



# PROVINCIAL & TERRITORIAL TAX NEWS

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## INTRODUCTION

This newsletter covers provincial and territorial updates and developments from October 2016 to November 2016.

## CLIMATE LEADERSHIP REGULATION RELEASED (MCLENNAN ROSS)

November 4, 2016

by Sarah Levine (McLennan Ross)

On November 3, 2016, the Alberta government publicly released the anticipated first regulation under the controversial *Climate Leadership Implementation Act* (the “Act”). The Act, which passed its third reading in the legislature this past June, allows for the implementation of a carbon levy on Alberta’s industry and citizens, as an integral part of the Alberta government’s announced plans to combat climate change. The carbon levy, which comes into effect on January 1, 2017, will be included in the price of all fuels that emit greenhouse gases when combusted.

The *Climate Leadership Regulation* (the “Regulation”) provides further detail related to the provisions of the Act, expanding on what kinds of activities and at what stages of the fuel supply chain a carbon levy is payable, as well as details of carbon levy exemptions. For example, the Regulation specifies the prescribed

activities that require payment of a carbon levy on fuel, as well as the stages in the fuel supply process at which no carbon levy is payable. The *Regulation* also provides guidance on how a carbon levy is applicable in the event of a mixture or blend of fuels, and gives the Minister discretion to determine the method to determine the amount of fuel on which a carbon levy is payable.

Arguably the most noteworthy provisions in the *Regulation* deal with exemptions from the carbon levy. A consumer is exempt from paying a carbon levy on fuel used in the operation of a specified gas emitter (a facility to which the *Specified Gas Emitters Regulation* applies, being large industrial and other emitters of over 100,000 tonnes of greenhouse gases annually) if the emissions from the fuel are direct emissions and are marked as such. This means, for example, that a consumer identified as a large industrial emitter, such as a large oilsands facility or power plant, will not have to pay the levy on marked gasoline or diesel. A consumer is also exempt from paying the carbon levy on fuel that is used in a production process before 2023 if it is not flared or vented.

Other exemptions from the carbon levy include natural gas consumed on site, marked gasoline and diesel used by farmers for farming operations, aviation-use fuel for interjurisdictional flights, and fuel sold for export. The Minister also has discretion to grant or refuse an application from an Indian or Indian band for a carbon levy exemption certificate. However, the *Regulation* restricts purchases of carbon levy-exempt fuel.

For most applicants, in order to purchase fuel exempt from the carbon levy, an application must be made for a carbon levy exemption certificate in a form and manner specified by the Minister. If the application is approved, the Minister will issue an exemption certificate detailing the type of fuel on which the consumer is exempt from paying the carbon levy. Further, if a recipient ordinarily exports at least 80% of the gasoline or diesel they purchase in Alberta in a calendar year, they can be issued a license by the Minister, upon their application, for an exemption certificate to purchase carbon levy-exempt fuel.

The approval of the *Regulation* fleshes out the technical details of the Alberta government's key piece of legislation driving their Climate Leadership Plan: the *Climate Leadership Implementation Act*. Albertans now have a more concrete idea of what the carbon levy means for them, though many issues such as how the levy funds will be reinvested into renewable energy and into Alberta's economy remain to be addressed.

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## LATEST DEVELOPMENTS

### ALBERTA

#### GOVERNMENT DOCUMENTS

#### NEWS RELEASES & ANNOUNCEMENTS

**CITC and AITC Tax Credits to Boost Investment, Create Jobs** (November 8, 2016) - Bill 30, the *Investing in a Diversified Alberta Economy Act*, was introduced on November 8, 2016, to allow government to establish two tax credits that would drive innovation, diversification and job creation. The CITC would encourage large-scale capital investments, supporting thousands of direct and indirect jobs and encouraging up to \$700 million of new investment in Alberta. The CITC would offer a 10 per cent, non-refundable tax credit of up to \$5 million to Alberta companies involved in manufacturing, processing and tourism infrastructure. It would have a budget of \$70 million over two years and be provided on a competitive basis to companies making eligible capital investments of \$1 million or more. The remaining \$5 million from the original \$75 million CITC budget would be allocated to Culture and Tourism to develop supports for Alberta's cultural industries. The AITC would have a budget of \$90 million over three years and would be available for investments in companies that are engaged substantially in proprietary technology research, development or commercialization, interactive digital media development, video post-production, digital animation or tourism.

**Special Notice - Carbon Levy Inventory Declaration** (November 3, 2016) - Effective January 1, 2017 at 12:01 a.m., the *Climate Leadership Act* (the Act) and the Climate Leadership Regulation (the Regulation) come into force. This means on January 1, 2017 at 12:01 a.m. a person (which includes a sole proprietor, a corporation, a partnership and a trust) that: is the owner of fuel (fuel means a substance set out in the Carbon Levy Rates Table; is in possession of fuel for sale or resale in Alberta; and would have been required to pay a carbon levy on the fuel at the time the fuel was purchased or imported had the Act and the Regulation been in effect when the fuel was purchased or imported into Alberta; must file a Declaration of Fuel Inventory form and remit the carbon levy payable to Alberta Treasury Board and Finance, Tax and Revenue Administration (TRA). The Declaration of Fuel Inventory form will not be available until January 1, 2017 at 7:00 a.m., however, an instructional guide highlighting the required information to complete the electronic form will be provided by the end of November 2016. TRA must receive the Declaration of Fuel Inventory form and payment not later than 30 days following the day on which the carbon levy rate applicable to the type of fuel changed, or in this case by January 31, 2017.

### LEGISLATION

#### STATUTES

The following statute has been proposed since the last release:

- Bill 30, the *Investing in a Diversified Alberta Economy Act*, received First Reading on November 8, 2016.

## REGULATIONS

The following regulation under the *Alberta Corporate Tax Act* has been amended since the last release:

- Alta. Reg. 183/2006, the *Alberta Corporate Tax (Ministerial) Regulation*, s. 2 repealed by Alta. Reg. 153/2016, in force on September 26, 2016.

The following regulation under the *Mines and Minerals Act* has been amended since the last release:

- Alta. Reg. 198/2010, the *Natural Gas Deep Drilling Regulation, 2010*, s. 11 is repealed and ss. 1(1), 2, 3(1), 4 and 12 are amended by Alta. Reg. 157/2016, in force on October 12, 2016.

## BRITISH COLUMBIA

### GOVERNMENT DOCUMENTS

#### NEWS RELEASES & ANNOUNCEMENTS

**Commission on Tax Competitiveness Key Findings and Recommendations** (November 23, 2016) - The Commission examined several options in order to find the best ways to improve business tax competitiveness and economic performance in both the short and long run. Based on that examination, the Commission is making four recommendations: 1) Full PST Exemption for Business Capital Expenditure; 2) PST Exemptions for Certain Business Inputs; 3) Made-in-BC VAT and 4) Industry-Municipal Investment Arrangements.

**Minister Coleman's Statement on New Federal Home Ownership Measures** (October 5, 2016) - "The changes announced by the federal government include measures we have asked for, and they are welcome steps that may help provide further fairness and stability in the market for home-buyers... The BC government has committed \$855 million this year to support the construction of rental housing throughout British Columbia, in addition to other housing affordability actions, including:

- Implementing a 15% additional property transfer tax that applies to foreign purchasers of residential real estate in Metro Vancouver;
- Strengthening consumer protection in British Columbia's real estate market through increased oversight and accountability of real estate licensees;
- Introducing a new luxury tax on properties that sell for more than \$2 million; and,
- Introducing a Newly Built Homes exemption, which has helped nearly 5,500 families save an average of \$7,600 on their newly built homes.

We will continue to be guided by six principles as we work to address housing affordability..."

**BC Confirms Support for Canada Pension Plan Enhancement** (October 4, 2016) - The Government of British Columbia has confirmed support for the proposed Canada Pension Plan enhancement after considering feedback received through an online consultation during the summer, Finance Minister Michael de Jong announced on October 4, 2016. This historic agreement strengthens the Canada Pension Plan to better-support future generations of Canadians and their families in retirement. Once fully phased-in, the

changes increase the maximum benefit workers entering the workforce over the next few years will receive by between 33% and 52%, compared to the current system.

**Harvesting BC's Farmers' Food Donation Tax Credit** (October 4, 2016) - To increase awareness of the farmers' food donation tax credit that the British Columbia government announced in Budget 2016, Agriculture Minister Norm Letnick is reaching out to BC farmers to get social, get giving and get an income tax credit. BC produces about 300 different commodities on land and water. Farmers and producers who donate qualifying agricultural products to registered charities (such as food banks and school meal programs) are eligible to receive a tax credit for their donation.

## LEGISLATION REGULATIONS

The following regulation under the *Land Tax Deferral Act* has been added since the last release:

- B.C. Reg. 235/2016, the *Interest Rate Regulation*, in force on September 30, 2016.

The following regulations under the *Provincial Sales Tax Act* have been amended since the last release:

- B.C. Reg. 93/2013, the *Designated Accommodation Area Tax Regulation*, Schedules 1 and 2 are amended by B.C. Reg. 220/2016, in force on November 1, 2016.
- B.C. Reg. 97/2013, the *Provincial Sales Tax Exemption and Refund Regulation*, s. 27 is amended by B.C. Reg. 218/2016, in force November 1, 2016.

## MANITOBA

### GOVERNMENT DOCUMENTS NEWS RELEASES & ANNOUNCEMENTS

**Throne Speech Sets New Course for Manitoba, Focused on Long-Term, Sustainable Measures** (November 21, 2016) - “The Manitoba government remains committed to making Manitoba the most improved province in all of Canada, focusing on policies and programs that will deliver transparent and responsible fiscal management, improvements to and sustainability of the services Manitobans rely upon, and opportunities for long-term economic development in the province’s northern and rural regions”, Premier Brian Pallister said on November 21, 2016.

**Manitoba Government Launches Public Consultations on Canada Pension Plan** (November 4, 2016) - As part of the national conversation on enhancements to the Canada Pension Plan (CPP), Manitoba's new government is launching public consultations to hear ideas and suggestions from Manitobans, Finance Minister Cameron Friesen announced on November 4, 2016.

**Manitoba Government Concludes Budget 2017 Community Consultation Meetings** (October 28, 2016) - Manitoba’s new government has heard from hundreds of Manitobans who attended recently completed in-person pre-budget meetings across the province, Finance Minister Cameron Friesen said on October 28, 2016.

**Financial Management Strategy Report on Outcomes (for the Year Ended March 31, 2016)** (October 1, 2016) – This Report, which was released on September 30, 2016, helps to ensure transparency and accountability by providing the public with the opportunity to assess the success of the government’s performance based on measurable outcomes from the original strategy.

## NEW BRUNSWICK GOVERNMENT DOCUMENTS NEWS RELEASES & ANNOUNCEMENTS

**Second-quarter Fiscal Results Released** (November 15, 2016) - The provincial government has released its economic and fiscal update for the second quarter of 2016-17 with projections improved from both the February budget and the first-quarter update in August. Based on second quarter information, there is a projected deficit of \$331.6 million for 2016-17. This is an improvement of \$15.5 million compared to the budgeted deficit of \$347.0 million. If the contingency reserve is not required, the deficit will be \$231.6 million.

**Discussion Paper Released for Pre-budget Consultation** (November 10, 2016) - On November 10, 2016, the provincial government released a discussion paper to encourage dialogue and participation in the pre-budget consultation process. This discussion paper provides a picture of New Brunswick’s finances and outlines the province’s government’s plan to return to balanced budgets by 2020-21.

**Legislation to be Introduced to Continue and Expand Home Energy Assistance Program** (November 10, 2016) - On November 10, 2016, legislation will be introduced that would continue and expand the Home Energy Assistance Program. The proposed legislation would renew the program for another five years. Without these legislative amendments the program would end with the 2016 benefit.

**Legislation Introduced to Repeal LNG Tax Break** (November 3, 2016) - The provincial government introduced legislation today that would repeal the 2005 tax break which caps the property tax bill for the Canaport LNG terminal in Saint John. An *Act to Repeal An Act to Comply with the Request of the City of Saint John on the Taxation of the LNG Terminal*, reverses the taxation break that capped the property tax for the LNG terminal at \$500,000. Service New Brunswick is completing a revaluation of the property to estimate the market value of the property effective Jan. 1, 2017.

**2016 Throne Speech** (November 2, 2016) - The provincial government announced in its throne speech on November 2, 2016 its intention to continue delivering on the three priorities set by New Brunswickers: economic growth, education and health care, with a special focus on education.

**Premier Launches WeChat Online Export Tool** (October 14, 2016) - New Brunswick companies looking to sell their agri-food, fish and seafood products in China now have a new online tool to help with the process. Premier Brian Gallant launched the province’s WeChat public account during a trade and investment luncheon in Shanghai today. WeChat, China’s foremost social media network, combines the communication aspect of Facebook and Twitter with the commercial attributes of sites like eBay and Amazon.

**HST Credits to be Distributed in October** (October 5, 2016) – The provincial government reminds eligible New Brunswickers they will receive their first provincial HST credit payment this month. Eligible recipients will get credits for the period of July through December in a single payment in October. Payments will return to a quarterly basis beginning in January 2017.

## LEGISLATION

### STATUTES

The following statutes have been proposed since the last release:

- Bill 2, *An Act to Repeal An Act to Comply with the Request of The City of Saint John on Taxation of the LNG Terminal*, received First Reading on November 3, 2016.
- Bill 3, *An Act Respecting Government Reorganization*, received First Reading on November 3, 2016.
- Bill 9, *An Act to Amend the New Brunswick Income Tax Act*, received First Reading on November 10, 2016.

## REGULATIONS

The following regulation under *An Act to Repeal An Act to Comply with the Request of The City of Saint John on Taxation of the LNG Terminal* has been repealed since the last release:

- N.B. Reg. 2006-12, the *General Regulation*, repealed by Bill 2, to come into force upon Royal Assent.

## NEWFOUNDLAND & LABRADOR

### GOVERNMENT DOCUMENTS

#### NEWS RELEASES & ANNOUNCEMENTS

**Minister Joyce Introduces Amendments to *Municipalities Act*** (November 22, 2016) - Legislative amendments to the *Municipalities Act, 1999* received second reading in the House of Assembly on November 21. These amendments provide local service districts with the ability to implement civic addressing and to provide greater flexibility for municipalities to dispose of property.

**DBRS Confirms Province's Credit Rating** (November 14, 2016) - The Honourable Cathy Bennett, Minister of Finance and President of Treasury Board, announced on November 14 that DBRS has confirmed the province's credit rating at A (low). The rating confirmation is based upon DBRS's view that credible action is being taken by government to address the province's fiscal situation.

**Auditor General Says Provincial Deficits Still Not Sustainable** (November 8, 2016) - In his Report on the audit of the financial statements of the Province of Newfoundland and Labrador, delivered to the Speaker of the House of Assembly today in St. John's, Auditor General Terry Paddon continued to express concerns regarding the Province's ability to sustain the level of unprecedented deficits forecast in Budget 2016.

**Province Releases Fall Fiscal and Economic Update** (October 27 2016) - The Honourable Cathy Bennett, Minister of Finance and President of Treasury Board, released the province's 2016-17 Mid-Year Fiscal and Economic Update on October 27, 2016. The Provincial Government remains committed to the fiscal targets set in Budget 2016, exceeding the target for the 2016/17 deficit and maintaining its commitment to return to surplus in 2022/23.

**Provincial Government Releases 2015-16 Public Accounts** (October 19, 2016) - The 2015-16 Public Accounts, the audited financial statements of the province for the fiscal year ended March 31, 2016, released on October 19 confirm that the deficit for the 2015-16 fiscal year was \$2.2 billion, which is \$1.1 billion higher than the original forecasted deficit for that year.

**The Department of Finance Annual Report 2015-16 - Fiscal Year Ending March 31, 2016** (October 7, 2016) - The financial activities of the Department of Finance for fiscal year ending March 31, 2016 showed gross expenditures of \$143,218,100 offset by related revenues of \$7,659,900 for a net expenditure (current and capital) of \$135,558,200.

**Residents to Receive First Payment of the Newfoundland and Labrador Income Supplement** (October 6, 2016) - To support low income seniors, individuals, families and persons with disabilities, the first payment for the new Newfoundland and Labrador Income Supplement, as well as the enhanced Newfoundland and Labrador Seniors' Benefit, will be issued this week. These programs are part of a \$76.4 million investment in Budget 2016.

## LEGISLATION

### REGULATIONS

The following regulation under the *Income Tax Act, 2000* has been repealed since the last release:

- Nfld. Reg. 32/08, the *Home Heating Tax Credit Program Regulations*, repealed by Nfld. 33/16, in force on October 1, 2016.

## NORTHWEST TERRITORIES

### GOVERNMENT DOCUMENTS

#### NEWS RELEASES & ANNOUNCEMENTS

**Fiscal Update - October 2016** (October 14, 2016) - The Hon. Robert C. McLeod released a Fiscal Update on October 14, 2016: "The current fiscal projections have revenues expected to grow 1.7 per cent annually while expenditure management results in an average annual spending growth of 1.1 per cent over the same the period. This reverses the trend in the February 2016 Fiscal Update, where spending was projected to outpace revenue."



## NOVA SCOTIA

### GOVERNMENT DOCUMENTS

### NEWS RELEASES & ANNOUNCEMENTS

**Nova Scotia Reaches Climate Change Agreement** (November 21, 2016) - Nova Scotia has reached an agreement-in-principle with the federal government that will protect Nova Scotians' pocketbooks and build upon the province's position as a leader in reducing greenhouse gas (GHG) emissions. Premier Stephen McNeil and federal Environment and Climate Change Minister Catherine McKenna announced the successful negotiations today, Nov. 21. The agreement will allow Nova Scotia to develop a Nova Scotia approach that recognizes the province's leadership on reducing GHGs. Nova Scotia currently leads all provinces in cutting GHGs and has already reached the federal 2030 reduction target.

**Commercial Tax Flexibility for Halifax Regional Municipality** (November 3, 2016) - Bill 62, will allow the Halifax Regional Municipality to set different commercial property tax rates in designated zones. The bill will amend the *Halifax Regional Municipality Charter Act*, giving council the authority to designate zones in which different tax rates can be set and applied to assessed property value or street frontage of properties

**Minister Morneau Meets with Nova Scotia Finance Minister Randy Delorey to Discuss Shared Priorities** (October 14, 2016) - On October 14, 2016, Minister of Finance Bill Morneau met with Nova Scotia Finance Minister Randy Delorey to discuss the recent enhancement to the Canada Pension Plan (CPP), and to advance other shared priorities in the spirit of openness and collaboration that was the foundation for a stronger CPP.

**Throne Speech Outlines Progressive Plan for a Stronger Nova Scotia** (October 13, 2016) – The McNeil government outlined a progressive plan for a stronger Nova Scotia on October 13, during the opening of the Third Session of the 62nd General Assembly of the Nova Scotia Legislature. New items in the Speech from the Throne include additional investments to further reduce wait lists for affordable housing; expanding the Graduate to Opportunity program; launching a down payment assistance program for first-time home buyers— enabling departments to purchase from small- and medium-sized businesses that need early stage customers; and creating Research Nova Scotia to better align research, and leverage funds from federal and private partners.

**October 2016 Financial Report Released** (October 12, 2016) - A clean audit opinion by the auditor general on the Government of Nova Scotia's March 31, 2016, financial statements shows the province had better financial results in 2016. Nova Scotians should look to five-year trends to understand the financial position of the province.

**Nova Scotians to Have Easier Access to Heating Assistance** (October 11, 2016) - Government is making changes to the Heating Assistance Rebate Program that will make it easier and faster for Nova Scotians to apply for and receive their rebate. The 2016-17 program will begin accepting applications on Monday, Oct. 31 and feature a new online application system and direct deposit option. Eligible applicants can receive up to a \$200 rebate for heating assistance.

## LEGISLATION

### STATUTES

The following statute has been enacted since the last release:

- S.N.S. 2016, c. 25, *An Act to Amend Chapter 18 of the Acts of 1998, the Municipal Government Act and Chapter 39 of the Acts of 2008, the Halifax Regional Municipality Charter*, received Royal Assent on November 10, 2016.

## NUNAVUT

### GOVERNMENT DOCUMENTS

#### NEWS RELEASES & ANNOUNCEMENTS

**Premier Taptuna Reacts to Imposed Carbon Price** (October 6, 2016) - Premier Peter Taptuna released the following statement: “The Prime Minister’s announcement of an imposed national tax on carbon could negatively affect the northern economy. The geographic remoteness and harsh winter climate of Nunavut force high transportation and energy costs on Nunavummiut. A price on carbon would likely inflict substantial costs on the people of Nunavut, yet achieve little reduction of greenhouse gas (GHG) emissions. However, we have been assured by the Prime Minister and federal Environment Minister that the unique nature of the North will be taken into account, and we await those details. Nunavut’s GHG emissions account for only 0.1 per cent of Canada’s total emissions. Nunavut’s GHG emissions as of 2012-2013 were 700,000 tons”.

## LEGISLATION

### STATUTES

The following statute has been proposed since the last release:

- Bill 29, *An Act to Amend the Motor Vehicles Act*, received First Reading on November 7, 2016.

## ONTARIO

### GOVERNMENT DOCUMENTS

### NEWS RELEASES & ANNOUNCEMENTS

**Livestock Producers in Three Provinces Receive Tax Relief for 2016** (November 22, 2016) - Minister of Agriculture and Agri-Food, Lawrence MacAulay has designated regions in Alberta, Ontario and Quebec where livestock tax deferrals have been authorized for 2016 due to drought.

**Province Introduces Legislation to Build Ontario Up for Everyone** (November 16, 2016) - On November 16, 2016, Minister of Finance Charles Sousa introduced the *Building Ontario Up For Everyone Act (Budget Measures), 2016*. If passed, the proposed changes would support the government's plan to help people in their everyday lives while following its path to a balanced budget next year and the year after.

**Ontario Taking Next Step in Implementing Cap and Trade Program** (November 15, 2016) - Minister of the Environment and Climate Change Glen Murray at the United Nations' 22nd Climate Change Conference of the Parties in Morocco announced consultations on its Offsets Credits Regulatory Proposal, which would help Ontario companies meet part of their compliance obligations to lower greenhouse gas emissions with offsets credits.

**Ontario Helping First-time Homebuyers** (November 14, 2016) - Ontario will help more people purchase their first home through a proposal to double the maximum Land Transfer Tax refund for eligible first-time homebuyers to \$4,000. The proposed increase is detailed in the 2016 Ontario Economic Outlook and Fiscal Review presented on November 14, 2016, by Finance Minister Charles Sousa. The increase would be effective January 1, 2017 and mean that eligible homebuyers in Ontario would pay no Land Transfer Tax on the first \$368,000 of the cost of their first home.

**Ontario Passes Legislation to Reduce Electricity Costs for Families and Businesses** (October 19, 2016) - On October 19, 2016, Ontario passed legislation that will rebate the provincial portion of the HST from electricity bills as of January 1, 2017. The *Ontario Rebate for Electricity Consumers Act, 2016* will reduce electricity costs by 8 per cent on the amount before tax, an average savings of about \$130 annually or \$11 each month, for about five million residential consumers, farms and small businesses. Eligible rural electricity ratepayers will receive additional relief, decreasing total electricity bills by an average of \$540 a year or \$45 each month. Commercial, institutional and industrial ratepayers would also benefit from up to 34 per cent lower electricity costs through the expansion of the Industrial Conservation Initiative.

**Last Year's Ontario Deficit \$3.5 Billion Lower Than Projected** (October 7, 2016) - Ontario's Annual Report and unaudited Consolidated Financial Statements for 2015-16 show Ontario's deficit is \$3.5 billion lower than the \$8.5 billion projected in the 2015 Budget, with the province's deficit for 2015-16 at \$5 billion. This is \$0.7 billion lower than the \$5.7 billion in the 2016 Budget interim projection.

**Ontario Increasing Minimum Wage** (October 1, 2016) - As part of its balanced plan to build Ontario up and help people in their everyday lives, Ontario raised the general minimum wage from \$11.25 to \$11.40 on October 1, 2016 - the third consecutive year it has increased.

## LEGISLATION

### STATUTES

The following statutes have been proposed since the last release:

- Bill 28, the *All Families Are Equal Act (Parentage and Related Registrations Statute Law Amendment), 2016*, received First Reading on September 29, 2016.
- Bill 59, the *Putting Consumers First Act (Consumer Protection Statute Law Amendment), 2016*, received First Reading on November 3, 2016.
- Bill 68, the *Modernizing Ontario's Municipal Legislation Act, 2016*, received First Reading on November 16, 2016.
- Bill 70, the *Building Ontario Up for Everyone Act (Budget Measures), 2016*, received First Reading on November 16, 2016.

### REGULATIONS

The following regulation under the *Assessment Act* has been amended since the last release:

- O. Reg. 282/98, the *General Regulation*, a French version is added and s. 3 and subsecs. 3(1), 3(2), 8(3), 25(3), 48.3(14) and cl. 8(4.1)(d) are amended by O. Reg. 325/16, in force on September 29, 2016.

The following regulation under the *Business Regulation Reform Act, 1994* has been amended since the last release:

- O. Reg. 442/95, the *General Regulation*, ss. 1 and 2 and subsecs. 8(1), 8(2) and 8(4) are amended by O. Reg. 311/16, in force on September 16, 2016.

## PRINCE EDWARD ISLAND

### GOVERNMENT DOCUMENTS

#### NEWS RELEASES & ANNOUNCEMENTS

The **provincial HST rate increased** by 1% to 15% effective October 1, 2016.

**Second Quarter Forecast 2016-2017** (November 23, 2016) - The Second Quarter Forecast indicates that the Deficit is expected to be \$7.9 million, a \$1.7 million improvement from the Budgeted Deficit of \$9.6 million. The improvement is a result of increases in personal and corporate income tax, as well as, Federal Disaster Relief Funding, which were offset by expenditure increases in: Economic Development and Tourism, Education, Early Learning and Culture, Family and Human Services, Health PEI, Transportation, Infrastructure and Energy, and Workforce and Advanced Learning.

**Standard and Poors Maintains Prince Edward Island's Bond Rating** (October 24, 2016) - Standard and Poors has reaffirmed Prince Edward Island's bond rating as stable (confirming its long-term credit rating as A and its short-term rating as A-1), based on strong financial management and improving budgetary performance.

**Disclosures under the *Financial Administration Act*** (October 22, 2016) - On October 22, the PEI Government proclaimed amendments to the *Financial Administration Act* as part of its ongoing commitment to enhance transparency and accountability. The Auditor General's 2015 report included 10 recommendations in regards to government lending, which have all been acted upon. The recommendations included that Government "should clarify the authorization requirements for write-offs and cancellations of amounts owing to the province." Government acted on this recommendation through the changes to the *Financial Administration Act* that state that the authority for both write-offs and cancellations is reserved for the Lieutenant Governor in Council. Further, the amendments provide clarity regarding public disclosure:

- The name, address and amount of debt written-off or cancelled will be disclosed by an Order-in-Council, except for:
  - Those under the *Social Assistance Act*, *Student Financial Assistance Act*, and *Long-Term Care Subsidization Act*; and

Those who owe not more than \$25,000.

## LEGISLATION STATUTES

The following statutes have been proposed since the last release:

- Bill 42, the *An Act to Amend the Premium Tax Act*, received First Reading on November 16, 2016.
- Bill 46, the *Community Development Equity Tax Credit Act and the Fire Prevention Act*, received First Reading on November 16, 2016.

## QUEBEC

### GOVERNMENT DOCUMENTS NEWS RELEASES & ANNOUNCEMENTS

**Temporary Maintenance of the Increased Rate of the Tax Credit for the Acquisition of Shares in Fondation** (November 22, 2016) - In the Budget Speech delivered on March 17, 2016, the Minister of Finance of Québec announced that the rate of the tax credit would be maintained at 20% for any eligible share acquired after May 31, 2016, and before June 1, 2018. Accordingly, for 2017, if an employee has authorized you to withhold an amount from his or her pay for the purchase of shares issued by Fondation, you must use the 20% rate to calculate the amount of income tax to withhold.

**The Québec Education Savings Incentive (QESI)** (November 21, 2016) - A refundable tax credit designed to help Québec families save for their children's post-secondary studies, the QESI is paid directly into a registered education savings plan (RESP) and can reach up to \$3,600 per child. Generally speaking, the QESI is equal to 10% of the net contributions made during the year, up to a maximum of \$250, plus an additional amount that may be added based on your family income. Even if you are not related, you can contribute to a child's RESP and have him or her benefit from the QESI. The RESP trustee (or the trustee's mandatary) will file the application with us on your behalf. Simply contact a financial institution or other RESP provider that offers the QESI.

**Contribution Related to Labour Standards** (November 16, 2016) - Effective January 1, 2017, the rate applicable to remuneration subject to the contribution related to labour standards (formerly the “contribution to the financing of the CNT”) is reduced from 0.08% to 0.07%. Also, for 2017, the portion of the remuneration in excess of \$72,500 (instead of \$71,500) is not subject to the contribution related to labour standards

**The Québec Economic Plan – October 2016 Update** (October 25, 2016) - On October 25, 2016, Minister of Finance Carlos Leitão presented an update of the Québec Economic Plan that confirms that the budget will remain balanced in 2016-2017 and in years to come. In addition, the Report announces additional investments of \$2.2 billion to strengthen the funding of public services. The government is also eliminating the health contribution ahead of schedule, on January 1, 2017. Consolidated expenditure will grow by 3.8% in 2016-2017 and 2.3% in 2017-2018. For the same two years, revenue will grow by 2.2% and 2.7%, respectively.

**Application of the Tax on Lodging in the Eeyou Istchee Tourist Region** (October 19, 2016) – Further to a request submitted by the RTA of Eeyou Istchee, the tax on lodging of 3.5% of the price of each overnight stay will apply in this tourist region as of January 1, 2017.

**Monthly Report on Financial Transactions at July 31, 2016** (October 11, 2016) – In July, the budgetary balance within the meaning of the *Balanced Budget Act* showed a surplus of \$425 million. The balance takes into account the deposit of \$164 million in the Generations Fund.

## LEGISLATION

### STATUTES

The following statutes have been proposed since the last release:

- Bill 112, *An Act to give effect mainly to fiscal measures announced in the Budget Speech delivered on 17 March 2016*, received First Reading November 15, 2016.
- Bill 115, *An Act to combat maltreatment of seniors and other persons of full age in vulnerable situations*, received First Reading on October 19, 2016.
- Bill 116, *An Act to transfer the activities of the enterprise registrar to the Ministère du Travail, de l'Emploi et de la Solidarité sociale*, received First Reading on November 9, 2016.

## SASKATCHEWAN

### GOVERNMENT DOCUMENTS

#### NEWS RELEASES & ANNOUNCEMENTS

**Falling Tax Revenue Increases Deficit** (November 22, 2016) - A \$400 million drop in provincial tax revenue has pushed the forecast deficit to \$806 million, according to the 2016-17 Mid-Year Financial Report released on November 22 by Finance Minister Kevin Doherty.

**Premier Wall's Statement Regarding the Prime Minister's Announcement to Impose a Carbon Tax** (October 3, 2016) - On October 3, 2016 Premier Brad Wall strongly indicated his government's opposition to Prime Minister Trudeau's federally-mandated carbon tax initiative: “The bottom line is that the Saskatchewan economy – already hurting from a downturn in commodity prices - will be

one of the hardest hit by a new federal carbon tax because of our trade-exposed resource industries. The carbon tax will siphon over \$2.5 billion from Saskatchewan's economy when fully implemented and make our province a less competitive place to do business... In the coming weeks, Saskatchewan will investigate all options to mitigate the impact of one of the largest national tax increases in Canadian history."

## LEGISLATION

### STATUTES

The following statutes have been proposed since the last release:

- Bill 40, *The Interpretation Amendment Act, 2016*, received First Reading October 26, 2016.

### REGULATIONS

The following regulation under *The Crown Minerals Act* has been added since the last release:

- R.R.S., c. C-50.2, Reg. 31, *The Oil and Gas Tenure Registry Regulations*, in force on October 27, 2016.

The following regulation under *The Liquor Consumption Act* has been amended since the last release:

- R.R.S., c. L-19.1, Reg. 2, *The Liquor Consumption Tax Regulations*, ss. 2, 2.1, 3, 4 and 6. amended by Sask. Reg. 78/2016, in force on October 9, 2016.

The following regulation under *The Municipalities Act* has been amended since the last release:

- R.R.S., c. M-36.1, Reg. 1, *The Municipalities Regulations*, ss 3.1 and 3.2 added and the Appendix amended by Sask. Reg. 80/2016, in force on October 26, 2016.

The following regulation under the *The Northern Municipalities Act, 2010* has been amended since the last release:

- R.R.S., c. N-5.2, Reg. 1, *The Northern Municipalities Regulations*, ss, 3.1 and 3.2 added and the Appendix amended by Sask. Reg. 81/2016, in force on October, 26 2016.

The following regulation under the *The Provincial Sales Tax Act* has been amended since the last release:

- R.R.S., c. E-3, Reg. 1, *The Provincial Sales Tax Act Regulations*, s. 18.2 added by Sask. Reg. 82/2016, in force on September 1, 2016.

The following regulation under the *The Revenue and Financial Services Act* has been amended since the last release:

- R.R.S., c. R-22.01, Reg. 2, *The Revenue Collection Administration Regulations*, ss. 41 and 43 amended by Sask. Reg. 77/2016, in force on October 9, 2016.

## YUKON

### GOVERNMENT DOCUMENTS

### NEWS RELEASES & ANNOUNCEMENTS

The Liberal Party defeated Premier Darrell Pasloski's Yukon Party government in the **territorial election** of November 7, 2016 making Liberal Leader Sandy Silver Premier-Designate. Silver and his cabinet will be sworn-in at a date to be determined.

**Pasloski Government Maintains Firm Stance Against Federal Carbon Tax** (October 6, 2016) – Premeir Pasloski said the Government of Yukon will continue to stand up against the imposition of a carbon tax on Yukoners. "A carbon tax in Yukon will be bad for Yukon and for Yukon families. The North already has a higher cost of living than in the rest of Canada. Most food must be trucked or flown in; Yukoners have no choice but to heat their homes throughout our long cold winters; and most people do not have the option to use public transit to get to work or buy groceries. Here in Yukon, a carbon tax would only increase the cost of living for families without addressing emissions".