

## **Summary of the 2020 Ontario Budget**

On November 5<sup>th</sup>, 2020, Rod Phillips, Ontario's Minister of Finance, presented the province's budget. The following is a summary of the budget:

### **Personal taxes**

There are no changes to Ontario personal tax rates, aside from an increase in the non-eligible dividend tax rate to compensate for a decrease in the small business tax rate for Ontario (see below – corporate taxes).

The government is introducing a new refundable tax credit for the 2021 taxation year. The Senior's Home Safety Tax Credit (SHSTC) provides a 25% credit of up to \$10,000 in eligible expenses is available for senior homeowners, renters or people who live with relatives who are seniors.

### **Ontario Staycation**

The government will be looking to provide support to Ontario tourism by providing support of up to 20% to encourage people to discover Ontario in 2021. The government will consult with stakeholders and details are to be announced later. We will provide more information as it becomes available.

### **Corporate taxes**

There are no changes to Ontario corporate tax rates. On January 1, 2020 the Ontario small business tax rate decreased from 3.5% to 3.2% (the combined Federal and Ontario small business tax rate is 12.2%).

### **Employer Health Tax**

The temporary increase of the EHT exemption of \$1,000,000 for 2020 has now been made permanent. In addition, monthly EHT instalments will be due for payrolls greater than \$1,200,000 starting 2021.

### **Business Education Tax (BET)**

BET is included in Ontario property taxes. The province is aiming to reduce high BET rates by \$450 million in 2021. All high BET rates will be lowered to 0.88% for both commercial and industrial properties beginning in 2021. These changes will benefit over 200,000 business properties.

### **Other items:**

Additional measures were introduced, including an extension of various deadlines for certain cultural media credits. A deferral of filing deadlines for certain Ontario Research and Development Tax Credits. More information can be found at <https://budget.ontario.ca/2020/annex.html#ca-1>