

1980

c 21 The Small Business Development Corporations Amendment Act, 1980

Ontario

© Queen's Printer for Ontario, 1980

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

Bibliographic Citation

The Small Business Development Corporations Amendment Act, 1980, SO 1980, c 21

Repository Citation

Ontario (1980) "c 21 The Small Business Development Corporations Amendment Act, 1980," *Ontario: Annual Statutes*: Vol. 1980, Article 23.

Available at: http://digitalcommons.osgoode.yorku.ca/ontario_statutes/vol1980/iss1/23

CHAPTER 21

An Act to amend
The Small Business Development Corporations
Act, 1979

Assented to June 17th, 1980

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

1. Clause *i* of subsection 1 of section 1 of *The Small Business Development Corporations Act, 1979*, being chapter 22, is amended by adding at the end thereof "and includes a corporation". s. 1 (1) (i),
amended
2. Clause *c* of section 4 of the said Act is amended by striking out "\$250,000" in the third line and inserting in lieu thereof "\$100,000". s. 4 (c),
amended
- 3.—(1) Subsection 1 of section 7 of the said Act is amended by striking out "\$250,000" in the third line and inserting in lieu thereof "\$100,000". s. 7 (1),
amended

(2) Subsection 3 of the said section 7 is repealed and the following substituted therefor: s. 7 (3),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

(3) During the third and subsequent years of registration under this Act, a small business development corporation shall maintain an average of at least 70 per cent of its equity capital in eligible investments calculated in the prescribed manner. Idem
- (3) Subsection 4 of the said section 7 is amended by striking out "\$250,000" in the third line and inserting in lieu thereof "\$100,000". s. 7 (4),
amended
4. Subsection 4 of section 8 of the said Act is amended by adding at the commencement thereof "Subject to paragraph 4 of section 24". s. 8 (4),
amended
- 5.—(1) Subclause iii of clause *b* of subsection 1 of section 9 of the said Act is repealed. s. 9 (1) (b) (iii),
repealed

(2) Clause *a* of subsection 2 of the said section 9 is repealed and the following substituted therefor: s. 9 (2) (a),
re-enacted

- (a) the number of equity shares into which any debt obligation or shares of such small business may be converted.

s. 13,
amended

6. Section 13 of the said Act is amended by adding thereto the following subsections:

Where
prescribed
number of
employees
exceeded

(4) Notwithstanding subsection 3, where a material change occurs by reason only of a small business exceeding the prescribed number of employees, no material change shall be deemed to have occurred until the small business has 200 or more employees, excluding directors and officers of the corporation.

Eligible
investment

(5) Where a material change described in subsection 4 occurs, the investment by a small business development corporation shall remain an eligible investment, notwithstanding any other provision of this Act, for a period of five years from the date of the material change.

s. 19,
amended

7. Section 19 of the said Act is amended by adding at the end thereof "with respect only to the maximum equity capital amount set out in clause c of section 4 and retained earnings thereon".

s. 21,
amended

8. Section 21 of the said Act is amended by adding thereto the following subsections:

Pension
funds

(5) A pension fund with 10 per cent or more of its contributors resident in Ontario that meets the prescribed terms and conditions shall be deemed to be a person ordinarily resident in Ontario.

Grants to
corporations
1976, c. 62

(6) Notwithstanding anything in this section, a corporation incorporated as a credit union or caisse populaire under *The Credit Unions and Caisses Populaires Act, 1976* or a predecessor of that Act, and such other corporations as may be prescribed, may apply for and receive a grant under subsection 1 in lieu of a tax credit under section 22.

Where
applicant
not the
beneficial
owner

(7) When the person applying for a grant under subsection 1 is the registered, but not the beneficial, owner of equity shares of a small business development corporation, the Minister may prescribe the terms and conditions relating to the beneficial ownership of the shares that shall be complied with in order to entitle the person to the grant.

s. 23,
re-enacted

9. Section 23 of the said Act is repealed and the following substituted therefor:

Tax credit
carried back
or forward
1972, c. 143

23. The unused portion of a tax credit obtained under subsection 1 of section 22, not exceeding the tax payable for the preceding taxation year under Part II of *The Corporations Tax Act, 1972*, may be,

- (a) carried back by the corporation and added to the amount paid on account of the tax payable by the corporation for the taxation year immediately preceding the taxation year in which the credit is earned; or
- (b) if, after making the deduction in clause *a*, any unused portion of the tax credit remains, carried forward by the corporation and deducted from the tax otherwise payable by the taxpayer under Part II of *The Corporations Tax Act, 1972* in subsequent taxation years. 1972, c. 143

10. Section 24 of the said Act is amended by adding thereto the following paragraph: s. 24, amended

- 4. Where the corporation proposes to wind up or dissolve or where the registration of a small business development corporation is revoked for failure to comply with subsection 1 or 2 of section 7, it shall pay to the Minister, in addition to the amount set out under paragraph 3, an amount equal to the interest earned on all moneys paid into the trust fund established by the corporation under section 8 and not paid out in accordance with subsection 2 of that section from the date of registration of the corporation under this Act.

11. Section 31 of the said Act is amended by striking out “and” at the end of clause *b*, by adding “and” at the end of clause *c* and by adding thereto the following clause: s. 31, amended

- (d) any books, records, accounts, returns or other information maintained by a small business that has been acquired by a small business development corporation as an eligible investment or that has ceased to be an eligible investment or a small business under this Act,

12.—(1) This Act, except subsection 1 of section 5, shall be deemed to have come into force on the 23rd day of April, 1980. Commencement

- (2) Subsection 1 of section 5 shall be deemed to have come into force on the 23rd day of April, 1980 but does not apply to an investment made or contracted in writing to be made in a small business prior to that date. Idem

13. The short title of this Act is *The Small Business Development Corporations Amendment Act, 1980*. Short title

