

2020 Ontario Economic and Fiscal Update

Business Tax Measures

Regional Opportunities Investment Tax Credit

The proposed new Regional Opportunities Investment Tax Credit is a 10% refundable corporate income tax credit that will be available for:

- CCPCs making qualifying investments that become available for use after March 24, 2020 in specified regions of Ontario
- qualifying expenditures exceeding \$50,000, up to a maximum of \$500,000, in a taxation year

Qualifying investments include expenditures for constructing, renovating or acquiring eligible commercial and industrial buildings and other assets that are included in classes 1 and 6 for capital cost allowance purposes.

Employer Health Tax (EHT)

The EHT exemption (the payroll threshold above which employers are subject to EHT, on an associated basis) will be temporarily increased to \$1 million (from \$490,000) for 2020. Eligible employers (private-sector employers with annual payrolls up to \$5 million) will save up to \$9,945 in 2020. The exemption will return to its original \$490,000 on January 1, 2021.

The economic statement also implements a five-month interest and penalty free period, for late filing and remittance of EHT returns and payments between April 1, 2020 and August 31, 2020 (see below).

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Other Measures

Provincial Taxes

Beginning April 1, 2020 and ending August 31, 2020, interest and penalties will not apply for Ontario businesses missing filing and payment remittance deadlines for the majority of provincially-administered taxes, including:

- EHT
- Tobacco and Beer, Wine and Spirits Taxes
- Fuel and Gas Taxes
- Mining Tax
- Insurance Premium Tax
- Retail Sales Tax on Insurance Contracts and Benefits Plans

There will be no requirement for businesses to provide the Ontario Ministry of Finance with notification of, or documentation regarding the reason for, the inability to meet the filing and/or remittance deadline.

Property Taxes

The planned property tax reassessment for 2021 will be postponed and 2021 property taxes will be based on the same valuation date that was in effect for 2020.

A 90-day deferral is granted to municipalities for the June 30, 2020 quarterly instalment payment of school taxes.

Workplace Safety and Insurance Board (WSIB)

The WSIB will allow employers to defer payments for six months. Schedule 1 employers will be allowed to defer reporting and payments of any premiums owed to the WSIB until August 31, 2020. In addition, Schedule 2 employers (that pay WSIB for the cost related to their workplace injury and illness claims) will be eligible for the deferral. Interest and penalties will also be waived for the same six-month period.