

1981

c 13 Income Tax Amendment Act, 1981 (No. 1)

Ontario

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CHAPTER 13

An Act to amend the Income Tax Act

Assented to June 26th, 1981

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

1. Subsection 3 (5) of the *Income Tax Act*, being chapter 213 of the Revised Statutes of Ontario, 1980, is amended, s. 3 (5), amended

(a) by striking out "and" at the end of clause (h); and

(b) by adding thereto the following clauses:

(j) 46 per cent in respect of the 1981 taxation year; and

(k) 48 per cent in respect of the 1982 taxation year.

2. Section 6 of the said Act is repealed and the following substituted therefor: s. 6, re-enacted

6.—(1) Where the taxable income of an individual for a taxation year does not exceed the amount prescribed for the purpose of this subsection for a particular taxation year, no tax is payable under this Act by the individual for the taxation year. No tax payable

(2) Where the taxable income of an individual for a taxation year exceeds the amount prescribed for the purpose of subsection (1) for a particular taxation year, but does not exceed the amount prescribed for the purpose of this subsection for that taxation year, the tax payable under this Act (after the deduction authorized by subsection 3 (8) and before any deduction authorized by subsection 7 (2) or (6) may be reduced by an amount equal to one-half of the amount by which the amount prescribed for the purpose of this subsection exceeds the individual's taxable income for the taxation year. Tax reduction

(3) For the purpose of this section, the amount prescribed for the purpose of subsection (1) for the 1981 taxation year is \$1,874 Amount prescribed for 1981 taxation year

and the amount prescribed for the purpose of subsection (2) for the 1981 taxation year is \$2,058.

s. 7 (1) (a),
re-enacted

3.—(1) Clause 7 (1) (a) of the said Act is repealed and the following substituted therefor:

(a) “housing unit” includes,

- (i) subject to subclauses (ii) and (iii), any premises that an individual ordinarily occupies and inhabits as his residence in the taxation year.

but does not include,

- (ii) premises that are part of a chronic care facility or other similar institution that is prescribed, or that are part of any charitable institution, home for special care, home for the aged, public nursing home or private nursing home, or
- (iii) premises, except any students’ residence that is prescribed under subsection (4), during such time in a taxation year as,

(A) such premises are exempt from the payment of taxes levied under the *Provincial Land Tax Act*, the *Local Roads Boards Act* or taxes for municipal and school purposes levied in respect of real property in Ontario that is assessed as residential or farm property, or

(B) the owner does not pay a grant equal to the full amount of the taxes described in sub-subclause (A) that would, if such premises were not exempt, be payable or a grant equal to an amount prescribed by the Minister in respect of such premises or class of premises,

except when such excluded premises are occupied and inhabited by an individual of a class prescribed for the purpose of this clause.

s. 7 (1) (f),
amended

(2) Clause 7 (1) (f) of the said Act is amended,

- (a) by striking out that portion of the said clause immediately preceding subclause (i) and inserting in lieu thereof,

“principal taxpayer” means an individual who, on the 31st day of December in the taxation year, occupies and inhabits a principal residence except when that individual, on the 31st day of December in the taxation year, occupies and inhabits a principal residence with his spouse, in which case, “principal taxpayer” means that spouse who has the higher taxable income for the taxation year, but “principal taxpayer” does not include any individual who died at any time in the taxation year or who, on the 31st day of December in the taxation year was,

and;

(b) by striking out “or” at the end of subclause (v), by adding “or” at the end of subclause (vi) and by adding thereto the following subclause:

(vii) an individual who has been lawfully admitted to Canada on a temporary basis for the specific purpose of attending any university, college or other educational institution.

(3) Subsection 7 (2) of the said Act is repealed and the following substituted therefor: s. 7 (2),
re-enacted

(2) Every individual resident in Ontario on the 31st day of December in the taxation year may deduct from the tax otherwise payable by him, under this Act the amount not in excess of \$500 by which the aggregate of the tax credits that are described in clauses (a) and (b) and to which he is entitled exceeds 2 per cent of his taxable income for the taxation year, Tax
credits

(a) where the individual is a principal taxpayer, a tax credit equal to the sum of,

(i) the lesser of his occupancy cost for the taxation year or \$180, and

(ii) an amount equal to 10 per cent of his occupancy cost for the taxation year; and

(b) a tax credit of an amount equal to 1 per cent of the total of those deductions that are authorized by section 109 of the Federal Act and that have been claimed by the individual entitled to claim them in his return filed in

accordance with the Federal Act, but the tax credit described in this clause may not be claimed by an individual,

- (i) who died during the taxation year or who, on the 31st day of December in the taxation year, is an individual described in subclause (1) (f) (i), (iii), (iv), (v) or (vii),
- (ii) with respect to whom any other taxpayer resident in Canada on the 31st day of December in the taxation year has, in computing his taxable income under the Federal Act, claimed in his return filed in accordance with that Act a deduction authorized by paragraph 109 (1) (a), (b), (d), (e), (f) or (g) of that Act for any portion of the taxation year, or
- (iii) who, on the 31st day of December in the taxation year, is an individual entitled to receive in respect of the taxation year a grant under section 7 of the *Ontario Pensioners Property Tax Assistance Act*.

R.S.O. 1980, c. 352

s. 7 (5), repealed

(4) Subsection 7 (5) of the said Act is repealed.

s. 7 (11), amended

(5) Subsection 7 (11) of the said Act is amended by striking out "last day of" in the second and third lines and inserting in lieu thereof "31st day of December in".

s. 7, amended

(6) Section 7 of the said Act is amended by adding thereto the following subsections:

Separation in year

(11a) Notwithstanding clause (1) (d) or subclause (1) (f) (vi), where, in any taxation year, an individual separates from a spouse who, on the 31st day of December in such taxation year, is an eligible person, as defined by the *Ontario Pensioners Property Tax Assistance Act*, pursuant to a separation agreement as defined in that Act, such individual shall be deemed to be a principal taxpayer but his occupancy cost for such taxation year shall include only that occupancy cost that is attributable to the portion of the taxation year subsequent to such separation.

Marriage in year

(11b) Notwithstanding subclause (1) (f) (vi), where, in the taxation year, an individual marries a person who, on the 31st day of December in such taxation year, is an eligible person, as defined by the *Ontario Pensioners Property Tax Assistance Act*, such individual shall be deemed to be a principal taxpayer, but his occupancy cost for such taxation year shall include only that occupancy cost that is attributable to the portion of the taxation

year prior to such marriage and that is not included in the occupancy cost of the spouse who is an eligible person.

4. Subsection 21 (2) of the said Act is amended by striking out “or” at the end of clause (b) and by adding thereto the following clauses: s. 21 (2), amended

(d) any deduction under subsection 7 (2) or (6); or

(e) the application of any amount pursuant to subsection 7 (7).

- 5.—(1) This Act, except sections 1, 2 and 3, comes into force on the day it receives Royal Assent. Commencement

(2) Sections 1, 2 and 3 shall be deemed to have come into force on the 1st day of January, 1981. Idem

6. The short title of this Act is the *Income Tax Amendment Act, 1981*. Short title

