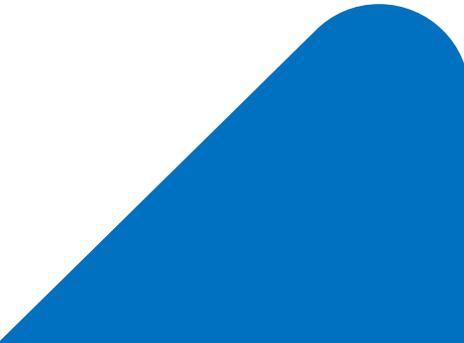




# **Provincial Support Measures for Ontario Businesses**

April 2020



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Ontario's Action Plan: Responding to COVID-19

# Provincial support measures for Ontario businesses

**The following provincial support measures have been announced for Ontario businesses:**

## **1. Increase to the Employer Health Tax Exemption**

- Cutting taxes by \$355 million for about 57,000 employers through a proposed temporary increase to the Employer Health Tax (EHT) exemption.
- Ontario will retroactively raise the Employer Health Tax (EHT) exemption from \$490,000 to \$1 million for 2020. The exemption will return to its current level of \$490,000 on January 1, 2021. Increasing the exemption to \$1 million provides additional EHT relief of up to \$9,945 per eligible employer. This exemption applies to employers with annual payrolls of \$5 million or less.

## **2. Deferral of Workplace Safety Expenses**

- Employers can defer payments to the Workplace Safety and Insurance Board (WSIB) until August 31, 2020 with no interest accrued on outstanding premium payments and no penalties charged. All employers covered by WSIB's workplace insurance are automatically eligible for the financial relief package.

**Sources:**

<https://budget.ontario.ca/2020/marchupdate/contents.html>

<https://news.ontario.ca/mof/en/2020/03/ontarios-action-plan-responding-to-covid-19.html>

<https://www.dlapiper.com/en/canada/insights/publications/2020/03/ontario-economic-response-plan/>

## Ontario's Action Plan: Responding to COVID-19

# Provincial support measures for Ontario businesses

### 3. Interest and Penalty Relief

- Beginning April 1, 2020, penalties and interest will not apply to Ontario businesses that miss any filing or remittance deadlines until August 31, 2020, under the following provincially administered tax programs:
  - Employer Health Tax;
  - Tobacco Tax;
  - Fuel Tax;
  - Gas Tax;
  - Beer, Wine and Spirits Taxes;
  - Mining Tax;
  - Insurance Premium Tax;
  - International Fuel Tax Agreement;
  - Retail Sales Tax on Insurance Contracts and Benefit Plans; and
  - Race Tracks Tax.
- The interest and penalty relief period is available to all Ontario businesses that are required to file returns and make remittances under the above-listed programs. Businesses will not be required to provide any documentation supporting their reasons for late-filing or payments and they will not be required to advise the Ontario Ministry of Finance of their inability to meet their deadlines.

#### Sources:

<https://budget.ontario.ca/2020/marchupdate/contents.html>  
<https://news.ontario.ca/mof/en/2020/03/ontarios-action-plan-responding-to-covid-19.html>  
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# Provincial support measures for Ontario businesses

## 4. Regional Opportunities Investment Tax Credit

- The Ontario government is proposing to introduce the Regional Opportunities Investment Tax Credit which is a new 10% refundable Corporate Income Tax credit for capital investments in Eligible Regions of Ontario. The maximum credit would be \$45,000 in the year.
  - Eligible Regions: <https://budget.ontario.ca/2020/marchupdate/annex.html#section-0>
- The credit is only available if the following criteria are met:
  - the corporation is a Canadian-controlled private corporation;
  - the corporation makes a qualifying investment that becomes “available for use<sup>2</sup>” on or after March 25, 2020 in Eligible Regions of Ontario;
  - the qualifying investment is for eligible expenditures for capital property included in Class 1 and Class 6 for the purposes of calculating capital cost allowance which includes expenditures for constructing, renovating or acquiring eligible commercial and industrial buildings and other assets; and,
  - the expenditure is in excess of \$50,000 and up to a limit of \$500,000.

### Sources:

<https://budget.ontario.ca/2020/marchupdate/contents.html>

<https://news.ontario.ca/mof/en/2020/03/ontarios-action-plan-responding-to-covid-19.html>

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## 5. Postponement of Property Tax Reassessment

- The Ontario government will postpone the planned property tax reassessment for 2021. As a result, property assessments for the 2021 taxation year will be based on the same valuation date that was in effect for the 2020 taxation year.

## 6. Deferral of Quarterly Municipal Remittance of Education Property Tax

- The Ontario government is making available over \$1.8 billion by deferring the upcoming June 30 quarterly municipal remittance of education property tax to school boards by 90 days, which will provide municipalities the flexibility to, in turn, provide property tax deferrals to residents and businesses, while ensuring school boards continue to receive their funding.

## 7. Electricity Relief

- *Reduced Electricity Rates* - electricity prices for residential, farmer and small business time-of-use customers will be set at the lowest rate, “the off-peak price”, 24 hours a day for 45 days to support ratepayers in their increased daytime electricity usage as they respond to the COVID-19 outbreak, addressing concerns about time-of-use metering; and,
- *Electricity Cost Relief Programs* - \$5.6 billion for electricity cost relief programs in 2020-21 to support more affordable electricity bills for eligible residential, farm and small businesses consumers.

### Sources:

<https://budget.ontario.ca/2020/marchupdate/contents.html>  
<https://news.ontario.ca/mof/en/2020/03/ontarios-action-plan-responding-to-covid-19.html>  
<https://www.dlapiper.com/en/canada/insights/publications/2020/03/ontario-economic-response-plan/>