

FOR RELEASE
April 27, 2017

Minister Silver announces changes to corporate and tobacco tax rates

Finance Minister Sandy Silver announced changes today to the tax rates paid by corporations, as well as the tax rate paid on tobacco products.

The three changes to the tax regime announced during the government's budget speech and included in the 2017-18 budget are as follows:

- The Government of Yukon will reduce the corporate tax rate for small corporations from 3 per cent to 2 per cent.
- The Government of Yukon will reduce the general corporate tax rate from 15 per cent to 12 per cent.
- The Government of Yukon will increase the rate of tax on cigarettes and loose tobacco from 21 cents per cigarette or gram to 25 cents on July 1, 2017, and rising to 30 cents on April 1, 2018.

The changes to the corporate tax rates are made under the *Income Tax Act* and support employers' investments in marketing, training and innovation to create more employment opportunities for Yukoners while those to tobacco products are made under the *Tobacco Tax Act* and aim at reducing the consumption of tobacco products.

Quotes

"This government is committed to encouraging economic activity in the territory by creating a favourable tax environment for those looking to do business and create good jobs in Yukon."

"This government continues to work to support Yukoners in their tobacco cessation efforts. We are proud to offer a very effective and free program that assists Yukoners in quitting."

—Premier and Minister of Finance Sandy Silver

Quick facts

- The amendments to the *Income Tax Act* take effect as of July 1, 2017.
- The small corporate tax rate applies up to the first \$500,000 of Canadian-Controlled Private Corporations' (CCPC) taxable income.
- Corporations that pay the general rate are those that do not meet the CCPC requirements or those with taxable income in excess of thresholds in the *Income Tax Act*.
- The tax on cigarettes and loose tobacco products will increase by the consumer price index each January 1 starting in 2019.
- Yukon's smoking cessation program, Quitpath, can be accessed online at www.quitpath.ca or by phone at 867-667-8393. It is led by the Health and Social Services' Health Promotion Unit.

Contact:

Sunny Patch
Cabinet Communications
867-393-7478
sunny.patch@gov.yk.ca

Eric Clement
Communications, Finance
867-393-6482
eric.clement@gov.yk.ca

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