

BILL

No. 1

An Act to amend *The Income Tax Act, 2000* and to make related amendments to other Acts

(Assented to _____)

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows:

PART 1 Preliminary Matters

Short title

1 This Act may be cited as *The Saskatchewan Affordability Act*.

PART 2 Amendments to *The Income Tax Act, 2000*

SS 2000, c I-2.01 amended

2 *The Income Tax Act, 2000* is amended in the manner set forth in this Part.

Section 11 amended

3(1) Subsection 11(2) is amended by striking out “and subsequent” and substituting “through 2024”.

(2) The following subsections are added after subsection 11(2):

“(3) For the purpose of computing the tax payable pursuant to this Act for the taxation years 2025 through 2028 by an individual, there may be deducted a basic personal credit in the amount A determined in accordance with the following formula:

(a) for the 2025 taxation year:

$$A = AP \times TCA$$

where:

AP is the appropriate percentage for the taxation year; and

TCA is \$19,491;

(b) for the 2026 taxation year:

$$A = AP \times [TCA \times (1 + F) + \$500]$$

where:

AP is the appropriate percentage for the taxation year;

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TCA is the amount for that variable as determined in accordance with clause (a); and

F is the adjustment factor as calculated pursuant to subsection 51(3);

(c) for the 2027 taxation year:

$$A = AP \times [TCA \times (1 + F) + \$500]$$

where:

AP is the appropriate percentage for the taxation year;

TCA is the amount for that variable as determined in accordance with clause (b); and

F is the adjustment factor as calculated pursuant to subsection 51(3);

(d) for the 2028 taxation year:

$$A = AP \times [TCA \times (1 + F) + \$500]$$

where:

AP is the appropriate percentage for the taxation year;

TCA is the amount for that variable as determined in accordance with clause (c); and

F is the adjustment factor as calculated pursuant to subsection 51(3).

“(4) For the purpose of computing the tax payable pursuant to this Act for the 2029 and subsequent taxation years by an individual, there may be deducted a basic personal credit in the amount A determined in accordance with the following formula:

$$A = AP \times [TCA \times (1 + F)]$$

where:

AP is the appropriate percentage for the taxation year;

TCA is the amount for that variable as determined in accordance with clause (3)(d); and

F is the adjustment factor as calculated pursuant to subsection 51(3)”.

Section 12 amended

4(1) Subsection 12(2) is amended by striking out “and subsequent” and substituting “through 2024”.

(2) The following subsections are added after subsection 12(2):

“(3) For the purpose of computing the tax payable pursuant to this Act for the 2025 through 2028 taxation years by an individual described in paragraph (a) of the description of B in subsection 118(1) of the federal Act, there may be deducted a spousal credit in an amount B determined in accordance with the following formula:

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(a) for the 2025 taxation year:

$$B = AP \times TCA$$

where:

AP is the appropriate percentage for the taxation year; and

$$TCA \text{ is } \left[\$19,491 - (\text{SI} - \$1,949) \right]$$

where SI is the greater of:

- (i) \$1,949; and
- (ii) either:
 - (A) the income for the year of the individual's spouse or common-law partner; or
 - (B) where the individual and the individual's spouse or common-law partner are living separate and apart at the end of the taxation year because of a breakdown of the marriage or common-law partnership, the income for the year of the spouse or common-law partner while married or in the common-law partnership and not so separated;

(b) for the 2026 taxation year:

AP is the appropriate percentage for the taxation year; and

$$TCA \text{ is } \left[\text{SIT} \times (1 + F) + \$500 \right] - \left\{ \text{SI} - 0.1 \times \left[\text{SIT} \times (1 + F) + \$500 \right] \right\}$$

where:

SIT is the amount of the variable TCA calculated in accordance with clause (a);

F is the adjustment factor as calculated pursuant to subsection 51(3); and

SI is the greater of:

- (i) $0.1 \times \left[\text{SIT} \times (1 + F) + \$500 \right]$; and
- (ii) either:
 - (A) the income for the year of the individual's spouse or common-law partner; or
 - (B) where the individual and the individual's spouse or common-law partner are living separate and apart at the end of the taxation year because of a breakdown of the marriage or common-law partnership, the income for the year of the spouse or common-law partner while married or in the common-law partnership and not so separated;

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(c) for the 2027 taxation year:

AP is the appropriate percentage for the taxation year; and

TCA is $\left[\text{SIT} \times (1 + F) + \$500 \right] - \left\{ \text{SI} - 0.1 \times \left[\text{SIT} \times (1 + F) + \$500 \right] \right\}$

where:

SIT is the amount of the variable TCA calculated in accordance with clause (b);

F is the adjustment factor as calculated pursuant to subsection 51(3); and

SI is the greater of:

(i) $0.1 \times \left[\text{SIT} \times (1 + F) + \$500 \right]$; and

(ii) either:

(A) the income for the year of the individual's spouse or common-law partner; or

(B) where the individual and the individual's spouse or common-law partner are living separate and apart at the end of the taxation year because of a breakdown of the marriage or common-law partnership, the income for the year of the spouse or common-law partner while married or in the common-law partnership and not so separated;

(d) for the 2028 taxation year:

AP is the appropriate percentage for the taxation year; and

TCA is $\left[\text{SIT} \times (1 + F) + \$500 \right] - \left\{ \text{SI} - 0.1 \times \left[\text{SIT} \times (1 + F) + \$500 \right] \right\}$

where:

SIT is the amount of the variable TCA calculated in accordance with clause (c);

F is the adjustment factor as calculated pursuant to subsection 51(3); and

SI is the greater of:

(i) $0.1 \times \left[\text{SIT} \times (1 + F) + \$500 \right]$; and

(ii) either:

(A) the income for the year of the individual's spouse or common-law partner; or

(B) where the individual and the individual's spouse or common-law partner are living separate and apart at the end of the taxation year because of a breakdown of the marriage or common-law partnership, the income for the year of the spouse or common-law partner while married or in the common-law partnership and not so separated.

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“(4) For the purpose of computing the tax payable pursuant to this Act for the 2029 taxation year by an individual described in paragraph (a) of the description of B in subsection 118(1) of the federal Act, there may be deducted a spousal credit in an amount B determined in accordance with the following formula:

$$B = AP \times TCA$$

where:

AP is the appropriate percentage for the taxation year; and

$$TCA \text{ is } [SIT \times (1 + F)] - \{SI - 0.1 \times [SIT \times (1 + F)]\}$$

where:

SIT is the amount of the variable SIT calculated in accordance with clause (3)(d);

F is the adjustment factor as calculated pursuant to subsection 51(3); and

SI is the greater of:

- (a) $0.1 \times SIT$; and
- (b) either:
 - (i) the income for the year of the individual’s spouse or common-law partner; or
 - (ii) where the individual and the individual’s spouse or common-law partner are living separate and apart at the end of the taxation year because of a breakdown of the marriage or common-law partnership, the income for the year of the spouse or common-law partner while married or in the common-law partnership and not so separated.

“(5) For the 2030 and subsequent taxation years, the formula set out in subsection (4) applies subject to the dollar amounts and the description of SI being adjusted in accordance with subsection 51(3)”.

Section 13 amended

5(1) Subsection 13(2) is amended by striking out “and subsequent” and substituting “through 2024”.

(2) The following subsections are added after subsection 13(2):

“(3) For the purpose of computing the tax payable pursuant to this Act for the taxation years 2025 through 2028 by an individual described in paragraph (b) of the description of B in subsection 118(1) of the federal Act who does not claim a spousal credit pursuant to section 12 of this Act for the taxation year, there may be deducted an equivalent-to-spouse credit in an amount C determined in accordance with the following formula:

(a) for the 2025 taxation year:

$$C = AP \times TCA$$

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where:

AP is the appropriate percentage for the taxation year; and

TCA is $\$19,491 - (EI - \$1,949)$

where EI is the greater of:

- (i) \$1,949; and
- (ii) the income for the year of the person with respect to whom the equivalent-to-spouse credit is being claimed;

(b) for the 2026 taxation year:

$$C = AP \times TCA$$

where:

AP is the appropriate percentage for the taxation year; and

TCA is $[SIT \times (1 + F) + \$500] - \{EI - 0.1 \times [SIT \times (1 + F) + \$500]\}$

where:

SIT is the amount of the variable TCA calculated in accordance with clause (a);

F is the adjustment factor as calculated pursuant to subsection 51(3); and

EI is the greater of:

- (i) $0.1 \times SIT$; and
- (ii) the income for the year of the person with respect to whom the equivalent-to-spouse credit is being claimed;

(c) for the 2027 taxation year:

$$C = AP \times TCA$$

where:

AP is the appropriate percentage for the taxation year; and

TCA is $[SIT \times (1 + F) + \$500] - \{EI - 0.1 \times [SIT \times (1 + F) + \$500]\}$

where:

SIT is the amount of the variable TCA calculated in accordance with clause (b);

F is the adjustment factor as calculated pursuant to subsection 51(3); and

EI is the greater of:

- (i) $0.1 \times SIT$; and
- (ii) the income for the year of the person with respect to whom the equivalent-to-spouse credit is being claimed;

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(d) for the 2028 taxation year:

$$C = AP \times TCA$$

where:

AP is the appropriate percentage for the taxation year; and

$$TCA \text{ is } [SIT \times (1 + F) + \$500] - \{EI - 0.1 \times [SIT \times (1 + F) + \$500]\}$$

where:

SIT is the amount of the variable TCA calculated in accordance with clause (c);

F is the adjustment factor as calculated pursuant to subsection 51(3); and

EI is the greater of:

- (i) $0.1 \times SIT$; and
- (ii) the income for the year of the person with respect to whom the equivalent-to-spouse credit is being claimed.

“(4) For the purpose of computing the tax payable pursuant to this Act for the 2029 taxation year by an individual described in paragraph (b) of the description of B in subsection 118(1) of the federal Act who does not claim a spousal credit pursuant to section 12 of this Act for the taxation year, there may be deducted an equivalent-to-spouse credit in an amount C determined in accordance with the following formula:

$$C = AP \times TCA$$

where:

AP is the appropriate percentage for the taxation year; and

$$TCA \text{ is } [SIT \times (1 + F)] - \{EI - 0.1 \times [SIT \times (1 + F)]\}$$

where:

SIT is the amount of the variable SIT calculated in accordance with clause (3)(d);

F is the adjustment factor as calculated pursuant to subsection 51(3); and

EI is the greater of:

- (a) $0.1 \times SIT$; and
- (b) the income for the year of the person with respect to whom the equivalent-to-spouse credit is being claimed.

“(5) For the 2030 and subsequent taxation years, the formula set out in subsection (4) applies subject to the dollar amounts and the description of EI being adjusted in accordance with subsection 51(3)”.

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Section 14 amended

6(1) Subsection 14(2) is amended by striking out “and subsequent” and substituting “through 2024”.

(2) The following subsections are added after subsection 14(2):

“(3) For the purpose of computing the tax payable pursuant to this Act for the 2025 taxation year, there may be deducted an in-home care of relative credit by an individual who, alone or jointly with one or more persons, maintains a self-contained domestic establishment that is the ordinary place of residence of the individual and of a particular person:

- (a) who has attained the age of 18 years before the end of the taxation year;
- (b) who is:
 - (i) the individual’s child or grandchild; or
 - (ii) resident in Canada and is the parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the individual or of the individual’s spouse or common-law partner; and
- (c) who is:
 - (i) the individual’s parent or grandparent and has attained the age of 65 years before the end of the taxation year; or
 - (ii) dependent on the individual because of the particular person’s mental or physical infirmity;

in an amount D calculated in accordance with the following formula:

$$D = AP \times TCA$$

where:

AP is the appropriate percentage for the taxation year; and

TCA is $(\$13,986 + \$19,108) - PI$

where PI is the greater of:

- (A) \$19,108; and
- (B) the particular person’s income for the year.

“(4) For the 2026 and subsequent taxation years, the formula set out in subsection (3) applies subject to the dollar amounts and the description of PI being adjusted in accordance with subsection 51(3)”.

Section 15 amended

7(1) Subsection 15(2) is amended by striking out “and subsequent” and substituting “through 2024”.

(2) The following subsections are added after subsection 15(2):

“(3) For the purpose of computing the tax payable pursuant to this Act for the 2025 taxation year, there may be deducted an infirm dependant credit by an individual with respect to each dependant of the individual who:

- (a) attained the age of 18 years before the end of the taxation year; and

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(b) was dependent on the individual because of the dependant's mental or physical infirmity;

in an amount E calculated in accordance with the following formula:

$$E = AP \times TCA$$

where:

AP is the appropriate percentage for the taxation year; and

TCA is $(\$13,986 + \$7,938) - DI$

where DI is \$7,938 or the dependant's income for the year, whichever amount is greater.

“(4) For the 2026 and subsequent taxation years, the formula set out in subsection (3) applies subject to the dollar amounts and the description of DI being adjusted in accordance with subsection 51(3)”.

Section 19 amended

8(1) Subsection 19(1.01) is amended by striking out “and subsequent” and substituting “through 2024”.

(2) The following subsections are added after subsection 19(3):

“(4) Subject to subsections (1.1), (2) and (3), for the purpose of computing the tax payable pursuant to this Act for the taxation years 2025 through 2028 by an individual who is resident in Saskatchewan on the last day of the taxation year, there may be deducted a dependent child credit in an amount I determined in accordance with the following formula:

(a) for the 2025 taxation year:

$$I = AP \times Y \times QD$$

where:

AP is the appropriate percentage for the taxation year;

Y is \$7,704; and

QD is the number of children to whom subsection (2) applies;

(b) for the 2026 taxation year:

$$I = AP \times (Y \times QD)$$

where:

AP is the appropriate percentage for the taxation year;

Y is $[\$7,704 \times (1 + F)] + \500

where F is the adjustment factor as calculated pursuant to subsection 51(3); and

QD is the number of children to whom subsection (2) applies;

(c) for the 2027 taxation year:

$$I = AP \times \{ [Y \times (1 + F) + \$500] \times QD \}$$

where:

AP is the appropriate percentage for the taxation year;

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Y is the amount for that variable as determined in accordance with clause (b);

F is the adjustment factor as calculated pursuant to subsection 51(3); and

QD is the number of children to whom subsection (2) applies;

(d) for the 2028 taxation year:

$$I = AP \times \{ [Y \times (1 + F) + \$500] \times QD \}$$

where:

AP is the appropriate percentage for the taxation year;

Y is the amount for that variable as determined in accordance with clause (c);

F is the adjustment factor as calculated pursuant to subsection 51(3); and

QD is the number of children to whom subsection (2) applies.

“(5) Subject to subsections (1.1), (2) and (3), for the purpose of computing the tax payable pursuant to this Act for the 2029 and subsequent taxation years by an individual who is resident in Saskatchewan on the last day of the taxation year, there may be deducted a dependent child credit in an amount I determined in accordance with the following formula:

$$I = AP \times \{ [Y \times (1 + F)] \times QD \}$$

where:

AP is the appropriate percentage for the taxation year;

Y is the amount for that variable as determined in accordance with clause (4)(d); and

QD is the number of children to whom subsection (2) applies.

“(6) For the 2030 and subsequent taxation years, the formula set out in subsection (5) applies subject to the dollar amount in Y being adjusted in accordance with subsection 51(3)”.

New section 19.12

9 The following section is added after section 19.11:

“Home renovation tax credit – 2025 and subsequent taxation years

19.12(1) In this section:

- (a) **‘eligible dwelling’** means, with respect to an individual, an eligible dwelling as defined in section 118.04 of the federal Act, as that section read for the 2009 taxation year, that is the principal residence as defined in section 54 of the federal Act;
- (b) **‘eligible period’** means the period commencing on October 1, 2024;
- (c) **‘individual’** does not include a trust;

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(d) **‘qualifying expenditure’** means a qualifying expenditure as defined in section 118.04 of the federal Act, as that section read for the 2009 taxation year, that was made during the eligible period, but does not include expenditures with respect to the following:

- (i) furniture;
- (ii) appliances;
- (iii) hot tubs;
- (iv) tools;
- (v) maintenance;
- (vi) furnace cleaning;
- (vii) snow removal;
- (viii) yard care;
- (ix) pool cleaning;
- (x) audio-visual electronics;

(e) **‘qualifying relation’** means, subject to subsection (2), a qualifying relation as defined in section 118.04 of the federal Act, as that section read for the 2009 taxation year;

(f) **‘qualifying renovation’** means a qualifying renovation as defined in section 118.04 of the federal Act, as that section read for the 2009 taxation year.

(2) In applying the definition of ‘qualifying relation’ in section 118.04 of the federal Act, as that section read for the 2009 taxation year, for the purposes of this section, for the 2025 taxation year and any subsequent taxation year, the reference to ‘2009’ is to be read as a reference to the applicable year.

(3) Subsection 118.04(2) of the federal Act, as that subsection read for the 2009 taxation year, applies for the purposes of this section.

(4) For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual for the individual’s 2025 taxation year, there may be deducted a home renovation tax credit in an amount determined by the following formula:

$$A \times (B - \$1,000)$$

where:

A is the appropriate percentage for the taxation year; and

B is, subject to subsection (6), the lesser of:

- (a) \$5,000; and
- (b) the total of all amounts, each of which is a qualifying expenditure of the individual, incurred in the period commencing on October 1, 2024 and ending on December 31, 2025.

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(5) For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual for the individual's 2026 and subsequent taxation years, there may be deducted a home renovation tax credit in an amount determined by the following formula:

$$A \times (B - \$1,000)$$

where:

A is the appropriate percentage for the taxation year; and

B is, subject to subsection (6), the lesser of:

(a) \$5,000; and

(b) the total of all amounts, each of which is a qualifying expenditure of the individual, incurred in the taxation year.

(6) If an individual mentioned in subsection (4) or (5), before the end of the applicable taxation year, attains the age of 65, the phrase 'the lesser of \$5,000' in that subsection is to be read as 'the lesser of \$6,000'.

(7) Notwithstanding anything in this Act, an amount may be included in determining both an amount pursuant to subsection (4), (5) or (6) and an amount pursuant to section 22 if that amount otherwise qualifies to be included for the purposes of those provisions.

(8) If more than one individual is entitled to a deduction pursuant to this section for a taxation year with respect to a qualifying expenditure of an individual:

(a) the total of all amounts so deductible shall not exceed the maximum amount that would be so deductible for the year by any one of those individuals with respect to the qualifying expenditure, if that individual were the only individual entitled to deduct an amount for the year pursuant to this section; and

(b) if the individuals cannot agree as to what portion of the amount each can so deduct, the minister may fix the portions".

Section 19.2 amended

10 Subsection 19.2(2) is repealed and the following substituted:

"(2) In determining the amount in the calculation pursuant to subsection 118.05(3) of the federal Act for the purposes of subsection (1), the amount in dollars to be used in subsection 118.05(3) of the federal Act is:

(a) for the taxation years up to and including 2024, \$10,000 and not the amount specified in that subsection; and

(b) for the 2025 and subsequent taxation years, \$15,000 and not the amount specified in that subsection".

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Section 20 amended

11(1) Subsection 20(1.1) is amended by striking out “and subsequent” and substituting “through 2024”.

(2) The following subsections are added after subsection 20(1.1):

“(1.2) For the purpose of computing the tax payable pursuant to this Act for the taxation years 2025 through 2028 by an individual described in subsection (2), there may be deducted a senior supplementary credit in an amount J determined in accordance with the following formula:

(a) for the 2025 taxation year:

$$J = AP \times Y$$

where:

AP is the appropriate percentage for the taxation year; and

Y is \$2,028;

(b) for the 2026 taxation year:

$$J = AP \times [Y \times (1 + F) + \$500]$$

where:

AP is the appropriate percentage for the taxation year;

Y is the amount of that variable as determined in accordance with clause (a); and

F is the adjustment factor as calculated pursuant to subsection 51(3);

(c) for the 2027 taxation year:

$$J = AP \times [Y \times (1 + F) + \$500]$$

where:

AP is the appropriate percentage for the taxation year;

Y is the amount of that variable as determined in accordance with clause (b); and

F is the adjustment factor as calculated pursuant to subsection 51(3);

(d) for the 2028 taxation year:

$$J = AP \times [Y \times (1 + F) + \$500]$$

where:

AP is the appropriate percentage for the taxation year;

Y is the amount of that variable as determined in accordance with clause (c); and

F is the adjustment factor as calculated pursuant to subsection 51(3).

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“(1.3) For the purpose of computing the tax payable pursuant to this Act for the 2029 and subsequent taxation years by an individual described in subsection (2), there may be deducted a senior supplementary credit in an amount J determined in accordance with the following formula:

$$J = AP \times [Y \times (1 + F)]$$

where:

AP is the appropriate percentage for the taxation year; and

Y is the amount of that variable as determined in accordance with clause (1.2)(d).

“(1.4) For the 2030 and subsequent taxation years, the formula set out in subsection (1.3) applies subject to the dollar amount of Y being adjusted in accordance with subsection 51(3)”.

(3) Subsection 20(2) is amended by striking out the portion preceding clause (a) and substituting the following:

“The senior supplementary credit set out in this section applies with respect to an individual.”.

Section 23 amended

12(1) Subsection 23(1.1) is amended by striking out “and subsequent” and substituting “through 2024”.

(2) Subsection 23(2.1) is amended by striking out “and subsequent” and substituting “through 2024”.

(3) The following subsections are added after subsection 23(2.1):

“(2.2) Subject to subsection (2.3), for the purpose of computing the tax payable pursuant to this Act for the 2025 taxation year by an individual who is eligible for a deduction pursuant to subsection 118.3(1) of the federal Act, there may be deducted a credit with respect to mental or physical impairment in an amount K calculated in accordance with the following formula:

$$K = AP \times \$13,986$$

where AP is the appropriate percentage for the taxation year.

“(2.3) For the 2025 taxation year, in the case of an individual who is entitled to a credit pursuant to subsection (2.2) and has not attained the age of 18 years before the end of the taxation year, the amount K calculated pursuant to subsection (2.2) is to be increased by an amount S calculated in accordance with the following formula:

$$S = AP \times TCA$$

where:

AP is the appropriate percentage for the taxation year; and

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$$\text{TCA is } \$13,986 - (C - \$3,277)$$

where C is the greater of:

- (a) \$3,277; and
- (b) the total of all amounts each of which is an amount paid in the taxation year for the care or supervision of the individual and included in computing a deduction pursuant to section 63, 64, 64.01 or 118.2 of the federal Act for the taxation year.

“(2.4) Subject to subsection (2.5), for the purpose of computing the tax payable pursuant to this Act for the 2026 and subsequent taxation years by an individual who is eligible for a deduction pursuant to subsection 118.3(1) of the federal Act, there may be deducted a credit with respect to mental or physical impairment in an amount K calculated in accordance with the following formula:

$$K = AP \times \text{TCA}$$

where:

AP is the appropriate percentage for the taxation year; and

$$\text{TCA is } \$13,986 \times (1 + F)$$

where F is the adjustment factor as calculated pursuant to subsection 51(3).

“(2.5) For the 2026 and subsequent taxation years, in the case of an individual who is entitled to a credit pursuant to subsection (2.4) and has not attained the age of 18 years before the end of the taxation year, the amount K calculated pursuant to subsection (2.4) is to be increased by an amount S calculated in accordance with the following formula:

$$S = AP \times \text{TCA}$$

where:

AP is the appropriate percentage for the taxation year; and

$$\text{TCA is } [\$13,986 \times (1 + F)] - [C - \$3,277 \times (1 + F)]$$

where:

F is the adjustment factor as calculated pursuant to subsection 51(3); and

C is the greater of:

- (a) \$3,277 adjusted for the 2026 and subsequent taxation years in accordance with subsection 51(3); and
- (b) the total of all amounts each of which is an amount paid in the taxation year for the care or supervision of the individual and included in computing a deduction pursuant to section 63, 64, 64.01 or 118.2 of the federal Act for the taxation year”.

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Section 32 amended

13 Section 32 is amended:

- (a) by adding “and” after clause (g);
- (b) in clause (h) in the portion preceding subclause (i) by adding “and subsequent taxation years” after “2024 taxation year”;
- (c) by striking out “and” after clause (i);
- (d) by repealing clause (i); and
- (e) by repealing clause (j).

Section 39 amended

14(1) The formula set out in subsection 39(4) is amended by striking out the description of the variable C and substituting the following:

“C is, subject to subsection (6.2), the amount C for the taxation year determined in accordance with subsection (6)”.

(2) Subsection 39(5.1) is amended by striking out “and subsequent” and substituting “through 2024”.**(3) The following subsections are added after subsection 39(5.1):**

“(5.2) For the purposes of subsection (4), for the 2025 through 2028 taxation years, the amount B is the total of:

- (a) for the 2025 taxation year:
 - (i) \$429;
 - (ii) \$429 where the individual has a qualified relation for the taxation year;
 - (iii) \$429 where the individual:
 - (A) has no qualified relation for the taxation year; and
 - (B) is entitled to deduct an amount for the taxation year pursuant to subsection 118(1) of the federal Act because of paragraph (b) of the description of B in that subsection with respect to a qualified dependant of the individual for the taxation year; and
 - (iv) where the individual has one or more qualified dependants for the taxation year, not including a qualified dependant with respect to whom the amount set out in subclause (iii) is included in computing the amount B for the taxation year:
 - (A) \$169 if:
 - (I) the amount set out in subclause (iii) is included in computing the amount B for the individual for the taxation year; or

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(II) the amount set out in subclause (iii) is not included in computing the amount B for the individual for the taxation year and the individual has only one qualified dependant for the taxation year; and

(B) two times the amount set out in paragraph (A) if the amount set out in subclause (iii) is not included in computing the amount B for the individual for the taxation year and the individual has two or more qualified dependants for the taxation year;

(b) for the 2026 taxation year:

(i) an amount that is equal to $[\$429 \times (1 + F)] \times 1.05$, where F is the adjustment factor as calculated pursuant to subsection 51(3);

(ii) the amount calculated in accordance with subclause (i) where the individual has a qualified relation for the taxation year;

(iii) the amount calculated in accordance with subclause (i) where the individual:

(A) has no qualified relation for the taxation year; and

(B) is entitled to deduct an amount for the taxation year pursuant to subsection 118(1) of the federal Act because of paragraph (b) of the description of B in that subsection with respect to a qualified dependant of the individual for the taxation year; and

(iv) where the individual has one or more qualified dependants for the taxation year, not including a qualified dependant with respect to whom the amount set out in subclause (iii) is included in computing the amount B for the taxation year:

(A) an amount that is equal to $[\$169 \times (1 + F)] \times 1.05$, if:

(I) the amount set out in subclause (iii) is included in computing the amount B for the individual for the taxation year; or

(II) the amount set out in subclause (iii) is not included in computing the amount B for the individual for the taxation year and the individual has only one qualified dependant for the taxation year; and

(B) two times the amount set out in paragraph (A) if the amount set out in subclause (iii) is not included in computing the amount B for the individual for the taxation year and the individual has two or more qualified dependants for the taxation year;

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- (c) for the 2027 taxation year:
- (i) an amount that is equal to the amount calculated in accordance with subclause (b)(i) multiplied by $\left[(1 + F) \times 1.05 \right]$, where F is the adjustment factor as calculated pursuant to subsection 51(3);
 - (ii) the amount calculated in accordance with subclause (i) where the individual has a qualified relation for the taxation year;
 - (iii) the amount calculated in accordance with subclause (i) where the individual:
 - (A) has no qualified relation for the taxation year; and
 - (B) is entitled to deduct an amount for the taxation year pursuant to subsection 118(1) of the federal Act because of paragraph (b) of the description of B in that subsection with respect to a qualified dependant of the individual for the taxation year; and
 - (iv) where the individual has one or more qualified dependants for the taxation year, not including a qualified dependant with respect to whom the amount set out in subclause (iii) is included in computing the amount B for the taxation year:
 - (A) an amount that is equal to the amount calculated in accordance with paragraph (b)(iv)(A) multiplied by $\left[(1 + F) \times 1.05 \right]$, where F is the adjustment factor as calculated pursuant to subsection 51(3), if:
 - (I) the amount set out in subclause (iii) is included in computing the amount B for the individual for the taxation year; or
 - (II) the amount set out in subclause (iii) is not included in computing the amount B for the individual for the taxation year and the individual has only one qualified dependant for the taxation year; and
 - (B) two times the amount set out in paragraph (A) if the amount set out in subclause (iii) is not included in computing the amount B for the individual for the taxation year and the individual has two or more qualified dependants for the taxation year;
- (d) for the 2028 taxation year:
- (i) an amount that is equal to the amount calculated in accordance with subclause (c)(i) multiplied by $\left[(1 + F) \times 1.05 \right]$, where F is the adjustment factor as calculated pursuant to subsection 51(3);
 - (ii) the amount calculated in accordance with subclause (i) where the individual has a qualified relation for the taxation year;

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(iii) the amount calculated in accordance with subclause (i) where the individual:

(A) has no qualified relation for the taxation year; and

(B) is entitled to deduct an amount for the taxation year pursuant to subsection 118(1) of the federal Act because of paragraph (b) of the description of B in that subsection with respect to a qualified dependant of the individual for the taxation year; and

(iv) where the individual has one or more qualified dependants for the taxation year, not including a qualified dependant with respect to whom the amount set out in subclause (iii) is included in computing the amount B for the taxation year:

(A) an amount that is equal to the amount calculated in accordance with paragraph (c)(iv)(A) multiplied by $\left[(1 + F) \times 1.05 \right]$, where F is the adjustment factor as calculated pursuant to subsection 51(3), if:

(I) the amount set out in subclause (iii) is included in computing the amount B for the individual for the taxation year; or

(II) the amount set out in subclause (iii) is not included in computing the amount B for the individual for the taxation year and the individual has only one qualified dependant for the taxation year; and

(B) two times the amount set out in paragraph (A) if the amount set out in subclause (iii) is not included in computing the amount B for the individual for the taxation year and the individual has two or more qualified dependants for the taxation year.

“(5.3) For the purposes of subsection (4), for the 2029 and subsequent taxation years, subsection (5.2) applies subject to the dollar amounts set out in clause (5.2)(d) being adjusted in accordance with subsection 51(5)”.

(4) Subsection 39(6.1) is amended by striking out “and subsequent” and substituting “through 2024”.

(5) The following subsections are added after subsection 39(6.1):

“(6.2) For the purposes the determination of the variable C in the formula set out in subsection (4), for the 2025 taxation year, the amount C is equal to 2.884% of the amount, if any, by which the individual’s adjusted income for that taxation year exceeds the amount D calculated in accordance with the following formula:

$$D = \$53,463 - \frac{\$429}{0.02884}$$

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“(6.3) For the purposes the determination of the variable C in the formula set out in subsection (4), for the 2026 through 2028 taxation years, the amount C is equal to the percentage prescribed in the regulations of the amount, if any, by which the individual’s adjusted income for that taxation year exceeds the amount D calculated in accordance with the following formula:

$$D = MB - \frac{L}{P}$$

where:

MB is the amount, for the taxation year, as determined by clause 8(1)(a), subject to subsection 8(2);

L is:

- (a) for the 2026 taxation year, the amount calculated in accordance with subclause (5.2)(b)(i);
- (b) for the 2027 taxation year, the amount calculated in accordance with subclause (5.2)(c)(i); and
- (c) for the 2028 taxation year, the amount calculated in accordance with subclause (5.2)(d)(i); and

P is the percentage prescribed in the regulations”.

Section 39.1 amended

15(1) Clause 39.1(1)(i) is repealed and the following substituted:

“(i) ‘**year of graduation**’, with respect to a graduate retention program eligibility certificate, means:

- (i) in the case of an individual who graduated from an eligible program in 2006 or 2007 as set out in the graduate retention program eligibility certificate, the 2008 taxation year;
- (ii) in the case of an individual who graduated from an eligible program on or after October 1, 2024 but before January 1, 2025 as set out in the graduate retention program eligibility certificate, the 2024 or 2025 taxation year, as applicable; and
- (iii) in any other case, the taxation year in which an individual graduated from an eligible program as set out in the graduate retention program eligibility certificate”.

(2) Subsection 39.1(7) is amended by striking out “\$20,000” and substituting “\$24,000”.

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Section 39.3 amended

16 Subclause 39.3(1)(c)(iii) is repealed and the following substituted:

“(iii) has an adjusted income for the taxation year as defined in clause 38(1)(a) that:

- (A) for the 2021, 2022, 2023 and 2024 taxation years, does not exceed \$60,000; and
- (B) for the 2025 and subsequent taxation years, does not exceed \$120,000”.

Section 56 amended

17 Subsection 56(2) is amended:

- (a) by adding “and” after clause (b);
- (b) in clause (c) by striking out “and ending on June 30, 2025”;
- (c) by striking out “and” after clause (c); and
- (d) by repealing clause (d).

Section 124 amended

18 The following clause is added after clause 124(f):

“(f.01) prescribing the percentage for the purpose of subsection 39(6.3)”.

PART 3
Related Amendments

SS 2021, c 3 amended

19(1) *The Active Families Benefit Act, 2021* is amended in the manner set forth in this section.

(2) Subsection 4(1) is amended in the portion preceding clause (a) by adding “for the 2021, 2022, 2023 and 2024 taxation years” after “eligible child”.

(3) The following subsections are added after subsection 4(2):

“(3) Subject to subsection (4), the active families benefit amount of an eligible individual for an eligible child for the 2025 and subsequent taxation years is the lesser of:

- (a) the total amount of eligible expenses incurred in the taxation year to enable the eligible child to participate in eligible activities; and
- (b) \$300.

“(4) If an eligible child is eligible for the disability tax credit pursuant to subsection 118.3(1) of the federal Act, the active families benefit amount of an eligible individual for the eligible child is the lesser of:

- (a) the total amount of eligible expenses incurred in the taxation year to enable the eligible child to participate in eligible activities; and
- (b) \$400”.

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SS 2008, c G-5.11 amended

20(1) *The Graduate Retention Program Act* is amended in the manner set forth in this section.

(2) Clause 2(c) is repealed and the following substituted:

“(c) ‘**graduate retention program maximum**’, with respect to an eligible program, means the prescribed graduate retention program maximum applicable to the eligible program for the year or period in which the qualified individual graduated from the eligible program”.

(3) Clause 4(2)(c) is repealed and the following substituted:

“(c) the applicable taxation year for the year or period in which the qualified individual graduated from the eligible program”.

(4) Subsection 5(4) is amended by striking out “\$20,000” and substituting “\$24,000”.

(5) Clause 7(1)(f) is repealed and the following substituted:

“(f) prescribing graduate retention program maximums, including prescribing different graduate retention program maximums for different eligible programs and for different years or periods in which qualified individuals graduate from an eligible program”.

PART 4
Coming into Force

Coming into force

21(1) Subject to subsection (2), this Act comes into force on January 1, 2025.

(2) If this Act is assented to after January 1, 2025, this Act comes into force on assent, but is retroactive and is deemed to have been in force on and from January 1, 2025.

FIRST SESSION

Thirtieth Legislature

SASKATCHEWAN

BILL

No. 1

An Act to amend *The Income Tax Act, 2000* and to
make related amendments to other Acts

Received and read the

First time

Second time

Third time

And passed

Honourable Jim Reiter
