



# Tax Alert

## *Tax Credit for Public Transit Passes – Receipts Required*

A tax measure introduced with the Federal Budget of May 2, 2006 will allow individuals to claim a non-refundable tax credit for the cost of monthly public transit passes or those passes of a longer duration. The credit for a taxation year is calculated by reference to the lowest personal income tax rate for that taxation year, and is claimable by the individual in respect of eligible transit costs of the individual, the individual's spouse or common-law partner, and the individual's dependent children that are under 19 years of age. Public transit includes transit by local bus, streetcar, subway, commuter train, commuter bus and local ferry.

This measure applies in respect of that portion of the cost of public transit passes that is in respect of transit on or after July 1, 2006.

Canada Revenue Agency issued a news release on June 19, 2006 which outlines what documentation transit users will have to keep in order to compute and support their claim for the new transit tax credit.

For further details please click on the website listed below.

Canada Revenue Agency tells monthly public transit pass holders: Keep your pass!

<http://www.cra-arc.gc.ca/newsroom/releases/2006/june/nr060619-e.html>

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