

BILL

No. 1

An Act to amend *The Income Tax Act, 2000*

(Assented to _____)

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

Short title

1 This Act may be cited as *The Income Tax (Strong Recovery Home Renovation Tax Credit) Amendment Act, 2020*.

SS 2000, c I-2.01 amended

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

New section 19.11

3 **The following section is added after section 19.1:**

“Home renovation tax credit

19.11(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, 2020 and ending on December 31, 2022;
- (c) **‘individual’** does not include a trust;
- (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, for which all or substantially all of the work is completed by December 31, 2022, 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:

(a) for the 2021 taxation year, the reference to ‘2009’ is to be read as a reference to ‘2021’;

(b) for the 2022 taxation year, the reference to ‘2009’ is to be read as a reference to ‘2022’.

(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 2021 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 the lesser of \$12,000 and the total of all amounts, each of which is a qualifying expenditure of the individual, incurred in the period commencing on October 1, 2020 and ending on December 31, 2021.

(5) For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual for the individual’s 2022 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 the lesser of \$10,000 and the total of all amounts, each of which is a qualifying expenditure of the individual, incurred in the period commencing on January 1, 2022, and ending on December 31, 2022.

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

(7) 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 29 amended

4(1) Subsection 29(1) is amended by striking out “subsections (2), (6)” and substituting “subsections (2), (2.1), (6)”.

(2) The following subsection is added after subsection 29(2):

“(2.1) In applying section 118.8 of the federal Act for the purposes of this section, the description of C in that section is to be read as if it includes a reference to section 19.4 of this Act”.

(3) Subsection 29(4) is amended by striking out “subsections (5) and (6)” and substituting “subsections (5), (5.1), (6) and (7)”.

(4) The following subsection is added after subsection 29(5):

“(5.1) In applying section 118.81 of the federal Act for the purposes of this section, the description of B in paragraph (a) of that section is to be read as if it includes a reference to section 19.4 of this Act”.

Section 42 amended

5(1) Clause 42(1)(a) is amended by adding “, 19.3, 19.4, 19.5” after “19.2”.

(2) Clause 42(1)(a) is amended by adding “, 19.11” after “18”.

Section 44 amended

6(1) Subclause 44(1)(b)(i) is amended by adding “, 19.3, 19.4, 19.5” after “19.2”.

(2) Subclause 44(1)(b)(i) is amended by adding “, 19.11” after “18”.

Section 45 amended

7(1) Section 45 is amended by adding “, 19.3, 19.4, 19.5” after “19.2”.

(2) Section 45 is amended by adding “, 19.11” after “18”.

Section 49 amended

8(1) Section 49 is amended by adding “, 19.3, 19.4, 19.5” after “19.2”.

(2) Section 49 is amended by adding “, 19.11” after “18”.

Coming into force

9(1) Subject to subsection (2), this Act comes into force on assent, but is retroactive and is deemed to have been in force on and from January 1, 2020.

(2) Section 3 and subsections 5(2), 6(2), 7(2) and 8(2) come into force on January 1, 2021.

FIRST SESSION
Twenty-ninth Legislature
SASKATCHEWAN

B I L L

No. 1

An Act to amend *The Income Tax Act, 2000*

Received and read the

First time

Second time

Third time

And passed

Honourable Donna Harpauer
