



HIGHLIGHTS FROM ONTARIO'S ACTION PLAN: RESPONDING TO COVID-19

Aside from significant new spending to tackle the COVID-19 pandemic, Ontario announced several additional relief measures today for businesses and individuals.



Support for People and Businesses to Improve Cash Flow

Ontario is making \$10 billion available to improve cash flow for people and businesses during this challenging economic time. Through provincial tax deferrals and other measures, relief will be targeted to those impacted directly by COVID-19. Highlights include:

- Cutting taxes by \$355 million for roughly 57,000 employers through a proposed temporary increase to the Employer Health Tax (EHT) exemption (from \$490,000 to \$1 million for 2020). With this plan, more than 85 per cent of private-sector employers will not pay EHT in 2020. The exemption would return to its current level of \$490,000 on January 1, 2021.
- Providing a five-month interest and penalty-free period for the majority of provincially administered taxes to help support Ontario businesses when they need it the most.

Tax filing and remittance deadlines will remain the same. However, beginning April 1, 2020, penalties and interest will not apply to Ontario businesses that miss a filing or remittance deadline under select provincial taxes. This will relief will continue for a period of five months.

This measure applies to:

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| • Employer Health Tax | • Mining Tax |
| • Tobacco Tax | • Insurance Premium Tax |
| • Fuel Tax | • International Fuel Tax Agreement |
| • Gas Tax | • Retail Sales Tax on Insurance Contracts and Benefit Plans |
| • Beer, Wine & Spirits Tax | • Race Tracks Tax |

- Allowing employers to defer Workplace Safety and Insurance Board (WSIB) premiums, penalty and interest-free, for up to six months.
- Making electricity bills more affordable for eligible residential, farm and small business consumers through a \$1.5 billion increase in electricity cost relief. The government is also setting electricity prices for time-of-use customers at the lowest rate 24 hours a day for 45 days.
- Deferring the upcoming quarterly (June 30) remittance of Education Property Tax to school boards by municipalities for 90 days. This will provide municipalities with the flexibility to provide property tax deferrals of over \$1.8 billion to local residents and businesses while the government adjusts payments directly to the school boards ensuring they receive their funding.



Supporting Individuals and Families

Building on coordinated actions with the federal government, Ontario is taking immediate steps to support individuals and families in response to the COVID-19 outbreak including:

- \$75 million in urgent additional support for 194,000 low-income seniors by proposing to double the Guaranteed Annual Income System (GAINS) maximum payment to \$166 per month for individuals and \$332 per month for couples for six months, starting in April 2020.
- Helping families pay for extra costs associated with school and daycare closure during the COVID-19 outbreak by providing a one-time \$200 payment per child up to 12 years of age, and \$250 per child with special needs, including children enrolled in private schools.
- Investing \$52 million to expand access to the emergency assistance program administered by Ontario Works to provide financial support to people facing economic hardship and help them with basic needs, such as food and rent during this public health emergency.
- Providing six months of Ontario Student Assistance Program (OSAP) loan and interest accrual relief.



Other Measures

- Helping to support regions that have been lagging in employment growth with a proposed new 10 per cent refundable Corporate Income Tax credit — the Regional Opportunities Investment Tax Credit (ROITC).

The ROITC would be available to eligible businesses that construct, renovate or acquire qualifying commercial and industrial buildings in designated regions of the province after March 25, 2020. Qualifying investments would include capital property included in Class 1 or Class 6 for income tax purposes. The tax credit would be available for expenditures in excess of \$50,000 and up to a limit of \$500,000 for qualifying investments that become available for use by a Canadian-controlled private corporation in the taxation year.
- Postponing the 2021 planned property tax reassessment. Assessments for the 2021 taxation year will continue to be based on the valuation that was in effect for the 2020 taxation year.

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 March 25, 2020.