

1981

c 13 Income Tax Amendment Act, 1981

Ontario

This Bill was passed by the Legislature after the the 31st day of December, 1980 and before the Revised Statutes of Ontario, 1980 came into force. It is shown here in the form in which it was passed, before its revision by the commissioners under the authority of section 4 of The Statutes Revision Act, 1979. It is published in its revised form as chapter 13 in the public acts section of this volume.

© Queen's Printer for Ontario, 1981

Follow this and additional works at: http://digitalcommons.osgoode.yorku.ca/ontario_statutes

Bibliographic Citation

Income Tax Amendment Act, 1981, SO 1981, c 13

Repository Citation

Ontario (1981) "c 13 Income Tax Amendment Act, 1981," *Ontario: Annual Statutes*: Vol. 1981, Article 121.

Available at: http://digitalcommons.osgoode.yorku.ca/ontario_statutes/vol1981/iss1/121

BILL 77

1981

(Chapter 13)

An Act to amend The Income Tax Act

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

1. Subsection 3 of section 3 of *The Income Tax Act*, being chapter 217 of the Revised Statutes of Ontario, 1970, as amended by the Statutes of Ontario, 1971 (2nd Session), chapter 1, section 3, 1977, chapter 6, section 1 and 1980, chapter 25, section 1, is further 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 6a of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 12, section 2 and amended by 1977, chapter 6, section 3, is repealed and the following substituted therefor:
 - 6a.—(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 6 of section 3 and before any deduction authorized by subsection 2 or 4a of section 6b) 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

Amount prescribed for 1981 taxation year

(3) For the purpose of this section, the amount prescribed for the purpose of subsection 1 for the 1981 taxation year is \$1,874 and the amount prescribed for the purpose of subsection 2 for the 1981 taxation year is \$2,058.

s. 6b (1) (a), re-enacted

3.—(1) Clause *a* of subsection 1 of section 6b of the said Act, as re-enacted by the Statutes of Ontario, 1980, chapter 25, section 2, 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 3, 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.

R.S.O. 1970, cc. 370, 256

s. 6b (1) (f), amended

(2) Clause *f* of subsection 1 of the said section 6b, as re-enacted by the Statutes of Ontario, 1973, chapter 21, section 2 and amended by 1973, chapter 153, section 2, 1975, chapter 16, section 3 and 1980, chapter 25, section 2, is further 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 2 of the said section 6*b*, as re-enacted by the Statutes of Ontario, 1973, chapter 153, section 2 and amended by 1974, chapter 91, section 2, 1975, chapter 16, section 3, 1976, chapter 81, section 2 and 1980, chapter 25, section 2, is repealed and the following substituted therefor: s. 6*b* (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 i, iii, iv, v or vii of clause f of subsection 1,

(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 a, b, d, e, f or g, of subsection 1 of section 109 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, 1980*.

1980, c. 18

s. 6b (4),
repealed

(4) Subsection 4 of the said section 6b, as re-enacted by the Statutes of Ontario, 1972, chapter 146, section 2 and amended by 1974, chapter 91, section 2, is repealed.

s. 6b (9),
amended

(5) Subsection 9 of the said section 6b, as re-enacted by the Statutes of Ontario, 1980, chapter 25, section 2, is amended by striking out "last day of" in the third line and inserting in lieu thereof "31st day of December in".

s. 6b,
amended

(6) The said section 6b, as re-enacted by the Statutes of Ontario, 1972, chapter 146, section 2 and amended by 1973, chapter 21, section 2, 1973, chapter 153, section 2, 1974, chapter 91, section 2, 1975, chapter 16, section 3, 1976, chapter 12, section 3, 1976, chapter 81, section 2, 1978, chapter 11, section 2 and 1980, chapter 25, section 2, is further amended by adding thereto the following subsections:

Separation
in year

(9a) Notwithstanding clause d of subsection 1 or subclause vi of clause f of subsection 1, 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, 1980*,

1980, c. 18

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.

(9b) Notwithstanding subclause vi of clause *f* of subsection 1, ^{Marriage in year} 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, 1980*, 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 2 of section 20 of the said Act is amended by striking out "or" at the end of clause *b* and by adding thereto the following clauses: ^{s. 20 (2), amended}

(d) any deduction under subsection 2 or 4a of section 6b; or

(e) the application of any amount pursuant to subsection 5 of section 6b.

- 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}

100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200