

Chapter 20

AN ACT TO AMEND THE INCOME TAX ACT

(Assented to November 7, 2019)

The Commissioner, by and with the advice and consent of the Legislative Assembly, enacts as follows:

1. **This Act amends the *Income Tax Act*.**
2. **Subsections 2.14(3), 2.15(3) and 2.16(2) are amended by**
 - (a) **replacing "the 2002 and subsequent taxation years" wherever it appears with "a taxation year"; and**
 - (b) **replacing "\$10,000" wherever it appears with "\$16,000".**
3. **(1) Subsection 4(2.11) is amended**
 - (a) **by replacing "the 2002 and subsequent taxation years" with "a taxation year"; and**
 - (b) **in paragraphs (a) and (b) by replacing "4%" wherever it appears with "3%".**

(2) Subsection 4(2.2) is repealed.
4. **Subsection 4.1(1.2) is amended**
 - (a) **in paragraph (a) by replacing "\$60,000" with "\$75,000"; and**
 - (b) **in paragraph (b) by**
 - (i) **replacing "\$1,200" with "\$1,500", and**
 - (ii) **replacing "\$60,000" with "\$75,000".**

Transitional

5. **If a corporation to which subsection 4(2.11) of the Act applies has a taxation year that includes both June 30, 2019 and July 1, 2019, tax payable under the Act for the taxation year shall be calculated as follows:**
 - (a) **by dividing the taxation year into two notional taxation years, the first ending on June 30, 2019 and the second beginning on July 1, 2019;**
 - (b) **by apportioning the taxable income earned in the year between the two notional taxation years proportionately according to the number of days in each;**
 - (c) **by calculating**
 - (i) **tax for the first notional taxation year in accordance with the Act as it read immediately prior to being amended by this Act, and**
 - (ii) **tax for the second notional taxation year in accordance with the Act as amended by this Act;**
 - (d) **by adding together the amounts determined under paragraph (c).**

Application

6. (1) Sections 2 and 4 of this Act apply to the 2019 and subsequent taxation years.

(2) Subject to section 5 of this Act, section 3 of this Act applies to a taxation year that includes July 1, 2019, and subsequent taxation years.