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c 29 Corporations Tax Amendment Act, 1984

Ontario

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CHAPTER 29

An Act to amend the Corporations Tax Act*Assented to June 13th, 1984*

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Clause 1 (1) (aa) of the *Corporations Tax Act*, being chapter 97 of the Revised Statutes of Ontario, 1980, as enacted by the Statutes of Ontario, 1983, chapter 29, section 1, is amended by adding thereto the following subclause:

(ii) paragraph 127.2 (6) (a).

(2) Subclause 1 (2) (d) (iv) of the said Act, as re-enacted by the Statutes of Ontario, 1983, chapter 29, section 1, is repealed and the following substituted therefor:

(iv) where subclause (i) applies, the section (except sections 12, 12.2 and 20, subparagraphs 53 (2) (c) (vi), (vii) and (viii) and 53 (2) (h) (ii), (iii) and (iv), sections 56, 60 and 88, paragraphs 95 (1) (f) and 127.2 (6) (a), subsections 127.2 (8) and 127.3 (6), paragraph 133 (8) (b), section 138, paragraph 138.1 (1) (k) and section 248 of that Act) shall be read as if the reference to the other provision were deleted.

2. Section 12 of the said Act, as amended by the Statutes of Ontario, 1981, chapter 37, section 3, 1982, chapter 19, section 1 and 1983, chapter 29, section 2, is further amended by adding thereto the following subsections:

(9b) In the application of section 26 of the *Income Tax Act* (Canada) for the purposes of this Act, each reference therein to the "Minister of Finance" shall be deemed to be a reference to the Minister of Revenue, and the reasonable requirements of a bank shall be determined in the prescribed manner.

Banks
R.S.C. 1952,
c. 148

Scientific
research
expenditures
R.S.C. 1952,
c. 148

(11) In the application of paragraph 37 (1) (g) of the *Income Tax Act* (Canada) for the purposes of this Act,

- (a) clause 1 (2) (d) of this Act does not apply; and
- (b) the aggregate of the amounts determined under paragraph 37 (1) (g) of the *Income Tax Act* (Canada) applies for the purposes of the application of that paragraph under this Act.

Interest
repayments

(12) Paragraph 20 (1) (II) of the *Income Tax Act* (Canada) is not applicable for the purposes of this Act and in lieu thereof there may be deducted the amount of interest paid by a corporation to the Receiver General of Canada or to the Treasurer or other government authority of a Province, to the extent that,

- (a) the interest was previously received by, or applied to a liability of the corporation, in respect of an overpayment made on account of tax payable, pursuant to the provisions of an Act of the Parliament of Canada or the Legislature of a Province imposing a tax on the income or profits of the corporation;
- (b) the interest was included in computing the income of the corporation from a business or property for the purposes of this Act; and
- (c) the corporation was required to repay the interest as a result of a subsequent determination that the amount upon which the interest was calculated was not an overpayment of tax.

Idem
R.S.C. 1952,
c. 148

(13) Subsections 127.2 (8) and 127.3 (6) of the *Income Tax Act* (Canada) are applicable for the purposes of this Act in the determination of the cost of property other than capital property, including shares, debt obligations and rights, and in the determination of any amount to be included in the income of the corporation as a result of any adjustments to the cost of the property under this subsection.

Deemed
government
assistance

(14) Notwithstanding clause 1 (2) (d), in the application of subsection 13 (7.1) of the *Income Tax Act* (Canada) for the purposes of this Act, all amounts deducted under subsection 127 (5) or (6) of that Act in respect of depreciable property, or deemed to have been deducted in respect of depreciable property under subsection 127 (5) of that Act by operation of subsection 127.1 (3) or 192 (10) of that Act, shall, for the purposes of this Act, be deemed to be assistance received by the corporation before that time from a government.

(15) Notwithstanding clause 1 (2) (d), in the application of subsection 37 (1) of the *Income Tax Act* (Canada) for the purposes of this Act, all amounts deducted under subsection 127 (5) of that Act, or deemed to have been deducted under subsection 127 (5) by operation of subsection 127.1 (3) or 192 (10) of that Act in the application of subsection 37 (1) for the purposes of that Act, shall be deducted in the application of paragraph 37 (1) (e) of that Act for the purposes of this Act.

Reduction of scientific research expenditures
R.S.C. 1952, c. 148

3. Section 13 of the said Act, as amended by the Statutes of Ontario, 1983, chapter 29, section 3, is further amended by adding thereto the following subsections:

(6) Subsections 127.2 (8) and 127.3 (6) of the *Income Tax Act* (Canada) apply in the determination of the cost of and capital gain from the disposition of capital property which includes shares, debt obligations and rights.

Idem

(7) Notwithstanding clause 1 (2) (d), in the application of paragraph 53 (2) (k) of the *Income Tax Act* (Canada) for the purposes of this Act, all amounts deducted under subsection 127 (5) or (6) of that Act, or deemed to have been deducted under subsection 127 (5) by operation of subsection 127.1 (3) or 192 (10) of that Act in the application of paragraph 53 (2) (k) for the purposes of that Act, shall be deemed to be assistance received by the corporation before that time from a government.

Deemed government assistance
R.S.C. 1952, c. 148

4.—(1) Subsection 14 (2) of the said Act is repealed.

(2) Clause 14 (3) (a) of the said Act, as re-enacted by the Statutes of Ontario, 1981, chapter 37, section 4, is amended by striking out “paragraph (3.2) (a)” in the second line and inserting in lieu thereof “paragraphs (3.2) (a) and (3.3) (f)”.

5. Subsection 15 (2) of the said Act is repealed.

6. Subsection 18 (6a) of the said Act, as enacted by the Statutes of Ontario, 1981, chapter 37, section 6, is amended by striking out “and (10.3)” in the first line and inserting in lieu thereof “(10.3) and (10.4)”.

7. Subsection 23 (5) of the said Act is amended by striking out “paragraphs 89 (1) (g) and (k)” in the second and third lines and inserting in lieu thereof “paragraph 89 (1) (g)”.

8. Section 27 of the said Act, as amended by the Statutes of Ontario, 1983, chapter 29, section 10, is further amended by adding thereto the following subsections:

Idem

(5) Where a corporation claims a deduction under clause 33 (1) (b) or subsection 33a (1) from tax otherwise payable in a taxation year, the corporation shall be deemed to have deducted, in the computation of its taxable income for that year, except for the purposes of clause 33 (2c) (b), the amount of all losses deductible under subsection 111 (1) of the *Income Tax Act* (Canada), as made applicable by subsection (1), which were not deducted nor deemed by this subsection to have been deducted in the computation of taxable income for any preceding taxation year.

R.S.C. 1952,
c. 148

Idem

(6) Where, under subsection (5),

- (a) a corporation;
- (b) a predecessor corporation of the corporation, within the meaning of section 87 of the *Income Tax Act* (Canada); or
- (c) a subsidiary of the corporation, prior to a winding-up of the subsidiary to which the rules in subsection 88 (1) of the *Income Tax Act* (Canada) apply,

has been deemed to have deducted a loss in the computation of its taxable income for a taxation year, the amount of such loss shall not be deducted by the corporation in the computation of its taxable income for any other taxation year.

9.—(1) Subclause 32 (1) (a) (ii) of the said Act is repealed.

(2) Clause 32 (1) (d) of the said Act is repealed and the following substituted therefor:

- (d) the corporation is entitled to a deduction under section 126 of the *Income Tax Act* (Canada), hereinafter in this section referred to as a “foreign tax credit”, with respect to any income or profits tax paid to such jurisdiction on such foreign investment income or on such foreign investment income and foreign business income,

R.S.C. 1952,
c. 148

(3) Clause 32 (1) (e) of the said Act, as amended by the Statutes of Ontario, 1983, chapter 29, section 13, is repealed and the following substituted therefor:

- (e) 15 per cent of the amount determined by multiplying such foreign investment income by the Ontario allocation factor for the taxation year; and

.

(4) Clause 32 (1) (f) of the said Act is repealed and the following substituted therefor:

- (f) the amount determined by applying the Ontario allocation factor for the taxation year to the deficiency, if any, between,
 - (i) that portion of the income or profits tax paid for the taxation year by the corporation to the jurisdiction outside Canada in respect of such foreign investment income, that was not deducted, by virtue of subsection 20 (12) of the *Income Tax Act* (Canada) for the purposes of that Act or for the purposes of this Act by virtue of that subsection as made applicable by section 12 of this Act, in computing the corporation's income for the year, and
 - (ii) the foreign tax credit allowed for the taxation year in respect of such foreign investment income under subsection 126 (1) of the *Income Tax Act* (Canada).

R.S.C. 1952,
c. 148

(5) Section 32 of the said Act, as amended by the Statutes of Ontario, 1983, chapter 29, section 13, is further amended by adding thereto the following subsection:

(3) For the purposes of this section, the Ontario allocation factor for the taxation year is the ratio that,

Ontario
allocation
factor

- (a) that portion of the corporation's taxable income not deemed to have been earned in jurisdictions outside of Ontario for the purposes of section 31,

is to,

- (b) the corporation's taxable income.

10.—(1) Subsection 33 (1) of the said Act, as re-enacted by the Statutes of Ontario, 1982, chapter 19, section 2 and amended by 1983, chapter 29, section 14, is further amended by inserting after "year" in the third line "has not claimed a deduction under subsection 33a (1) but".

(2) Section 33 of the said Act, as amended by the Statutes of Ontario, 1982, chapter 19, section 2 and 1983, chapter 29, section 14, is further amended by adding thereto the following subsection:

Adjustment
to taxable
income

R.S.C. 1952,
c. 148

(2c) For the purposes of determining the amount of any deduction for a taxation year under subsection 33 (1), 33a (1) or 34 (1) from the tax otherwise payable under this Part, the amount of the corporation's taxable income for the year for the purposes of paragraph 125 (1) (b) of the *Income Tax Act* (Canada) shall be deemed, for the purposes of the application of that paragraph to subsections 33 (2), 33a (2) and 34 (2), to be,

- (a) the aggregate of,
 - (i) the amount of the corporation's taxable income for the year for the purposes of the *Income Tax Act* (Canada), and
 - (ii) the amount of losses deducted under section 111 of the *Income Tax Act* (Canada) by the corporation in the computation of its taxable income for the year for the purposes of that Act,

minus,

- (b) the amount of losses deducted by the corporation under section 111 of the *Income Tax Act* (Canada), as made applicable by subsection 27 (1), in the computation of its taxable income for the year for the purposes of this Act.

(3) Subsection 33 (5) of the said Act is repealed and the following substituted therefor:

Interpretation

(5) In this section and section 33a, "tax otherwise payable under this Part" means the tax for the taxation year otherwise payable by the corporation under this Part after making any deduction applicable under sections 31 and 32, but before making any deduction under this section or section 33a, whichever is applicable, or section 34.

11. The said Act is amended by adding thereto the following section:

New
enterprise
incentive

33a.—(1) There may be deducted from the tax otherwise payable under this Part, for the first, second or third taxation year of a corporation that was incorporated after the 13th day

of May, 1982, an amount equal to 15 per cent of the amount determined under subsection (2), if the corporation is eligible to claim and has claimed, with respect to the taxation year, a deduction under subsection 125 (1) of the *Income Tax Act* (Canada).

R.S.C. 1952,
c. 148

(2) For the purposes of subsection (1), the amount determined under this subsection is, Idem

- (a) that proportion of the least of the amounts determined under paragraphs 125 (1) (a), (b), (c) and (d) of the *Income Tax Act* (Canada) for the taxation year, not exceeding \$200,000,

that,

- (b) the amount of that portion of its taxable income for the taxation year that is deemed to have been earned in Ontario, measured in accordance with paragraph 124 (4) (a) of the *Income Tax Act* (Canada),

R.S.C. 1952,
c. 148

bears to,

- (c) the total amount of the portions of its taxable income for the taxation year that are deemed to have been earned in the provinces of Canada, measured in accordance with paragraph 124 (4) (a) of the *Income Tax Act* (Canada).

(3) Notwithstanding subsection (1), a corporation is not eligible for a deduction for the year under subsection (1) if it, or any predecessor corporation thereof within the meaning of section 87 of the *Income Tax Act* (Canada), at any time since the date of its incorporation,

Eligibility

- (a) was related to any other corporation;
- (b) carried on a non-qualifying business in Canada;
- (c) carried on an active business by reason of being a member of a partnership;
- (d) was a beneficiary of a trust;
- (e) carried on an active business by reason of being a co-venturer in a joint venture with any other corporation;

- (f) has carried on an active business by reason of having acquired (by purchase or otherwise) or leased property from another corporation (hereinafter referred to as the "vendor") in respect of which, it, any of its shareholders, or any persons related to it or its shareholders, beneficially owned at any time, directly or indirectly, more than 10 per cent of the issued shares of any class of the capital stock of the vendor; or
- (g) has carried on an active business by reason of having acquired (by purchase or otherwise) or leased property in a manner prescribed by regulation or has engaged in any activities prescribed by regulation.

Idem

(4) A corporation shall not be entitled to a deduction under subsection (1) for the year if, as a result of a transaction or an event, or a series of transactions or events, property of a business has been transferred, or has been deemed to have been transferred, either directly or indirectly, to the corporation, and it is reasonable for the Minister to believe that one of the principal purposes of the transfer or deemed transfer is to enable a corporation to claim a deduction from tax under subsection (1) that would not otherwise be allowed.

Idem

(5) A corporation shall not be entitled to a deduction under subsection (1) for the year if, as a result of a disposition, a deemed disposition or a series of dispositions of shares of any corporation, it is reasonable for the Minister to believe that one of the principal purposes of the disposition or deemed disposition is to enable a corporation to claim a deduction from tax under subsection (1) to which it would not otherwise be entitled.

Non-qualifying business

(6) For the purposes of this section, a "non-qualifying business" means a business, other than a personal services business, which is,

- (a) the professional practice of an accountant, dentist, lawyer, medical doctor, veterinarian or chiropractor;
- (b) a business of providing services if more than 66 2/3 per cent of the gross revenue for the year of that business derived from services,
 - (i) is derived from services provided to, or performed for or on behalf of, one entity, and

- (ii) can reasonably be attributed to services performed by persons who are specified shareholders of the corporation or persons related thereto,

unless the corporation employs in the business throughout the year more than five full-time employees who are not specified shareholders of the corporation or persons related thereto; or

- (c) a business the principal purpose of which is to provide managerial, administrative, financial, maintenance or other similar services, to lease property (other than real property), or to provide any such services and to lease property (other than real property), to one or more businesses connected at any time in the year with the corporation.

- (7) For the purposes of subsection (6),

Interpretation

- (a) "business connected" has the meaning ascribed thereto by paragraph 125 (9) (a) of the *Income Tax Act* (Canada) as that paragraph read on the 1st day of January, 1984;
- (b) "specified shareholder" has the meaning ascribed thereto by paragraph 125 (9) (c) of the *Income Tax Act* (Canada) as that paragraph read on the 1st day of January, 1984.

R.S.C. 1952,
c. 148

12.—(1) Clause 34 (2) (a) of the said Act is repealed and the following substituted therefor:

- (a) the amount, if any, by which the corporation's eligible Canadian profits for the year exceeds,
 - (i) the least of the amounts determined under paragraphs 125 (1) (a), (b), (c) and (d) of the *Income Tax Act* (Canada) for the taxation year by a corporation to which subsection 125 (1) of that Act applies, and
 - (ii) the lesser of the amounts determined under paragraphs 125 (1.1) (a) and (b) of the *Income Tax Act* (Canada) for the taxation year by a corporation to which subsection 125 (1.1) of that Act applies; and

R.S.C. 1952,
c. 148

(2) Subclause 34 (2) (b) (i) of the said Act is repealed and the following substituted therefor:

R.S.C. 1952,
c. 148

(i) the least of the amounts determined under paragraphs 125 (1) (a), (b), (c) and (d) of the *Income Tax Act (Canada)* for the taxation year by a corporation to which subsection 125 (1) of that Act applies,

(ia) the lesser of the amounts determined under paragraphs 125 (1.1) (a) and (b) of the *Income Tax Act (Canada)* for the taxation year by a corporation to which subsection 125 (1.1) of that Act applies.

13.—(1) Subsection 41 (2) of the said Act is amended by striking out “the taxation year immediately following” in the fourth line and inserting in lieu thereof “a taxation year following”.

(2) Subsection 41 (3) of the said Act is repealed and the following substituted therefor:

R.S.C. 1952,
c. 148, s. 133
(7.1, 7.2),
(8) (b,c) and
s. 134
applicable

(3) The provisions of subsections 133 (7.1) and (7.2), paragraphs 133 (8) (b) and (c) and section 134 of the *Income Tax Act (Canada)* are applicable for the purposes of this section.

14. Section 49 of the said Act, as amended by the Statutes of Ontario, 1981, chapter 37, section 9 and 1983, chapter 29, section 16, is further amended by adding thereto the following subsection:

Idem

(6) In the application of subsection 149 (10) of the *Income Tax Act (Canada)* for the purposes of this Act, the reference therein to “this Part” shall be deemed to be a reference to Part II of this Act.

15. Subclause 53 (1) (c) (ii) of the said Act is repealed and the following substituted therefor:

R.S.C. 1952,
c. 148

(ii) subparagraphs 40 (1) (a) (iii) and 44 (1) (e) (iii) of the *Income Tax Act (Canada)* as those subparagraphs apply by virtue of subsections 13 (1) and (1a) of this Act, and

16. Subclause 54 (3) (c) (ii) of the said Act is repealed and the following substituted therefor:

- (ii) subparagraphs 40 (1) (a) (iii) and 44 (1) (e) (iii) of the *Income Tax Act* (Canada) as those subparagraphs apply by virtue of subsections 13 (1) and (1a) of this Act, and
- R.S.C. 1952,
c. 148

17. Subsection 61 (3) of the said Act is repealed and the following substituted therefor:

(3) For the purposes of this section, the taxable paid-up capital of a corporation shall be determined in accordance with the provisions of Division B of this Part, irrespective of whether the corporation is subject to tax under this Act.

Non-resident
corporations

18.—(1) Subsection 63 (1) of the said Act is repealed and the following substituted therefor:

(1) Except as provided in subsection 12 (10), every corporation referred to in subsection 49 (1), other than,

Idem

- (a) a corporation subject to the rules in subsection 149 (10) of the *Income Tax Act* (Canada) as made applicable by subsection 49 (6) of this Act; and
- R.S.C. 1952,
c. 148
- (b) a corporation referred to in paragraph 149 (1) (m) of the *Income Tax Act* (Canada) to which the rules in subsection 149 (10) of that Act do not apply,

shall not be required to pay taxes otherwise payable under section 58 or 60.

(2) Subsection 63 (2) of the said Act is repealed and the following substituted therefor:

(2) Subject to subsection (3), every corporation referred to in clause 1 (1) (d) or (e) and sections 39 and 43 of this Act, and paragraph 149 (1) (m) of the *Income Tax Act* (Canada), other than a corporation which is subject to the rules in subsection 149 (10) of the *Income Tax Act* (Canada) as made applicable by subsection 49 (6) of this Act, shall, in lieu of the tax payable under section 58 or 60, pay a tax of \$50.

Idem

19. Subsection 70 (9) of the said Act, as enacted by the Statutes of Ontario, 1982, chapter 19, section 5, is repealed and the following substituted therefor:

(9) Where a corporation made a deduction under clause 33 (1) (b) or subsection 33a(1) from tax otherwise payable for a previous taxation year, it shall be deemed to have made

Idem

such deduction from tax under clause 33 (1) (a), and not under clause 33 (1) (b) or subsection 33a(1), for the purposes of calculating,

- (a) the instalments required under clause (2) (a); and
- (b) its first instalment base and second instalment base for the purposes of clause (2) (a),

for a taxation year other than,

- (c) a tax exempt year within the meaning of subsection 33 (2a); and
- (d) a taxation year for which the corporation will make a deduction under subsection 33a(1) from tax otherwise payable for that year.

20.—(1) Subsection 73 (2) of the said Act is repealed and the following substituted therefor:

Determi-
nation
of losses

(2) Where the Minister determines that the amount of a corporation's non-capital loss, net capital loss, restricted farm loss or farm loss for the taxation year is different from the amount reported by the corporation in its return of income for that taxation year, the Minister shall, if requested by the corporation, notify the corporation without undue delay of the amount determined to be such loss.

(2) Subsection 73 (3) of the said Act is amended by striking out "or restricted farm loss" in the eleventh line and inserting in lieu thereof "restricted farm loss or farm loss".

(3) Subsection 73 (4) of the said Act is amended by striking out "or restricted farm loss" in the third line and inserting in lieu thereof "restricted farm loss or farm loss".

(4) Clause 73 (7) (b) of the said Act is repealed and the following substituted therefor:

- (b) within eight years from the day of mailing of a notice of the original assessment or of a notification that no tax is payable for the taxation year, where the corporation has claimed a deduction for the taxation year under section 41 or 111 of the *Income Tax Act* (Canada), as applicable to this Act; and
- (c) within six years from the day of mailing of a notice of the original assessment or of a notification that

no tax is payable for the taxation year, in any other case,

21.—(1) Subsection 77 (1) of the said Act is amended by striking out “ninety days” in the second line and inserting in lieu thereof “180 days”.

(2) Subsection 77 (5) of the said Act is repealed and the following substituted therefor:

(5) A reassessment made by the Minister pursuant to subsection (4) is not invalid by reason only of not having been made within the time period described in clause 73 (7) (b) or (c). Idem

22. Section 84 of the said Act is repealed and the following substituted therefor:

84. The time within which a notice of objection or a notice of appeal is to be served may be extended by the Minister if application for extension is made, Extension of time

- (a) with respect to a notice of objection under subsection 77 (1), within one year from the day of mailing of the notice of assessment that is the subject of the objection; or
- (b) with respect to a notice of appeal under subsection 78 (1), before the expiration of the time allowed thereunder for service of the notice of appeal.

23.—(1) Clause 85 (2) (b) of the said Act is amended by striking out “Tax Review Board” in the second line and inserting in lieu thereof “Tax Court of Canada”.

(2) Subsection 85 (4) of the said Act, as enacted by the Statutes of Ontario, 1981, chapter 37, section 17, is repealed and the following substituted therefor:

(4) A reassessment made by the Minister pursuant to subsection (2) is not invalid by reason only of not having been made within the time period described in clause 73 (7) (b) or (c). Idem

24. Subsection 86 (4) of the said Act is repealed and the following substituted therefor:

Authority
to enter and
search

(4) Where the Minister has reasonable and probable grounds to believe that a contravention of this Act or a regulation has occurred or is likely to occur, he may, with the approval of a judge of the Supreme Court, which approval the judge is hereby empowered to give upon an *ex parte* application which is supported by evidence on oath establishing the facts upon which the application is based, authorize in writing any officer of the Ministry of Revenue, together with such members of the Ontario Provincial Police Force or other police officers as he calls upon to assist him and such other persons as may be named therein, to enter and search, if necessary by force, any building, receptacle or place for documents, books, records, papers or things that may afford evidence as to the violation of any provision of this Act or the regulations thereunder, and to seize and take away any such documents, books, records, papers or things and retain them until they are produced in any court proceedings.

25.—(1) Subsection 93 (1) of the said Act is repealed and the following substituted therefor:

Garnishment

(1) Where the Minister has knowledge or suspects that a person is or will be, within ninety days, liable to make a payment under this Act, he may, by registered letter or by a letter served personally, require that person to pay forthwith, where the moneys are immediately payable, and, in any other case, as and when the moneys become payable, the moneys otherwise payable to the corporation in whole or in part to the Treasurer of Ontario on account of the corporation's liability under this Act.

(2) Section 93 of the said Act is amended by adding thereto the following subsections:

Idem

(1a) Notwithstanding subsection (1), where the Minister has knowledge or suspects that within ninety days,

- (a) a bank, credit union, trust company or other similar person (in this section referred to as the "institution") will loan or advance moneys to, or make a payment on behalf of, or make a payment in respect of a negotiable instrument issued by a corporation which is indebted to the institution and which has granted security in respect of the indebtedness; or
- (b) a person other than an institution will loan or advance moneys to, or make a payment on behalf of, a corporation which the Minister knows or suspects,

- (i) is engaged in providing services or property to that person, or was or will be within ninety days, or
- (ii) where that person is a corporation which is not dealing at arm's length with the first mentioned corporation,

he may, by registered letter or by a letter served personally, require the institution or the person, as the case may be, to pay in whole or in part to the Treasurer of Ontario, on account of the corporation's liability under this Act, the moneys that would otherwise be loaned, advanced or paid, and any moneys paid to the Treasurer shall be deemed to have been loaned, advanced or paid, as the case may be, to the corporation.

(1b) Where, under this section, the Minister has required a person to pay to the Treasurer of Ontario moneys otherwise payable by the person to the corporation as interest, rent, remuneration, a dividend, an annuity payment, or other periodic payment, Idem

- (a) the requirement shall apply to all such periodic payments to be made by the person to the corporation after the date of receipt by him of the Minister's letter, until the corporation's liability under this Act has been satisfied; and
- (b) the payments required to be made to the Treasurer of Ontario shall be made from each such periodic payment in the amount or amounts designated in the Minister's letter.

(3) Subsection 93 (3) of the said Act is repealed and the following substituted therefor:

(3) Every person who fails to comply with a requirement under subsection (1) or (1b) is liable to pay to Her Majesty in right of Ontario an amount equal to the amount that he was required under subsection (1) or (1b), as applicable, to pay to the Treasurer of Ontario. Idem

(4) Section 93 of the said Act is further amended by adding thereto the following subsection:

(3a) Every institution or person who fails to comply with a requirement under subsection (1a) with respect to moneys to be loaned, advanced or paid is liable to pay to Her Majesty in right of Ontario an amount equal to the lesser of, Idem

- (a) the aggregate of moneys so loaned, advanced or paid; and
- (b) the amount that the institution or person was required by subsection (1a) to pay to the Treasurer of Ontario.

26. The said Act is further amended by adding thereto the following section:

Moneys
seized in
criminal
proceedings

93a.—(1) Where the Minister knows or suspects that a person is holding moneys that were seized by a police officer in the course of administering or enforcing the criminal law of Canada from a corporation, which is liable to make a payment under this Act, that are restorable to the corporation, he may, by registered letter or by a letter served personally, require that person to turn over the moneys otherwise restorable to the corporation in whole or in part to the Treasurer of Ontario on account of the corporation's liability under this Act.

Receipt

(2) The receipt of the Minister for moneys turned over as required by this section is a good and sufficient discharge of the requirement to restore the moneys to the corporation to the extent of the amount so turned over.

27. The said Act is further amended by adding thereto the following sections:

Security

94a. The Minister may, if he considers it advisable, accept security for the payment of taxes by a corporation by way of a mortgage or other charge of any kind upon the property of the corporation or of any other person, or by way of a guarantee of the payment of the taxes by another person.

Costs

94b. Where the Minister, in the course of obtaining payment of taxes, interest or penalties owed by a corporation under this Act, incurs reasonable costs and charges upon,

- (a) the registration of a notice claiming first lien and charge under subsection 92 (1);
- (b) the personal service of a letter referred to in section 93;
- (c) the bringing of an action for the recovery of tax, interest and penalties under clause 94 (1) (a); and

- (d) the issuance and execution of a warrant referred to in clause 94 (1) (b) to the extent not recovered by the Sheriff upon execution thereof,

the costs and charges may be recovered from the corporation.

94c. For the purpose of collecting debts owed by a corporation to Her Majesty in right of Ontario under this Act, the Minister may purchase or otherwise acquire any interest in the corporation's property that the Minister is given a right to acquire in legal proceedings or under a court order or that is offered for sale or redemption and may dispose of any interest so acquired in such manner as he considers reasonable. Idem

28. The said Act is further amended by adding thereto the following section:

95a.—(1) Every person required by subsection 67 (3) to file a return for a corporation for a taxation year shall, within thirty days from the day of mailing of the notice of assessment, pay all taxes, interest and penalties payable by or in respect of that corporation to the extent that he has or had, at any time since the taxation year, in his possession or control property belonging to the corporation or its estate and shall thereupon be deemed to have made the payment on behalf of the corporation. Payment of tax by receivers

(2) Every assignee, liquidator, receiver, receiver-manager, and other agent, other than a trustee in bankruptcy, before distributing any property of the corporation under his control, shall obtain a certificate from the Minister certifying that all taxes, interest and penalties that have been assessed under this Act and are chargeable against or payable out of the property of the corporation have been paid or that security for the payment thereof in a form acceptable to the Minister has been given under section 94a. Certificate of taxes paid

(3) Any person referred to in subsection (2) who fails to obtain the certificate referred to therein shall be personally liable to Her Majesty in right of Ontario for an amount equal to the taxes, interest and penalties payable under subsection (1) and such debt shall be deemed to be tax owing by such person under this Act and may be enforced in accordance with the provisions of this Act. Personal liability of receivers

29. Subsection 96 (1) of the said Act is amended by striking out "capital assets" in the fifth line and inserting in lieu thereof "property".

Commencement and application **30.**—(1) Subsection 1 (1), the references to subparagraphs 53 (2) (c) (vii) and (viii), 53 (2) (h) (iii) and (iv), paragraph 127.2 (6) (a) and subsections 127.2 (8) and 127.3 (6) and paragraph 138.1 (1) (k) of the *Income Tax Act* (Canada) contained in subclause 1 (2) (d) (iv) of the said Act, as re-enacted by subsection 1 (2) of this Act, subsections 12 (11), (13) and (14) of the said Act, as enacted by section 2 of this Act, section 3, subsection 73 (2) of the said Act, as re-enacted by subsection 20 (1) of this Act, and subsections 73 (3) and (4) of the said Act, as amended by subsections 20 (2) and (3) of this Act, shall be deemed to have come into force on the 1st day of January, 1983 and apply to corporations in respect of all taxation years ending after the 31st day of December, 1982.

Idem R.S.C. 1952, c. 148 (2) The reference to section 12.2 of the *Income Tax Act* (Canada) contained in subclause 1 (2) (d) (iv) of the said Act, as re-enacted by subsection 1 (2) of this Act, shall be deemed to have come into force on the 1st day of January, 1983, and applies to corporations in respect of all taxation years commencing after the 31st day of December, 1982.

Idem (3) The reference to subparagraphs 53 (2) (c) (vi) and 53 (2) (h) (ii) of the *Income Tax Act* (Canada) contained in subclause 1 (2) (d) (iv) of the said Act, as re-enacted by subsection 1 (2) of this Act, shall be deemed to have come into force on the 1st day of January, 1982 and applies to corporations in respect of all taxation years ending after the 31st day of December, 1981.

Idem (4) The removal of the reference to section 69 of the *Income Tax Act* (Canada) in subclause 1 (2) (d) (iv) of the said Act, as re-enacted by subsection 1 (2) of this Act, shall be deemed to have come into force on the 1st day of May, 1983, and applies in respect of dispositions of aviation turbine fuel made after the 30th day of April, 1983.

Idem (5) The reference to section 88 of the *Income Tax Act* (Canada) in subclause 1 (2) (d) (iv) of the said Act, as re-enacted by subsection 1 (2) of this Act, shall be deemed to have come into force on the 17th day of November, 1978, and applies with respect to corporate windings-up commencing after the 16th day of November, 1978.

Idem R.S.C. 1952, c. 148 (6) The reference to paragraph 133 (8) (b) of the *Income Tax Act* (Canada) in subclause 1 (2) (d) (iv) of the said Act, as re-enacted by subsection 1 (2) of this Act, and the reference to paragraphs 133 (8) (b) and (c) and section 134 of the *Income Tax Act* (Canada) in subsection 41 (3) of the said Act, as re-enacted by subsection 13 (2) of this Act, shall be deemed to have come into force on the 8th day of December, 1977.

(7) Subsection 12 (9b) of the said Act, as enacted by section 2 of this Act, shall be deemed to have come into force on the 16th day of May, 1984, and applies to corporations in respect of all taxation years ending after the 15th day of May, 1984. Idem

(8) Subsection 12 (12) of the said Act, as enacted by section 2 of this Act, shall be deemed to have come into force on the 20th day of April, 1983, and applies to all corporations with respect to repayments of interest made after the 19th day of April, 1983. Idem

(9) Subsection 12 (15) of the said Act, as enacted by section 2 of this Act, shall be deemed to have come into force on the 8th day of March, 1978, and applies to all corporations with respect to expenditures of a current nature incurred after the 7th day of March, 1978. Idem

(10) Subsection 4 (1) and sections 5, 24, 25, 26, 27, 28 and 29 come into force on the day this Act receives Royal Assent. Idem

(11) Subsection 4 (2) shall be deemed to have come into force on the 20th day of April, 1983, and applies to all corporations with respect to amounts which became receivable by the corporation after the 19th day of April, 1983. Idem

(12) Section 6 shall be deemed to have come into force on the 17th day of March, 1983, and applies with respect to Canadian exploration expenses, Canadian development expenses and Canadian oil and gas property expenses incurred by a joint exploration corporation after the 16th day of March, 1983, other than any such expense incurred after the 16th day of March, 1983, and before the 1st day of October, 1984, in respect of which payments or loans referred to in subparagraph 66 (15) (i) (ii) of the *Income Tax Act* (Canada), as re-enacted by 1983-84, chapter 1, subsection 27 (10) (Can.), are made to the joint exploration corporation pursuant to arrangements that were substantially advanced and evidenced in writing on or before the 16th day of March, 1983. Idem

R.S.C. 1952,
c. 148

(13) Section 7 and the deletion of the reference to subsection 133 (5) of the *Income Tax Act* (Canada) in the re-enactment of subsection 41 (3) of the said Act by subsection 13 (2) of this Act, shall be deemed to have come into force on the 1st day of January, 1979. Idem

R.S.C. 1952,
c. 148

(14) Sections 8 and 19 shall be deemed to have come into force on the 14th day of May, 1982 with respect to taxation years of a corporation ending after the 13th day of May, 1982, where the corporation has claimed a deduction from tax for any year under clause 33 (1) (b) of the said Act, and shall be Idem

deemed to have come into force on the 14th day of May, 1985, with respect to taxation years ending after the 13th day of May, 1985, where the corporation has not claimed a deduction from tax for any year under clause 33 (1) (b) but has claimed a deduction from tax for any year under subsection 33a (1) of the said Act.

Idem (15) Subsections 9 (1) and (2) shall be deemed to have come into force on the 1st day of January, 1978, and apply to all taxation years of a corporation ending after the 31st day of December, 1977.

Idem (16) Subsections 9 (3), (4) and (5) shall be deemed to have come into force on the 1st day of January, 1976, and apply to all taxation years of a corporation ending after the 31st day of December, 1975.

Idem (17) Subsections 10 (1) and (3) and section 11 shall be deemed to have come into force on the 14th day of May, 1985 and apply to taxation years of corporations ending after the 13th day of May, 1985.

Idem (18) Subsection 10 (2) shall be deemed to have come into force on the 16th day of May, 1984 and applies with respect to taxation years of a corporation ending after the 15th day of May, 1984.

Idem (19) Section 12 shall be deemed to have come into force on the 24th day of October, 1979, and applies to taxation years commencing after 1979 in respect of corporations in existence on the 23rd day of October, 1979 and to taxation years commencing after the 23rd day of October, 1979 in any other case.

Idem (20) Subsection 13 (1) shall be deemed to have come into force on the 1st day of January, 1982, and applies to the computation of taxable income by corporations for taxation years ending after 1981 with respect to net capital losses determined for taxation years ending after 1983.

Idem (21) Sections 14 and 18 shall be deemed to have come into force on the 13th day of November, 1981, and apply to corporations which became subject to tax after the 12th day of November, 1981.

Idem (22) Sections 15 and 16 shall be deemed to have come into force on the 12th day of December, 1979, and apply to all taxation years of corporations ending after the 11th day of December, 1979.

(23) Section 17 shall be deemed to have come into force on the 20th day of May, 1980. Idem

(24) Subsections 20 (4), 21 (2) and 23 (2) shall be deemed to have come into force on the 20th day of April, 1983 and apply to assessments issued after the 19th day of April, 1983. Idem

(25) Subsection 21 (1) and section 22 shall be deemed to have come into force on the 15th day of February, 1984, and apply to assessments issued after the 14th day of February, 1984. Idem

(26) Subsection 23 (1) shall be deemed to have come into force on the 18th day of July, 1983. Idem

31. The short title of this Act is the *Corporations Tax Amendment Act, 1984*. Short title

