 2025 as the Yukon's housing market remains tight with a low rental vacancy rate and an elevated sales-to-new listings ratio.
- **Construction:** The outlook for the construction sector remains mixed. Investment in building construction has increased though residential investment has fallen off from the very high 2024 level.
- **Tourism:** 2025 has been another good year for the tourism sector. Border crossings and air arrivals are up significantly year-to-date.

**Approved by:**

Katherine White

December 8, 2025

Deputy Minister, Finance

Date approved

#### Recommended response:

- This government is committed to providing the services Yukoners depend on while pursuing policies that promote a growing and dynamic private sector.
- The Supplementary Estimates include an additional 71.2 full-time equivalent positions compared to the 2025–26 Main Estimates.
- This increase is predominantly for supports in our Education system, which account for 57.3 of the FTEs. This includes 14.7 Teacher positions and 34 Educational Assistants to address increasing enrollment and provide enhanced support for students.

#### Additional response:

- Education has already hired the following positions to address increased school enrollment across the territory:
  - 20 FTEs for Educational Assistants;
  - 14.7 FTEs for teachers due to growth in enrollment;
  - 1.9 FTEs for custodians;
  - 1.0 FTE for an English Language Learner teacher; and
  - 0.66 FTE for clerical staff.
- Education will receive additional FTEs to enhance support for students through shared resource programs:
  - An additional 14 FTEs for Educational Assistants;
  - 3 FTEs for Learning Teacher Assistants; and
  - 2 FTEs for Registered Nurses support positions.

- Additional FTEs in health and social services for Yukoners include:
  - 6.7 FTEs to support live-in aftercare & recovery housing;
  - 6.5 FTEs to deliver the new Pharmacare and Drugs for Rare Diseases programs; and
  - 3 FTEs to address forced growth in the Home Care program.
- There is also a reduction of 4.8 FTEs in HSS. These were included in the Mains for departmental positions to deliver services in Spirometry (3 FTEs) and the Patient Navigator Service (1.8 FTEs), however those services continue to be delivered by third-parties through Transfer Payment Agreements.
- Justice received 2 FTEs for services to family members of missing and murdered Indigenous people. These are term FTEs to March 2030 and are 100% recoverable from Canada.
- Public Service Commission received 0.5 FTE to support the collective bargaining unit.
- Planned FTEs should not be confused with statistics provided by the Public Service Commission, which reports on the number of employees and the number of actual hours worked by Yukon government employees.

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#### **Context—this may be an issue because:**

- Government staffing and growth is a recurring topic of discussion in the assembly.

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#### **Background:**

- The Supplementary Estimates include an allocation of planned spending on government personnel. In addition, a calculation of the number of FTE positions is shared with the opposition through the budget technical briefings.

# Session Briefing Note

**TAB #04**

**Fall 2025**

## FTE Growth

Finance

- The 2025–26 Supplementary Estimate No. 1 report 5580.7 Full-Time Equivalents (FTEs).

### Approved by:

Katherine White

December 8, 2025

Deputy Minister, Finance

Date approved

#### Recommended response:

- Under the *Yukon Act*, the Government of Yukon is permitted to borrow up to a limit set by Canada. This borrowing encompasses debts incurred by both the Government of Yukon and its corporations. The last increase to the borrowing limit from \$800 million to \$1.2 billion occurred in December 2024.
- As part of Budget 2025–26, long-term borrowing of up to \$400 million was authorized under the *First Appropriation Act 2025–26* to be undertaken by March 31, 2026.
- The Yukon's strong Double-A ("AA") credit rating was confirmed by S&P Global Ratings agency for the 16<sup>th</sup> consecutive year in July 2025, signaling to investors that the territory honours its financial commitments and is a reliable investment partner.
- The first tranche of long-term borrowing totaling \$200 million was issued as a 10-year bond at a competitive 3.80 per cent interest rate on September 15, 2025, reflecting strong investor interest and demand for the Yukon's credit.

#### Additional response:

- In addition to long-term borrowing, the Government of Yukon uses short-term overdraft facilities, such as line of credit, to manage temporary cash flow needs. In 2025–26, the interest rate on the line of credit ranged from 3.6 per cent to 4.1 per cent.
- As of March 31, 2025, the consolidated entity of the Government of Yukon had utilized just over 49 per cent of its borrowing limit of \$1.2 billion with \$589.7 million in total borrowings. As per 2025–26



Supplementary Estimates No. 1, 73 per cent of the Yukon's borrowing limit is expected to be used as of March 31, 2026.

#### Context—this may be an issue because:

- Budget performance and financial health of the territory are of concern to the public and the members of the Legislative Assembly.
- On September 15, 2025, the core Government of Yukon carried out its inaugural bond issuance.
- There will be interest about plans to issue the remaining \$200 million in long-term borrowing this fiscal year, as well as potential borrowing in the coming years.

#### Background:

- Under the *Financial Administration Act*, the Yukon government is authorized to undertake temporary borrowings that are less than 365 days.
- Authorization of \$400 million in long-term borrowing under the *First Appropriation Act 2025–26* is effective until March 31, 2026. Any long-term borrowing that is not undertaken by the deadline must be re-authorized in an appropriation act.
- The borrowing limits for all three territories are set by regulations under the respective territorial acts. As of November 24, 2025, the federal borrowing limits are \$3.1 billion for Northwest Territories, \$1.2 billion for the Yukon, and \$1.05 billion for Nunavut. Requests for increases to these borrowing limits are submitted to the federal government on a need-basis.
- S&P Global Ratings provides a forward-looking opinion on the Yukon's creditworthiness.

#### Approved by:

Katherine White

December 8, 2025

Deputy Minister, Finance

Date approved

### Eagle Gold Mine – Financial considerations

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Finance

#### Recommended response:

- The Ontario Superior Court of Justice has approved up to \$220 million in Yukon government loans to the Receiver for the Victoria Gold Corp. to fund remediation at the Eagle Gold mine.
- To date, the government has advanced \$175 million, of which \$104 million was sourced from surety bonds held under mining licences.
- The Receiver is also enabled to use company resources and proceeds from asset monetization efforts to fund the Receivership. To date, more than \$69 million has been monetized and used to offset the costs to the Government of Yukon.

#### Additional response:

##### Surety bonds

- Funds related to the surety bonds are not currently included as revenue in the Yukon government's financial framework, as the final accounting treatments of these funds are subject to future court decisions pending the outcome of the sales process.

##### Interest rate

- The interest rate on loans to the Receiver is 9 per cent annually.
- This Supplementary Estimates includes \$5.7 million more in accrued interest from loans to the Receiver than was forecast in the Main Estimates, for a total of a \$15.2 million forecast for the amount accrued in 2025–26. The Government of Yukon accrued \$3 million for interest in 2024–25.
- \$118 million in funding advances was provisioned in the 2025–26 Main Estimates. Advances are provided periodically throughout the

### Eagle Gold Mine – Financial considerations

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Finance

fiscal year, rather than as a lump sum. Interest is calculated daily and compounded monthly as per the terms of the loan

#### Impact on surplus, net debt

- Excluding interest, these loans have a neutral impact on the budgetary surplus and net debt, as the increase in expenditures required to fund the loans are offset by associated “loan receivable” assets.

#### Impact on other companies who are owed funds (creditors)

- The Ontario Superior Court has authorized the Receiver for Victoria Gold Corp. to borrow up to \$220 million from the Yukon government. The government was granted a super-priority charge over these loans, meaning that it would be given priority to recover the cost of these loans if the mine or its assets are sold.
- If there is a restart of operations at the mine site or liquidation of major assets, which required Court approval and support from the Government of Yukon, all payments made to any parties would be subject to an Order of the Court.

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#### **Context—this may be an issue because:**

- The Government of Yukon’s advances to the Receiver and loans receivable associated with Eagle Gold represent a significant impact on the Yukon’s financial framework.

# Session Briefing Note

TAB #06

Fall 2025

## Eagle Gold Mine – Financial considerations

Finance

### Background:

#### Financial Summary

(\$000)	2024-25 Supp #1	2024-25 Supp #2	2025-26 Mains	2025-26 Supp #1	Total
<b>Amounts appropriated (EMR)</b>					
O&M Expense (Vote 1) <sup>[1]</sup>	50,000	55,000	118,000	(3,000)	220,000
Interest on loan revenue (Vote 5)	-	3,044	9,500	5,725	18,269
<b>Cash impact on Yukon government</b>					
Cash from YG to the Receiver	50,000	55,000	118,000	(3,000)	220,000
Cash to YG from the surety bonds <sup>[2]</sup>	-	55,000	48,742	-	103,742
Net cash disbursements YG	50,000	-	69,258	(3,000)	116,258
<b>Impact on balance sheet accounts</b>					
Loan receivable (YG asset)	50,000	55,000	118,000	(3,000)	220,000
Interest on loan receivable (YG asset)	-	3,044	9,500	5,725	18,269
Deferred revenue (YG liability)	-	55,000	48,742	-	103,742

<sup>[1]</sup> The 2024–25 Supp #2 shows an O&M increase in the Department of Energy, Mines and Resources of \$51.8 million as the department also had \$3.2 million in other reductions.

<sup>[2]</sup> Yukon government anticipates to carry a deferred revenue balance of \$103.7 million from the surety bonds until a decision is made by the courts.

### Approved by:

Katherine White

December 9, 2025

Deputy Minister, Finance

Date approved

**Session Briefing Note**  
**Eagle Gold Mine**Energy, Mines and  
Resources / Finance

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**Recommended response:**

- There is no new funding required for the Eagle remediation.
- Our priorities are to ensure fiscal responsibility, site stability and safety, and protecting Yukoners and the environment.
- We are committed to implementing changes to the inspections and compliance regime to ensure that mines are operating safely, so future generations are left with strong economic legacies versus environmental liabilities.

**Additional response:**

- Actions taken on site have resulted in improved conditions in the downstream environment. We are confident that the ongoing work will further improve physical and environmental stability.
- The sales process is an important step in the response to the failure event. We are committed to ensure a responsible bidder is chosen for the site and that Yukoners' interests are addressed in a sales decision (see session note #2).

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**Context—this may be an issue because:**

- There is significant interest in the Government of Yukon's response to the Eagle Gold heap leach failure and the sales process for the mine.
- Supports platform theme: Revitalizing the development of our natural resources.

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**Background:**

**Session Briefing Note**  
**Eagle Gold Mine**Energy, Mines and  
Resources / Finance

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General:

- On June 24, 2024, the Eagle Gold Mine heap leach facility located in the First Nation of Nacho Nyäk Dun's Traditional Territory failed, resulting in ore and cyanide solution leaving containment and flowing into the Dublin Gulch Valley.
- On August 14, 2024, PricewaterhouseCoopers was appointed as Receiver over Victoria Gold Corp's assets.
- The Receiver is accountable to the Court and reports to the Court periodically. To date there have been seven court reports, the most recent of which is dated November 20, 2025.
- The Receiver posts regular site progress updates to provide information on the site and remediation efforts. All information is publicly available on the Receiver's website.

Financial:

- The Ontario Superior Court of Justice approved the Government of Yukon to loan up to \$220 million to the court-appointed Receiver for the Victoria Gold Corp.
- To date, the Government of Yukon has advanced \$175 million, of which \$104 million was sourced from surety bonds held under mining licenses.
- The Receiver is also enabled to use company resources and proceeds from asset monetization efforts to fund the Receivership. To date, more than \$69 million has been monetized and used to offset the costs to the Government of Yukon.
- The Government of Yukon and the Receiver have a financial agreement that outlines how money is advanced and which source of funds are used to support the receivership, and the conditions that must be met to receive advances.
- The funding agreement with the Receiver emphasizes the importance of providing local benefits to the First Nation of Na-Cho Nyäk Dun, its development corporation, and Mayo and the Yukon's residents and businesses.

**Session Briefing Note**  
**Eagle Gold Mine**Energy, Mines and  
Resources / Finance

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- The loan to the Receiver is secured by a court-ordered super-priority charge and is recorded as a loan receivable, offsetting the impact of the O&M appropriation and resulting in no impact on the surplus or net financial debt.
- Interest applies to all loan advances to the Receiver at a rate of 9 per cent per annum. Interest earned on the loan is recorded as revenue to the Government of Yukon, which has a positive impact on the budgetary surplus.

Sale and Assets:

- The Court approved a sales process for the mine. The Receiver began this process on June 30, 2025. The Sales Process timeline was recently amended to allow for refreshed non-binding proposals to be submitted on December 10, 2025. The publicly communicated closing date for a successful bid remains December 31, 2025, although it is expected that this date will be extended.
- The Government of Yukon provided criteria for interested parties within the Sales Process document; these criteria help inform the evaluation of qualified bidders.
- Economic Development is leading the sales process with support from Energy, Mines and Resources (see session note #2).

Remediation and environmental

- The Government of Yukon is the primary regulator and funder for the project and directs what work is required on site to achieve regulatory requirements and technical objectives.
- The Government of Yukon approves the Receiver's proposed budgets, reviews invoices, and ensures funds are used appropriately and that all activities on site do not limit future opportunities at the site.
- Work completed to date has improved the physical stability of the heap leach facility and improved conditions for workers' health and safety.
- Significant environmental management efforts have been successful in reducing environmental impacts and limiting further contamination.

**Session Briefing Note**  
**Eagle Gold Mine**Energy, Mines and  
Resources / Finance

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- Environmental management systems put in place by the Receiver are anticipated to continue to limit additional contamination and improve conditions on site throughout winter.
- Work remains to be completed to meet regulatory requirements for physical and chemical stability at the mine site. This work includes repair of water storage ponds, and construction work on the heap leach facility.
- Construction work will be completed in the winter months. Ongoing monitoring and management will be required to maintain environmental and physical stability at the site.
- The Receiver continues to implement a comprehensive environmental monitoring program to identify effects on and off site.
- The Government of Yukon response team meets regularly with the technical staff of the FNNND and their technical consultants and with the Government of Canada to provide updates and coordinate responses.

Inspections and Compliance

- The Government of Yukon's role as regulator and enforcement body is to closely monitor the situation at the mine site and, when appropriate, issue directions to Victoria Gold Corp.
- The Receiver has implemented all the directed measures and continues to provide reports on the effectiveness of these measures.
- The Government of Yukon continues to inspect the Eagle Gold site on a weekly basis.
- FNNND regularly attends site with the Compliance Monitoring Inspections team.



**FIN #07 / EMR #1**  
**Fall 2025****Session Briefing Note**  
**Eagle Gold Mine**Energy, Mines and  
Resources / Finance

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**Approved by:****Sierra van der Meer**  
\_\_\_\_\_**November 28, 2025**  
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Deputy Minister, Energy, Mines and Resources

Date approved

**Katherine White**  
\_\_\_\_\_**November 28, 2025**  
\_\_\_\_\_

Deputy Minister, Finance

Date approved

#### Recommended response

- The 2024–25 Public Accounts, which include the unmodified audited consolidated financial statements, were released to the public on October 31, 2025, via Yukon.ca.

#### Surplus:

- The Public Accounts show an annual consolidated surplus of \$175 million, \$21.4 million more than forecast in the 2024–25 Main Estimates.
- At the non-consolidated level, the government has an annual surplus of \$148.6 million, \$29.5 higher than the \$119 million forecast in the 2024–25 Main Estimates.
- This larger-than-expected surplus is primarily due to the inclusion of the tobacco settlement.
- The Government of Yukon is party to litigation against three tobacco manufacturers to recover health care costs associated with tobacco-related illnesses. In the resulting settlement, the Yukon government was awarded approximately \$101 million, to be paid over 20+ years.
- \$54.02 million, which represents the net present value of the total amount, was recorded as revenue and receivable in 2024–25.
- This fall, the government received an initial upfront payment of \$25,428,000. The remaining balance will be paid in annual installments tied to a percentage of the tobacco companies' net after-tax income.
- The government recorded \$3,269,000 in relation to the settlement legal fees.

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#### Net debt:

- Net debt continues to grow, with a consolidated balance of \$227.1 million (\$196.1 million in 2023–24) and non-consolidated balance of \$528.8 million (\$495.5 million in 2023–24) at March 31, 2025.

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#### Context—this may be an issue because:

- The 2024–25 Public Accounts were published on Yukon.ca on October 31, 2025.

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#### Background:

- The Auditor General of Canada issued its unmodified audit opinion of the 2024–25 Yukon government consolidated financial statements and the 2024–25 Public Accounts were finalized to comply with the Government of Yukon’s legislated reporting timeline.
- The Consolidated Financial Statements include the results of all entities fully owned or controlled by the government.
- When an election period coincides with the deadline for tabling the Public Accounts, it has been the practice to make the Public Accounts publicly available by the October 31 deadline. Section 8 of the *Financial Administration Act* then requires that the Public Accounts are tabled in the Legislative Assembly within 15 days after the start of the next sitting.

#### Approved by:

Katherine White

November 27, 2025

Deputy Minister, Finance

Date approved

### Using Fall Budgeting Cycle for Earlier Tendering

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Finance

#### Recommended response:

- The Yukon's long winter means that we have a shorter construction season compared to the rest of Canada. Effective planning is crucial to ensure that we make the most of it.
- We are looking at ways to use the fall budget process to allow for earlier tendering of seasonally dependent capital projects.
- This would provide greater certainty for contractors and speed up planning so construction can begin as soon as the weather permits.
- We will announce further details in the coming months as we continue planning for the upcoming spring budget.

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#### Context—this may be an issue because:

- This platform commitment could be a significant improvement for the construction industry in allowing them to better prepare for the summer construction season.

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#### Background:

- The Yukon's Five-Year Capital Plan has been tabled alongside the Main Estimates in the spring in recent years.
- The Plan is intended to provide a clear understanding of the Yukon government's long-term capital priorities.

#### Approved by:

Katherine White

December 16, 2025

Deputy Minister, Finance

Date approved

### Recommended response:

- The Government of Yukon receives five grants from Canada each year. They are the Grant from Canada, also known as the Territorial Formula Financing payment (TFF), the Canada Health Transfer, the Canada Social Transfer, the Cannabis and the Vaping Transfers.
- The TFF is a legislated federal transfer that is renewed every five years. March 31, 2029, is the end date for the current cycle.
- The 2025–26 fiscal year Grant from Canada will be \$1.45 billion, an increase of roughly 7.7 per cent over the previous fiscal year.
- The federal government provided provisional estimates for the 2025–26 fiscal year for the Canada Health Transfer (CHT) at \$62 million, and the Canada Social Transfer (CST) at \$20 million.

### Additional response:

- These transfers collectively account for the majority of the Yukon's revenue and are essential for maintaining core programs and services.
- The Territorial Formula Financing grant is adjusted annually for population and expenditure growth, ensuring stability in funding.

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### Context — this may be an issue because:

- Grants from Canada represent most of the Government of Yukon's revenue.

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### Background:

#### Territorial Formula Financing (TFF)

- The TFF is calculated as the difference between the gross expenditure base (GEB) and the territory's fiscal capacity.

- The GEB is an estimate of the Yukon's annual funding requirement to deliver public services. The GEB is adjusted annually to account for growth in population and provincial, territorial, and municipal government expenditures.
- Fiscal capacity is a proxy for the Yukon's ability to generate own-source revenue. It is calculated as the total revenue that the Yukon could raise from its largest non-transfer revenue sources if each source were taxed at the national average tax rate for that source.
- The TFF is offset dollar-for-dollar for the Yukon's eligible resource revenues over \$6 million (the net amount is called the Grant from Canada).
- The Grant from Canada is calculated each December for the next fiscal year.

#### Canada Health Transfer (CHT) and Canada Social Transfer (CST)

- CHT and CST account for roughly 3 per cent and 1 per cent of the Yukon's revenue, respectively.
- CHT and CST are unconditional grants distributed to all provinces and territories based on their share of the national population. The total national funding of CHT and CST increases every year based on program escalators.

#### Cannabis Transfer

- The Canada-Yukon Coordinated Cannabis Taxation Agreement stipulates that the Yukon receives 75 per cent of the federal excise tax on Cannabis sold.

#### Vaping Transfer

- The Coordinated Vaping Product Taxation Agreement Act received assent on March 19, 2024, in the Yukon Legislative Assembly. The Yukon is expected to receive 50 per cent of the revenue collected in the territory starting in mid-2025. The Yukon began receiving these payments in June of this year.

# Session Briefing Note

**TAB #13**

**Fall 2025**

## Grants from Canada

Finance

### Appendix A

Table A: Grants from Canada (\$'000)

	2025-26 ESTIMATE	2024-25 ACTUAL	2023-24 ACTUAL	2022-23 ACTUAL	2021-22 ACTUAL
Grant from Canada (TFF)	1,454,190	1,350,134	1,252,161	1,174,144	1,117,700
Canada Health Transfer	61,690	59,490	57,624	50,893	48,613
Canada Social Transfer	19,650	19,319	18,393	17,942	17,443
Cannabis	1,850	1,717	856	953	748
Vaping	750	-	-	-	-

#### Approved by:

Katherine White

November 25, 2025

Deputy Minister, Finance

Date approved

#### Recommended response:

- The Government of Yukon ended its consumer carbon rebate programs for individuals, businesses, First Nations governments and municipal governments in response to the federal government ending the consumer carbon levy, the funding source for the rebates.
- The Government of Canada did not cancel the industrial carbon price charged in the Output-Based Pricing System (OBPS). On November 4, 2025, Canada confirmed that they would continue to honour the commitment to return all proceeds to the jurisdiction of origin.
- The Government of Yukon is reviewing the implications of these federal decisions.

#### Additional response:

- Due to the cancelation of federal funding with little notice, the Yukon's Carbon Price Rebate Revolving Fund is currently projected to have a final deficiency. The final balance will not be known for a few years.

#### Context:

- On May 1, 2025, O.I.C. 2022/52 amended the *Carbon Price Rebate General Regulation*. This amended regulation effectively ended entitlements as of April 1, 2025, for all rebate groups except individuals.
  - Individuals received one final rebate payment on April 4, 2025. Rebates are still available for individuals that have not filed tax returns for previous years.
  - Yukon businesses continue to receive their final carbon rebate payments with their latest tax returns for tax years ending March 31, 2025, or earlier.
- On March 14, 2025, Prime Minister Carney signed an O.I.C. to end the federal fuel charge. He committed to delivering one final rebate payment to individuals in April 2025 in provinces where the Canada Carbon Rebate for individuals is paid.



#### Background:

- The federal Greenhouse Gas Pollution Pricing Act received royal assent on June 21, 2018. The federal carbon pollution pricing system had two parts:
  - a regulatory charge on fossil fuels (i.e., the carbon levy or fuel charge); and
  - a regulatory trading system for large facilities (i.e., the federal OBPS).
- The federal government's climate plan (the Pan-Canadian Framework) set the Canada-wide carbon price at \$20 per tonne emissions on a carbon dioxide equivalent basis beginning in 2019. The price was \$80 per tonne as of April 1, 2024, and was expected to rise \$15 a year to \$170 per tonne in 2030.
- In designing rebate programs, the Government of Yukon considered how to address the principles established in the Pan-Canadian Framework, namely:
  - "Carbon pricing policies should include revenue recycling to avoid a disproportionate burden on vulnerable groups and Indigenous peoples"; and
  - "Carbon pricing policies should minimize competitiveness impacts and carbon leakage, particularly for emissions-intensive, trade-exposed sectors."
- Rebate programs were designed for individuals, businesses, mining businesses, First Nations governments and municipal governments on a revenue neutral basis.
- Eligible groups received more in rebates than they paid in pollution pricing since other governments, visitors and others paid the levy but did not receive rebates.
- The rebate for individuals for the 2024–25 rebate year was \$310. Yukoners living outside of Whitehorse received an additional supplement of 20 per cent.
- Yukon businesses received their carbon rebate as a refundable tax credit administered by the CRA. The rebate was based on the value of business assets and includes incentives to invest in clean technology. See Appendix for details.
- Federal Budget 2025 confirmed that the Canada Carbon Rebate for Small Businesses, which applies in all provinces except British Columbia and Quebec, would be tax-free. The Government of Canada did not change the taxable status of the Yukon government carbon rebate for businesses.

### Appendix

Federal fuel charge rates applicable in the Yukon (cents per litre unless specified)

Date of increase*	2019	2020	2021	2022	2023	2024
\$ per tonne	20	30	40	50	65	80
Gasoline	4.4	6.6	8.8	11.1	14.4	17.7
Light fuel oil	5.4	8.1	10.7	13.4	17.4	21.5
Propane	3.1	4.6	6.2	7.7	10.1	12.4
Natural gas**	3.9	5.9	7.8	9.8	12.7	15.7

\*July 1 for 2019. \*\*Per cubic metre.

### Estimated fuel use in Yukon versus rebate

	Rebate (% of total)	Estimated shares of carbon levies paid by rebate group			
		2021–22	2022–23	2023–24	2024–25
General businesses	44.5%	48.26%	49.29%	34.50%	35.00%
Mining businesses	12.0%	-	-	11.50%	10.70%
Yukon individuals	36.5%	27.67%	26.56%	26.80%	25.20%
Municipal governments	3.50%	2.47%	2.27%	2.60%	3.40%
First Nations governments	3.50%	0.36%	2.09%	2.80%	2.10%
Visitors (tourists)	0.00%	8.90%	7.66%	8.50%	9.80%
Government of Yukon	0.00%	11.21%	11.03%	12.10%	12.60%
Government of Canada	0.00%	0.56%	0.57%	0.70%	0.80%
Other	0.00%	0.57%	0.54%	0.50%	0.50%

These estimates rely on data from Statistics Canada that is subject to a significant lag. Changes should generally be interpreted as adjustments based on more recent data, rather than changes in actual consumption.

### Estimated levies and rebates to individuals

	2021–22	2022–23	2023–24	2024–25
Levy paid by individual	\$131.43	\$157.59	\$179.11	\$160.11
Rebate to individuals	\$176.00	\$320.00	\$372.00	\$310.00
Remote supplement	\$17.60	\$32.00	\$37.20	\$62.00

# Session Briefing Note

**TAB #14**

**Fall 2025**

## Carbon Rebate

Finance

### Yukon general business rebate amounts by asset class

(per \$1,000 in assets)	2021-22	2022-23	2023-24	2024-25
Building rebate	\$4.41	\$19.81	\$10.95	\$11.10
Equipment rebate	\$22.03	\$99.05	\$54.73	\$55.50
Green rebate	\$44.05	\$198.10	\$109.45	\$111.00

### Yukon mining business rebate amounts by asset class

	(per \$1,000 in assets)	2023-24	2024-25
Placer mining businesses	Buildings and equipment rebate	\$84.32	\$72.94
	Green rebate	\$437.80	\$222.00
Quartz mining businesses	Buildings and equipment rebate	\$21.08	\$36.47
	Green rebate	\$109.45	\$111.00

#### Approved by:

Katherine White

December 16, 2025

Deputy Minister, Finance

Date approved

#### Recommended response:

- The Government of Yukon is committed to striking a balance between appropriate levels of taxation and affordability for Yukoners.
- Currently, taxation on fuel in the Yukon is the lowest of any jurisdiction in Canada at just 6.2 cents per litre for gasoline and 7.2 cents per litre for diesel. These rates have not increased since 1993.
- The Yukon's tax on cigarettes is the second highest in Canada following Nunavut, before sales tax, with five increases since 2018. Anti-smoking advocacy groups have praised the Yukon for indexing its tobacco tax rates to inflation.
- Insurance premium taxes are set at 4 per cent and are competitive with rates in other provinces and territories.

#### Additional response:

- When looking at the Yukon's commodity tax rates, there is very little change from year to year. The exception is the tobacco tax rate, where increases in this tax help discourage smoking in the territory.
- From January 2023 to January 2024, inflation in Whitehorse was 2.6 per cent. This triggered an increase in tobacco tax rates in 2025. The tax rate since January 1, 2024, was 35 cents per cigarette. The rate increased to 36 cents per cigarette, effective January 1, 2025.

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#### Context — this may be an issue because:

- Tobacco tax revenue registered a steep decline across all Canadian jurisdictions beginning in 2022-23 due to growing share of vaping and possible contraband market activity.

#### Background:

- Appendix A provides a summary of the tax revenues, as well as comparison of tax rates in other provinces and territories.
- The Yukon tobacco tax rate applies to cigarettes, loose tobacco, and cigars. The Yukon is the only jurisdiction, other than the federal government, that indexes its tobacco tax rates to inflation.
- The Yukon fuel tax applies to gasoline, diesel, and aviation fuel. Heating fuel and propane have been exempted since 1986. There are several other exemptions for commercial purposes related to farming, fishing, trapping, hunting, outfitting, wilderness tourism, logging, mining, sawmills and golf courses.
- Tax on all insurance premiums is a flat rate of 4 per cent.
- Examples of a few insurance products include:
  - Life
  - Property
  - Automobile
  - Liability
  - Accident and sickness

### Appendix A

Table 1. Yukon Commodity Tax Revenues (\$000)

	2025–26 FORECAST	2025–26 ESTIMATE	2024–25 ACTUAL	2023–24 ACTUAL
Fuel	11,790	11,790	9,090	9,647
Insurance	9,430	9,430	9,100	8,712
Tobacco	10,220	10,220	9,728	11,077

Table 2. Current Yukon Tobacco Tax Rates

Cigarettes	\$0.36 per cigarette or \$70 per carton
Tobacco	\$0.36 per gram of tobacco product
Cigars	130 per cent of the taxable price per cigar (taxable price per cigar is 130 per cent of the manufacturer's or importer's selling price)

Table 3. Provincial and Territorial Tobacco, Fuel and Insurance Tax Rates, 2025

	Tobacco ¢/cigarette	Gasoline ¢/litre	Diesel ¢/litre	Insurance (high rate <sup>7</sup> ) %
Yukon	36.00	6.20	7.20	4.00
Northwest Territories	34.40	10.70	9.10	3.00
Nunavut	40.00	6.40	9.10	3.00
British Columbia <sup>1</sup>	32.50	14.50	15.00	4.40
Alberta <sup>2</sup>	30.00	13.00	13.00	4.00
Saskatchewan	29.00	15.00	15.00	4.00
Manitoba <sup>3</sup>	30.00	12.50	12.50	4.00
Ontario <sup>4</sup>	18.475	9.00	9.00	3.50
Quebec <sup>5</sup>	20.90	19.20	20.20	3.30
New Brunswick	25.52	10.87	15.45	3.00
Prince Edward Island	30.00	8.47	14.15	4.00
Nova Scotia	29.52	15.50	15.40	4.00
Newfoundland & Labrador <sup>6</sup>	32.50	7.50	9.50	5.00

1. Higher rates for fuel taxes apply in Vancouver and Victoria area.

2. Alberta's fuel tax rate is reviewed on a quarterly basis and may increase or decrease depending on average West Texas Intermediate oil prices.
3. The fuel tax holiday implemented by Manitoba from January 1, 2024, to December 31, 2024, was replaced with a permanent 10 per cent reduction to fuel tax rates on January 1, 2025.
4. Ontario reduced its gasoline and fuel taxes to 9.0¢/litre on July 1, 2022. These rates were initially temporary but, as of July 1, 2025, are permanent.
5. Higher rates for fuel tax apply in Montreal.
6. Newfoundland & Labrador has applied a reduced provincial fuel tax at 7.5¢/litre for gas and 9.5¢/litre for diesel since June 2, 2022, and this reduced rate is scheduled to remain in effect until March 31, 2026.
7. The insurance premium tax rate structure varies by jurisdiction. The highest rate of insurance is shown in this table.

**Approved by:**

Katherine White

November 25, 2025

\_\_\_\_\_  
Deputy Minister, Finance\_\_\_\_\_  
Date approved

#### **Recommended response:**

- The Yukon continues to be one of the best jurisdictions in Canada to live and earn an income. To maintain this advantage, personal and corporate income tax rates remain competitive with those of the other provinces and territories.
- We are committed to strong and positive government-to-government relations with Yukon First Nations governments. We currently share 95 per cent of the personal income tax collected on settlement lands with 11 of 14 Yukon First Nations governments.

#### **Additional response:**

- Our tax systems have many measures to meet the needs of Yukoners.
- The small business tax rate is set at 0 per cent to support Yukon small businesses. The general corporate tax rate is set to 12 per cent, a competitive rate that supports investment and growth.
- The Business Investment tax credit supports Yukoners investing in local businesses.
- The Research and Development tax credit supports innovation by individuals and businesses.
- The Yukon Child Benefit, a non-taxable amount paid monthly, helps low- and modest-income families.
- The Fertility tax credit covers 40 per cent of the cost of fertility treatments and surrogacy expenses up to a max of \$10,000 per year.

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#### **Context — this may be an issue because:**

- Income Tax is a significant portion of the government's own source revenue.



#### Background:

- Appendix A provides a summary of the Yukon's income tax revenues, tax credits and benefit amounts, and comparisons to other jurisdictions.

#### Personal income tax

- Yukon's lowest personal income bracket is 6.4%, within the national range of 4% to 10.8% (excluding Quebec).
- The top rate is 15%, compared to 11.5% to 21.8% elsewhere. The dollar threshold for the top bracket rate varies considerably in Canada from Manitoba's \$101,200 to Newfoundland's \$1,128,858. Yukon's threshold of \$500,000 is the second highest in Canada.
- Yukon harmonizes its tax brackets with federal ones, except for its unindexed top bracket set at \$500,000, versus Canada's indexed \$253,414.

#### Corporate income tax

- Yukon's general corporate tax rate is 12%, within the 8% to 16% national range.
- Yukon's 0% small business tax rate, shared only with Manitoba, compares to a national range of 0% to 3.2%. It applies to the first \$500,000 of active business income.

#### Yukon tax benefits and credits

##### *Yukon Child Benefit*

- The Yukon Child Benefit is a non-taxable, income-tested payment for families with children, administered by the Canada Revenue Agency. Payments are combined with the federal Canada Child Benefit. Eligibility is determined based on income tax returns with payments issued from July to June.
- Starting in July 2025, families receive up to \$937 per child annually, reduced by 2.5% for every dollar of family net income over \$35,000 for one child, and 5% for more than one child.

#### *First Nations Tax Credit*

- A Yukon taxpayer who resides on settlement land can claim a First Nations Tax Credit equal to 95% of Yukon tax payable. The credit ensures that First Nation taxpayers are not double taxed by paying Yukon tax and Yukon First Nations tax.

#### *Political Contribution Tax Credit*

- A taxpayer who contributes to a registered Yukon political party or to a candidate seeking a seat in the Yukon Legislative Assembly can claim a non-refundable tax credit of up to \$650. The credit equals 75% of the first \$400 in contributions, 50% of the next \$350, and 33.33% of the next \$525.

#### *Business Investment Tax Credit*

- Provides a 25% non-refundable tax credit on approved investments, up to \$25,000 annually and can be carried back three years or forward seven years.
- Corporations must have a permanent establishment in the Yukon, pay at least 25% of wages to Yukon residents, and own less than \$100 million in assets.
- Eligible corporations can receive up to \$4 million in eligible investments per year.
- After 2027, the asset limit will decrease to \$50 million and a rolling four-year limit of \$4 million applies.

#### *Manufacturing and Processing Tax Credit*

- This credit effectively reduces the Yukon corporate income tax rate from 12% to 2.5% for Canadian manufacturing and processing profits earned in the Yukon.
- With the reduction of the small business tax rate to 0% in 2021, the manufacturing and processing profits tax credit for small corporations no longer applies.

#### *Research and Development Tax Credit*

- Yukon residents and corporations with a permanent establishment in the Yukon can claim a refundable credit for scientific research and experimental development expenditures.
- Eligible expenses are the same as those eligible for the federal research and development tax credit. The Yukon tax credit is 15% of eligible expenditures, plus an additional 5% of expenditures to Yukon University.

#### Appendix A

Table A: Income Tax Revenue (\$'000)

	2025–26 FORECAST	2025–26 ESTIMATE	2024–25 ACTUAL	2023–24 ACTUAL
Personal Income Tax	119,080	119,080	125,466	109,606
Corporate Income Tax	33,780	33,780	32,501	15,375

Table B: 2025 Average Personal Income Tax Rates on \$50,000 of Taxable Income

	Average Tax Rate (%)	Rank (1=highest tax rate)
Federal	10.3	N/A
Yukon	4.3	9
Northwest Territories	3.7	11
Nunavut	2.2	13
British Columbia	3.8	10
Alberta	5.5	8
Saskatchewan	6.4	7
Manitoba	7.4	4
Ontario	3.5	12
Quebec	8.5	2
New Brunswick	6.8	6
Nova Scotia	8.9	1
Prince Edward Island	8.1	3
Newfoundland & Labrador	7.4	5

Table C: Individual and Corporate Tax Credits/Benefits in the Yukon (\$)

<i>For individuals</i>	2020	2021	2022	2023
First Nations	3,499,335	3,611,248	4,227,864	4,277,660
Business Investment	8,002	5,073	2,412	606,659
Political Contribution	0	0	3,090	68,217
Research & Development	1,811	1,813	300	22,625
Yukon Child Benefit	1,514,751	1,527,262	1,290,057	1,249,922
<i>For corporations</i>				
Political Contribution	(374)	2,250	658	-275
Research & Development	592,818	596,944	655,044	732,854
Manufacturing & Processing	164,961	494,171	1,072,506	919,215

Table D: Federal, Provincial and Territorial Corporate Income Tax Rates for 2025

	General tax rate %	Small Business %	Manufacturing & Processing %
Federal*	28.0	9.0	28.0
Yukon	12.0	0.0	2.5
Northwest Territories	11.5	2.0	11.5
Nunavut	12.0	3.0	12.0
British Columbia	12.0	2.0	12.0
Alberta	8.0	2.0	8.0
Saskatchewan	12.0	1.0	10.0
Manitoba	12.0	0.0	12.0
Ontario	11.5	3.2	10.0
Quebec	11.5	3.2	11.5
New Brunswick	14.0	2.5	14.0
Nova Scotia	14.0	1.5	14.0
Prince Edward Island	15.0	1.0	15.0
Newfoundland & Labrador	15.0	2.5	15.0

\*After the general tax reduction (available to most corporations), the federal net tax rate is 15%.

**Approved by:**

Katherine White

November 25, 2025

Deputy Minister, Finance

Date approved

## Supporting Pro-Growth Tax Reform

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Finance

### Recommended response:

- We are committed to supporting Yukon businesses and advocating to the federal government on their behalf.
- On November 4, 2025, the Government of Canada announced in their budget several initiatives to accelerate deductions of capital acquisitions. Collectively, these tax measures are referred to by Canada as the Productivity Super-Deduction.
- The Productivity Super-Deduction achieves the outcomes we committed to explore in our platform. Namely, to explore measures to encourage investment, drive job creation and support growth across key sectors such as mining, manufacturing, renewable energy and housing.
- We are pleased to see this action by the federal government to support businesses in this way, encouraging investment and private sector growth.

---

### Context—this may be an issue because:

- Supporting pro-growth tax reform was a platform commitment of the new government.

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### Background:

- The incoming government's platform contained a commitment to "examine the feasibility of allowing businesses to accelerate the depreciation of their capital assets at a faster rate." The recent action by the federal government achieves this, saving Yukon's businesses both federal and territorial taxes.
- The Federal Budget 2025 introduced a series of temporary tax measures they have labeled as the Productivity Super-Deduction. The focus of these measures is

### Supporting Pro-Growth Tax Reform

Finance

to provide a response to current trade issues while enticing growth and productivity. The Productivity Super-Deduction will benefit every sector, with the manufacturing and processing sectors proportionally having the largest savings.

- Investments in eligible assets, such as buildings used in manufacturing, will be entitled to expense 100 per cent of their investment in the first year of acquisition in any year before 2030. The accelerated depreciation will be reduced each year between 2030 and 2033.
- The Government of Yukon is unable to provide upfront tax deductions, as this type of activity is the responsibility of the federal government under the Canada-Yukon Tax Collection Agreement. Provinces and territories cannot pass amendments to their Income Tax acts that impact deductions or modify "taxable Income", of which a deduction change is an example.
- The amount of savings from the accelerated deductions will depend on the tax rates applicable for Yukon businesses. The table below shows the rates applicable.

#### Federal and Territorial Corporate Income Tax Rates for 2025

	General tax rate %	Small Business %	Manufacturing & Processing %
Federal	15	9	15
Yukon	12	0	2.5
Combined federal /territorial rate	27	9	17.5

#### Approved by:

Katherine White

November 27, 2025

Deputy Minister, Finance

Date approved

#### Recommended response:

- The Government of Yukon has a contract in place with CIBC to provide the public with basic banking services in 10 rural communities without the need to travel to a larger community such as Whitehorse.
- The government assumes the operational cost of provision of these financial services, and the Department of Finance is requesting an increase of \$95,000 to the rural community banking budget for 2025–26 which has remained unchanged at \$450,000 since 2020.

#### Additional response:

- Rural banking agencies are located in 10 Yukon communities. All but two currently have regular scheduled hours. Information on community banking services and current opening hours is available on Yukon.ca.
- Occasionally, the banking service in any community could be unavailable due to unforeseen issues, such as building maintenance or staffing shortages.
- **Pelly Crossing Closure:** Residents of Pelly Crossing have been without a banking centre since 2020. The Government of Yukon and CIBC continue to explore sustainable, long-term solutions, to support those living in the community. During this process, community members can continue to access services in Carmacks, Mayo or Whitehorse.
- **Beaver Creek Closure:** The banking services in Beaver Creek are disrupted because of the community centre closure. Community members can continue to access services in Burwash Landing. The Government of Yukon and CIBC continue to work with the White River Development Corporation, who is in the process of securing a space which would become the new location for the library and the banking agency.

- **Temporary Closure in Mayo:** The Mayo agency was temporarily closed from November 14 to 27, 2025. As of November 28, 2025, the agency is open on Tuesdays and Fridays from 11:00 am to 3:30 pm. CIBC is finalizing an arrangement with a new business agent on an expedited basis to restore regular business hours as quickly as possible.

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**Context—this may be an issue because:**

- Citizens in rural communities are interested in receiving the most up-to-date information about banking services.
- There are ongoing challenges in finding available staff and facilities to provide services in some communities.

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**Background:**

- The Government of Yukon contracted commercial banking services in rural communities in 2019. CIBC was the successful proponent replacing TD Bank.
- Basic services for CIBC customers include cash withdrawals, cheque and cash deposits to bank accounts, cheque cashing services, balance inquiries, purchase of Canadian and US dollar bank drafts, purchase of US dollar currency up to \$250 in Canadian dollars and opening/closing of personal chequing and savings accounts.
- Basic services for the general public include over-the-counter point-of-sale device cash withdrawal by way of processing a debit card transaction, as well as cheque cashing services for any Government of Yukon cheque up to \$5,000.
- CIBC can negotiate additional services with other levels of government, as well as provide additional services, such as commercial banking services. The Government of Yukon is not involved in these negotiations or contracts.

**Approved by:**

Katherine White

November 28, 2025

Deputy Minister, Finance

Date approved



## **2025–26 Supplementary Estimates No. 1 – CORPORATE**

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Finance

### **Recommended response:**

- By bringing these Supplementary Estimates to the Legislative Assembly for debate, we are providing transparency to the public about how the government is allocating taxpayer dollars.
- These Supplementary Estimates serve as an update on spending from the previous government, to fulfill the obligations and contracts already committed to by departments for the current fiscal year.
- We want to increase transparency and accountability around spending, rather than relying on special warrants for the remainder of the year.
- We look forward to bringing forward a budget this spring that we have had the opportunity to shape, and that is reflective of our priorities and commitments to Yukoners.

### **Contingencies**

- Our guiding principle has been that these Supplementary Estimates will provide the resources needed by departments to take them to the end of the fiscal year, without requiring further changes or dependence on additional spending.
- There is a provisional contingency for price and volumes pressures, including inflation, increased demand for public services, and potential wage increases resulting from ongoing collective bargaining.
- There is also a general contingency to ensure compliance with financial authorities. These contingencies are included to ensure all departments remain within their voted budgets for the fiscal year given the potential for unforeseen pressures.

## **2025–26 Supplementary Estimates No. 1 – CORPORATE**

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Finance

### **Summary:**

- The 2025-26 Supplementary Estimates No. 1 forecasts an overall gross increase of \$150.4 million in O&M spending, with an offsetting increase of \$8.3 million in recoveries. The net increase in O&M spending is forecast at \$142.0 million when accounting for recoveries.
- Capital adjustments in the Supplementary Estimates No. 1 reflect an overall increase of \$1.0 million in spending and a \$1.6 million increase in capital recoveries. This results in a net decrease in capital spending of \$594 thousand.
- Budgetary revenues are projected to increase by \$5.9 million, primarily due to a \$5.7 million increase in accrued interest on loans to the Receiver for Victoria Gold Corporation.
- The Government of Yukon continues to maintain a budgetary surplus forecast for 2025-26 of \$12.5 million, revised down from the \$82.0 million forecast in the Main Estimates.

### **FTEs:**

- There is an increase of 71.2 FTEs or “Full-Time Equivalents” in the Supplementary Estimates. This is primarily for 57.3 FTEs in Education, including teachers, Educational Assistants, and other positions to provide enhanced support for students.
- This increase also includes 11.4 positions in Health and Social Services for both frontline and administrative positions, and small personnel additions to the Department of Justice (2 FTEs) and the Public Service Commission (0.5 FTEs).

# Session Briefing Note

Embargoed until tabling

**TAB #20**

**Fall 2025**

## 2025–26 Supplementary Estimates No. 1 – CORPORATE

Finance

### Borrowing:

- Total anticipated territorial borrowing was \$773.9 million in the 2025–26 Main Estimates, inclusive of \$400 million in long-term borrowing authorized in the *First Appropriation Act 2025–26*. We expect to proceed with the second tranche of this borrowing in the spring, using the remaining \$200 million authorized.
- Significant energy infrastructure pressures require an increase of \$100 million to the Yukon Development Corporation's short-term borrowing limit. This includes \$50 million authorized by the previous government, and an additional \$50 million being authorized by this government to address critical work in Mayo.
- Other factors include a decrease of \$966,000 in a loan payable by Yukon University and a \$3.15 million increase in accrued interest payable.
- Revised estimated total borrowing in 2025–26 is \$876.1 million. This leaves \$323.9 million available within the \$1.2 billion borrowing limit.

### Context—this may be an issue because:

- The 2025-26 Second Appropriation Act will be tabled during the fall sitting.

### Background:

- Supplementary estimates are introduced by the government to account for unforeseen spending at the time of tabling the annual Budget.

#### Approved by:

Katherine White

December 8, 2025

Deputy Minister, Finance

Date approved

## Truth and Reconciliation Commission – Update on Calls to Action

Executive Council  
Office

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### Recommended response:

- Reconciliation is an ongoing process and a shared responsibility of all governments and individuals in the Yukon.
- Advancing the Truth and Reconciliation Commission's Calls to Action is central to our government's commitment to reconciliation.
- We will continue to collaborate and work in partnership with Indigenous governments and groups on advancing the Truth and Reconciliation Commission's Calls to Action to create meaningful change and better programs and services for Yukon First Nations Peoples and all Yukoners.

### Additional response:

- We are tracking our actions and initiatives in addressing the Truth and Reconciliation Commission's Calls to Action.

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### Context—this may be an issue because:

- It has been 10 years since the report and Calls to Action were published. The Official Opposition may ask for an update on the government's progress in addressing the Calls to Action.

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### Background:

- Released in 2015, the Truth and Reconciliation Commission (TRC)'s report *Honouring the Truth, Reconciling for the Future* contains 94 Calls to Action on redressing the harms resulting from residential schools and creating better relations between the federal, provincial and territorial governments and Indigenous Peoples. There are 32 Calls to Action that relate directly to YG.
- YG and YFNs collaborated on addressing the Calls to Action under the 2017 Yukon Forum Joint Priority Action Plan and through other reconciliation initiatives, such as supporting the important work of the YFN-led Yukon Residential Schools and Missing Children Project.
- YG has taken additional steps to address the Calls to Action, including:
  - establishing the position of Assistant Deputy Minister of First Nations Initiatives at the Department of Education, signing an agreement to establish a YFN School Board and entering into education agreements with all YFNs (speaks to Calls 7 and 10 directed to the federal government);
  - supporting Indigenous athletes and the North American Indigenous Games (Call 88);

## Truth and Reconciliation Commission – Update on Calls to Action

Executive Council  
Office

- implementing the YFN Procurement Policy (relates to Call 92) and the Representative Public Service Plan: *Breaking Trail Together* (relates to Call 7);
  - working with YFNs and Yukon Indigenous women's groups to implement the Yukon's *Missing and Murdered Indigenous Women, Girls and 2-Spirit+ People Strategy* (MMIWG2S+ Strategy) (relates to Call 41);
  - participating at the Trilateral Table on the Wellbeing of YFN Children and Families to address gaps for culturally appropriate parenting programs (Call 5); and
  - receiving input from YFNs on Health and Social Services programming through the Mental Health Advisory Committee (relates to Call 19).
- YG last reported on its progress to implement the TRC Calls to Action in fall 2023 through a status report and Pathways magazine. The magazine and report provided an update on the actions being taken across YG and in collaboration with YFN governments in areas including child welfare, health, education and justice.

### Approved by:

KL

November 28, 2025

Deputy Minister, Executive Council Office

Date Approved