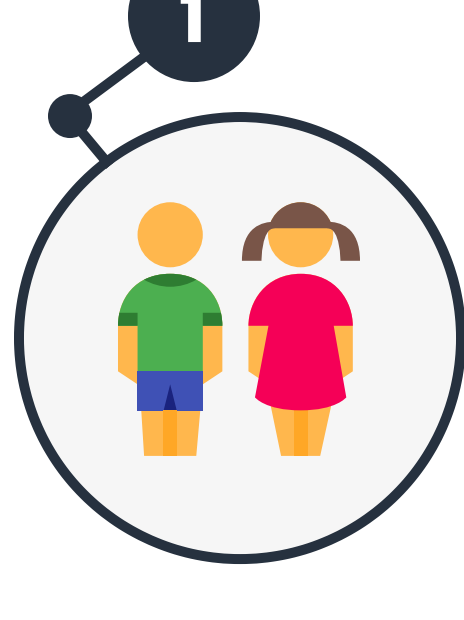


ONTARIO BUDGET TAX HIGHLIGHTS 2019

1



TLC FOR FAMILIES WITH INCOMES LESS THAN \$150K

New refundable **Childcare Access and Relief from Expenses (CARE)** tax credit starting in 2019 for families with family income less than \$150,000:

- The credit will be equal to the eligible child care expenses multiplied by a set percentage depending on family income.
- In 2019 and 2020, the credit will be claimed in an individual's personal income tax return. For 2021, individuals will have a choice to receive advance payments throughout the year or a single amount when filing his/her return.

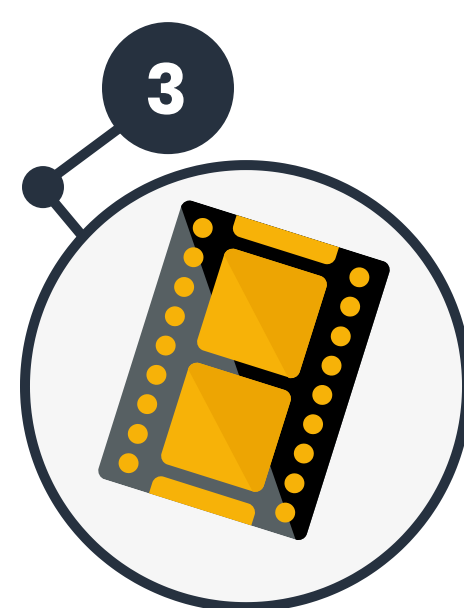
CHANGES TO ESTATE ADMINISTRATION TAX (EAT)

- Starting January 1, 2020, Ontario **will eliminate the EAT** on the first \$50,000 of all estates (currently 0.5%).
- The current 1.5% rate will continue to apply on the value of an estate in excess of \$50,000.

2



3



EASIER TO CLAIM CULTURAL MEDIA TAX CREDITS IN ONTARIO

Ontario will review the process in an effort to **clear the backlog and streamline certification of projects** for purposes of claiming the five **Ontario cultural media tax credits**.

SCORE FOR SMALL VIDEO GAME DEVELOPERS

It will become easier for smaller video game developers with labour costs of at least \$500,000 to get certified for being eligible for the **Ontario Interactive Digital Media Tax Credit**.

4



5



LOW-INCOME INDIVIDUALS AND FAMILIES GET A LIFT

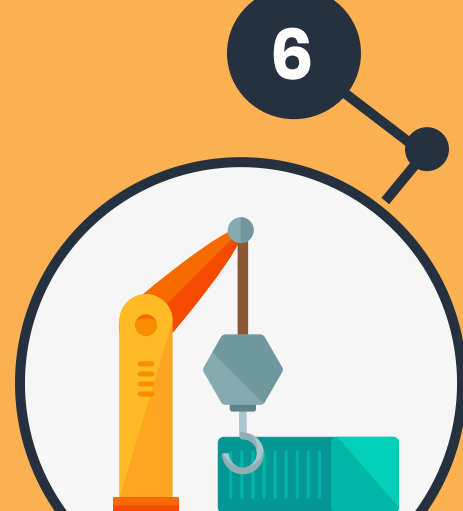
(As announced previously in the Ontario Fiscal Update) there will be a new non-refundable tax credit, the **Low-Income Individuals and Families Tax (LIFT) credit**.

- Maximum amount of the credit will be the lesser of \$850 and 5.05% of employment income.
- LIFT credit ground down when an individual's income is more than \$30,000 or the family's income is more than \$60,000.
- LIFT will not be available when an individual's income is more than \$38,500 or the family's income is more than \$68,500.

MATCHING THE FEDS IN ACCELERATED DEPRECIATION ENHANCEMENTS

Ontario will parallel the federal measures for a **full immediate depreciation of manufacturing and processing equipment and specified clean energy equipment**, and **accelerated depreciation** for most other capital investments at the rate of up to 3 times the normal rate in the first year.

6



7



NO TO SMALL BUSINESS DEDUCTION CLAW BACK

As previously announced, Ontario will not adopt the federal measures that would have clawed back the low corporate small business tax rate when **passive income in a corporation** starts to exceed \$50,000.

WSIB PREMIUM RATES GOING DOWN

Ontario supports the **reduction of the Workplace Safety and Insurance Board's (WSIB) average premium rate** from \$2.35 to \$1.65 on every \$100 of insurable payroll, effective January 1, 2019, which will save employers an estimated \$1.45 billion in 2019.

8



9



NO BALANCED BUDGET FOR ONTARIO THIS YEAR

Ontario projects a **\$11.7 billion budget deficit for 2018 – 19** fiscal year. Forecasting to return to a balanced budget in the 2023 – 24 fiscal year.

10

CHANGES TO GTA TRANSIT PROJECTS

Ontario commits \$11.2 billion of the total estimated \$28.5 billion cost for four **transit projects in the Greater Toronto Area**.



11



LEGALIZED TAILGATING FOR ONTARIO SPORTS FANS

(Seriously, this was in the budget)

Ontario to let sports fans drink alcohol at tailgating parties at eligible sporting events.

QUESTIONS?

Your Crowe Soberman advisor is here to help. Visit www.crowesoberman.com to learn more.

While this infographic provides general information, Crowe Soberman recommends that you speak with your tax advisor before taking specific tax planning steps.

Information is current to April 11, 2019.