

March 26, 2021 – Summary of Ontario's 2021 Budget

On March 24, 2021, the Ontario government released its 2021 budget. The deficit for 2021-2022 is projected at \$33.1 billion, down from \$38.5 billion last year, with deficits of \$27.7 billion and \$20.2 billion projected for 2022-23 and 2023-24. Although the deficit is significant, the government understands the importance of supporting healthcare and jobs. The following is a summary of the important points:

Tax rates: There will be no changes to the Ontario tax rates for corporations and personal tax.

Tax credits and benefit programs:

- Ontario COVID-19 Child Benefit:
 - There will be a third round of payments to parents, \$400 per child in Grade 12 or younger, and \$500 per child with special needs aged 21 or younger.
 - Those who had applied for the previous rounds are automatically eligible. If you had not applied for the previous round, you may apply for this third round of payments.
- Ontario Jobs Training Tax Credit:
 - A temporary refundable tax credit for 2021 that provides 50% tax credit on eligible expenses, up to a maximum credit of \$2,000.
 - Example of eligible expenses include tuition and certain examination fees incurred during the year 2021.
- A proposed 20% increase to the Childcare Access and Relief from Expenses (CARE) tax credit.

Grants:

- Another round of Ontario Small Business Grant:
 - Small businesses that have previously been determined as eligible will automatically be entitled to a second payment equal to the same amount they had previously received.
- Ontario Tourism and Hospitality Small Business Support Grant:
 - One-time payments of \$10,000 to \$20,000 to eligible small businesses.
 - Minimum 20% revenue decline and have less than 100 employees to qualify.
 - Businesses that received the Ontario Small Business Support Grant will not be eligible for this new grant.

Investments:

- Investing more than \$400 million over the next three years in new initiatives to support Ontario's tourism, hospitality, and culture sectors, bringing the total to more than \$625 million since the pandemic began.
- Investing more than \$21 billion in funding over the next 10 years to expand and repair highways and bridges across the province.
- Investing \$61.6 billion over the next 10 years in public transit.