

POLITICAL CONTRIBUTIONS

A GUIDE FOR CONTRIBUTORS



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Political Contributions – A Guide for Contributors

This guide was prepared for persons and unincorporated groups wishing to make political contributions to a registered political party (party) or a candidate in Yukon. Disclosure of these contributions ensures that the funding of parties and candidates is available for public scrutiny. Contributors should be aware that the *Elections Act* provides for the disclosure of certain contributor information.

This guide answers these questions:

- What is a political contribution?
- Who can make a political contribution to a party or candidate?
- What are the limits on contributions?
- How are contributions receipted?
- What is the tax credit for a political contribution?
- What information about political contributions is disclosed publicly?

This guide is provided as a resource to contributors. The *Elections Act* and the *Income Tax Act* must be consulted for full legal authority.

What is a political contribution?

Contributions are gifts made to a party or candidate for campaign purposes in the form of money, a good, a service or a discount off the usual price of a good or service. It does not include volunteer labour when, for example, a person works on a party's or candidate's campaign without receiving compensation.

There are two types of contributions – monetary contributions and contributions in kind. Official receipts are issued for both types of contributions, but only monetary contributions are eligible for a political tax credit from Canada Revenue Agency.

Monetary contributions are contributions in the form of money and include cash, the monetary value of negotiable instruments (such as a cheque) and money conveyed by credit card or other similar means. This type of contribution is eligible for a political tax credit.

Contributions in kind are contributions of goods and services. For example, a person or unincorporated group could donate a good, such as a piece of used office equipment or a service, such as computer repairs. These types of contributions are not eligible for a political tax credit.

Certain amounts are not considered as contributions. The amounts are still reported by parties and candidates to provide a complete picture of campaign revenue, but they are not receipted. These amounts include:

- any exchange where the donor receives equal value in return
- donations made at meetings and rallies (“passing the hat” donations)
- membership fees
- event registration fees

In some cases, the cost of attendance at an event may be, in part, a contribution. For example, a party may charge \$200 for a fundraising event, where a portion is an expense (for which the participant receives value in the form of meals or entertainment) and a portion is a contribution (for which an official receipt is issued). The party or candidate can advise you of the expense and contribution amounts in each particular case.

Who can make a contribution to a party or candidate?

Contributions can be made by:

- Persons, meaning
 - an individual
 - a corporation which is incorporated in any jurisdiction
 - a partnership or other unincorporated association, organization or body that is registered under the *Partnership and Business Names Act*
- Unincorporated groups, meaning
 - a trade union
 - a political party
 - any other entity that is not a person

If an unincorporated group (other than a trade union or political party) makes a contribution of more than \$50 to a party or candidate, the group must provide the name and address of the principal of the group. The name and address of the principal is only disclosed publicly if the contribution is over \$250.

All unincorporated groups must provide a statement which identifies individual contributors of amounts over \$250 or indicates that no individual has contributed over \$250 towards the total. Statements are included in the public files maintained by Elections Yukon.

What are the limits on contributions?

There is no limit on contribution amounts. A contributor can make a contribution of any amount, as long as it is properly receipted and reported by the party or candidate.

There is also no restriction on who can contribute to a party or a candidate, as long as the contributor is identified.

There is no limit on the total amount of contributions a party or a candidate can accept, as long as the contributions are properly disclosed.

Anonymous contributions of any type cannot be accepted by a party or a candidate and, if received, must be turned over to the Chief Electoral Officer.

Anonymous monetary contributions are paid to the Yukon Consolidated Revenue Fund and anonymous contributions in kind are donated or disposed of by the Chief Electoral Officer.

Donations made at a meeting or rally held for campaign purposes are not considered to be anonymous contributions. Official receipts are not issued for these nominal amounts, which the receiving party or candidate must report as revenue.

How are contributions receipted?

Contributors will receive receipts for all monetary and in kind contributions related to a party's or candidate's campaign. Official receipts, which are provided to parties and candidates by the Chief Electoral Officer, will be issued by an Official of the party or by the candidate's Official Agent. A party Official and the candidate's Official Agent are the only persons authorized to issue receipts on behalf of a party and a candidate.

There are two different types of receipt forms: one for monetary contributions, which are eligible for a tax credit and one for in kind contributions, which are not eligible for a tax credit.

Receipts cannot be issued for any part of a contribution if the contributor receives in return, or should reasonably expect to receive in return, equivalent value (in cash, negotiable instruments, goods, services or other compensation).

The receipt issued by a party Official or the candidate's Official Agent must show:

- the full name of the party or candidate
- the name of the Official or the name and address of the Official Agent
- the date on which the receipt was issued
- the date on which the contribution was received (or the date of the last contribution, if more than one contribution was received from a contributor)
- the name and address of the contributor
 - for an individual, the surname and the first name (or initials); a receipt cannot be made out to Mrs. Brown, for example
 - only one contributor's name; a receipt cannot be made out to John and Jane Brown, for example
- the amount and type of the contribution
- the signature of the party Official or candidate's Official Agent

What is the tax credit for a political contribution?

The political contributions tax credit was introduced in 1982. It is available to both persons and unincorporated groups that contribute to a political party registered under the *Elections Act* or a candidate at an election of a member to serve in the Legislative Assembly who has been nominated as a candidate under the *Elections Act*.

The applicable tax credit received is based on the aggregate of all amounts contributed in a taxation year. To claim a tax credit, a taxpayer who makes eligible contributions may deduct from the tax otherwise payable for a taxation year the following credits:

As of January 1, 2016 the maximum annual credit is \$650, which results from a contribution of \$1,275 or more. The credit amount is calculated as the sum of:

- 75% of the first \$400 of contributions
- 50% of the next \$350 of contributions
- 33.33% of the next \$525 of contributions.

What information about political contributions is disclosed publicly?

All contributions received, whether they are monetary contributions or contributions in kind, must be reported by parties and candidates to the Chief Electoral Officer. The reports include duplicate copies of all official receipts issued.

Political parties report the contributions they receive annually and both political parties and candidates report their contributions following an election. However, **only political contributions over \$250 in total are disclosed publicly.** A contribution over \$250 is made when the total of monetary and in kind contributions exceeds \$250, even though both the monetary and in kind contributions, individually, may be less than \$250.

Contributions made to a party are aggregated (totalled) for a calendar year. If the total of all annual contributions plus all campaign contributions to a particular party exceeds \$250 in the calendar year, the contributor's information will be publicly disclosed. Aggregation for reporting purposes does not occur between the party and its candidate(s), between two or more parties, or between the candidate(s) for a particular party. Candidates' campaigns and the party's campaign are reported as separate events.

The Chief Electoral Officer is required to disclose publicly:

- the total amount of the contribution
- the type of contribution (monetary or in kind)
- the contributor's name and address, and
- where the contribution is or includes a contribution in kind, a description of the contribution

Public disclosure occurs in a report submitted by the Chief Electoral Officer to the Speaker for tabling in the Legislative Assembly. Once tabled, the report is posted to Elections Yukon's website. These reports include the community in which the contributor lives; not the complete address provided on the receipt. However, financial returns containing complete information are public documents which may be viewed by the public at Elections Yukon, on request.

For additional information regarding this report, please contact:

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