What's new for corporations

This page includes proposed, announced or enacted corporation income tax changes.

On this page

2024 – Federal

[2024-12-16 Fall Economic Statement]

Accelerated investment incentive and immediate expensing

The accelerated investment incentive (AII) and immediate expensing measures will be reinstated for qualifying property acquired on or after January 1, 2025, and that becomes available for use before 2030, with a four-year phase out after 2029.

Canada carbon rebate for small businesses

For the 2024-25 and later fuel charge years:

- small businesses that have between 1 and 20 employees will qualify for a payment amount that is equivalent to having 20 employees
- corporations will have their payment amounts reduced on a straight-line basis when the number of employees across Canada is between 300 and 500. The payment amount will be zero once the number of employees across Canada reaches 500
- the rebate will be newly available to cooperative corporations and credit unions

Clean hydrogen ITC (investment tax credit)

Effective for property that is acquired and becomes available for use in an eligible project on or after December 16, 2024, the clean hydrogen ITC (investment tax credit) will be expanded to include methane pyrolysis as an eligible production pathway.

Electric vehicle supply chain ITC (investment tax credit)

A corporation will have to invest at least $100 million in each of the three segments:

- electric vehicle assembly
- electric vehicle battery production
- cathode active material production

The corporation (either by itself or as part of a related group, such as with a parent company) will have to either:

- acquire at least $100 million in property eligible for the clean technology manufacturing ITC (investment tax credit) that has become available for use in each of the three segments
- acquire at least $100 million in property eligible for the clean technology manufacturing ITC (investment tax credit) that has become available for use in each of two segments; and hold a qualifying minority interest in another corporation that acquires at least $100 million in property eligible for the clean technology manufacturing ITC (investment tax credit) that has become available for use in the remaining segment.

Scientific research and experimental development

For tax years that begin on or after December 16, 2024:

- the annual expenditure limit on which CCPCs (Canadian-controlled private corporations) are entitled to earn an enhanced 35% investment tax credit will be increased from $3 million to $4.5 million
- the prior-year taxable capital phase-out thresholds for the enhanced credit will be increased from $10 million and $50 million, to $15 million and $75 million, respectively
- the enhanced refundable SR&ED (scientific research and experimental development) credit will be extended to Canadian public corporations

For property acquired after December 15, 2024 (or lease costs first becoming payable after that date) the pre-2014 eligibility of capital expenditures will be reinstated to both the SR&ED (scientific research and experimental development) income deduction and the SR&ED (scientific research and experimental development) ITC (investment tax credit). Qualifying CCPCs (Canadian-controlled private corporations) eligible to earn a 35% SR&ED (scientific research and experimental development) ITC (investment tax credit) will be entitled to partial refundability of the credit at a rate of 40% on their capital expenditures.

[2024-04-16 Budget]

Accelerated capital cost allowance (CCA)

An accelerated CCA (capital cost allowance) rate of 10% under class 1 will be provided for new eligible purpose-built rental housing projects that begin construction after April 15, 2024, and before 2031, and are available for use before 2036. Investments eligible for this measure will continue to benefit from the accelerated investment incentive (AII).

Immediate expensing (a 100% first-year deduction) will be provided for new additions of property to classes 44, 46, and 50, if the property is acquired after April 15, 2024, and becomes available for use before 2027. The property will continue to benefit from the AII (accelerated investment incentive).

Avoidance of tax debts

A supplementary rule was announced to strengthen the existing tax debt anti-avoidance rule that is intended to prevent taxpayers from avoiding their tax liabilities by transferring their assets to non-arm's length persons for insufficient consideration. The existing penalty will be extended to tax debt avoidance planning that is subject to the supplementary rule. It is equal to the lesser of:

- 50% of the tax that is attempted to be avoided
- $100,000 plus any amount the person, or a related person, is entitled to receive or obtain in respect of the planning activity

Taxpayers who participate in tax debt avoidance planning will be jointly and severally, or solidarily, liable for the full amount of the avoided tax debt, including any portion that has effectively been retained by the planner. These measures will apply to transactions or series of transactions that occur after April 15, 2024.

Canada carbon rebate for small businesses

A refundable tax credit is announced to return a portion of fuel charge proceeds collected under the federal carbon pollution pricing system to Canadian-controlled private corporations (CCPCs). To be eligible for a tax credit for an applicable fuel charge year (which runs from April 1 to March 31), a CCPC (Canadian-controlled private corporation) must:

- have had no more than 499 employees throughout Canada in the calendar year in which the fuel charge year begins, and
- for the 2019-2020 to 2023-2024 fuel charge years, file a tax return for its 2023 tax year by July 15, 2024

The tax credit amount will be equal to the number of persons employed in the calendar year by the CCPC (Canadian-controlled private corporation) in a province in which the federal fuel charge applies, multiplied by a payment rate specified by the minister of Finance for that province for the corresponding fuel charge year.

CCPCs (Canadian-controlled private corporations) will not have to apply for this tax credit. Once the minister has specified the payment rates, the CRA (Canada Revenue Agency) will automatically determine and pay the tax credit amount to eligible CCPCs (Canadian-controlled private corporations).

For future fuel charge years, the credit will be determined in a similar manner, with payment rates specified by the minister of Finance and the CRA (Canada Revenue Agency) determining the credit for eligible CCPCs (Canadian-controlled private corporations) that filed a tax return for a tax year ending in the calendar year in which the fuel charge year begins. For more information, see Canada carbon rebate for small businesses.

Capital gains inclusion rate

For capital gains realized after June 24, 2024, the inclusion rate will be increased to two thirds.

Clean technology manufacturing ITC (investment tax credit) – Polymetallic extraction and processing

Since the production of qualifying materials may occur at polymetallic projects (projects engaged in the production of multiple metals), several adjustments will be made to the credit, including the "primarily" test (50% rather than 90%) for property at mine or well sites.

Digital services tax

A new digital services tax will be introduced for calendar year 2024, covering taxable revenues earned since January 1, 2022.

Donation receipts

Effective on registration of the amended Regulation, charities will be allowed to issue donation receipts electronically, if they contain all required information, they are issued in a secure and non-editable format, and the charity maintains an electronic copy of the receipts.

Electric vehicle (EV) supply chain ITC (investment tax credit) for buildings

A new 10% EV (electric vehicle) supply chain investment tax credit will apply on the cost of buildings used in key segments of the EV (electric vehicle) supply chain for businesses that invest in Canada across three supply chain segments:

- electric vehicle assembly
- electric vehicle battery production
- cathode active material production

Global minimum tax

Large multinational enterprises (MNEs), that is those with more than €750 million in worldwide revenues on a consolidated group basis, will be subject to an effective minimum tax rate of 15%, regardless of where their profits are earned. This will apply to fiscal years starting on or after December 31, 2023.

Interest deductibility limits – Purpose-built rental housing

The excessive interest and financing expenses limitation (EIFEL) rules provide an exemption for interest and financing expenses incurred in respect of arm's length financing for certain public-private partnership infrastructure projects. The exemption will be expanded to include an elective exemption for certain arm's length interest and financing expenses used to build or acquire eligible purpose-built rental housing in Canada. An eligible purpose-built rental housing is a residential complex:

- with at least 4 private apartment units or 10 private rooms or suites
- in which at least 90% of residential units are held for long-term rental

This change will apply to tax years starting after September 30, 2023, for interest and financing expenses incurred before 2036.

Mutual fund corporation

For tax years starting after 2024, a corporation will not qualify as a mutual fund corporation if specified persons together own more than 10% of its shares by value and it is controlled by or for the benefit of a corporate group. Exceptions will apply to ensure that the measure does not adversely affect mutual fund corporations that are widely held pooled investment vehicles.

Non-compliance with information requests

The information gathering provisions will be amended by:

- creating a new notice of non-compliance
- including in a requirement or notice that any required information be provided under oath
- adding a penalty when a compliance order is issued
- expanding the rules to stop the reassessment limitation clock

Reportable and notifiable transactions penalty

The general penalty provision for failure to file an information return is removed for reportable or notifiable transactions, as there is a specific penalty provision under the mandatory disclosure rules (MDR) that applies. This is deemed to have come into force on June 22, 2023, which is the coming into force date of the specific penalty provision under the MDR (mandatory disclosure rules).

Synthetic equity arrangement

The anti-avoidance rule will be simplified by removing the exceptions as they relate to a synthetic equity arrangement (SEA). The tax-indifferent investor and the exchange traded exceptions will be removed. Corporations will be prevented from claiming the dividend received deduction for dividends received on a share for which there is a SEA (synthetic equity arrangement), without any exceptions. This will apply to dividends received after December 31, 2024.

Withholding for non-resident service providers

Currently, a person who pays a non-resident for services provided in Canada is required to withhold 15% of the payment and remit it to the CRA (Canada Revenue Agency). Effective on royal assent, the CRA (Canada Revenue Agency) will be able to waive this withholding requirement over a specific period under certain conditions.

2024 – Provinces and territories

British Columbia

[2024-05-21 Order in Council 268/2024]

British Columbia interactive digital media tax credit – Effective September 1, 2024, products that enable gambling with currency will not qualify as interactive digital media products.

[2024-02-22 Budget]

British Columbia film and television tax credit – Animated productions that begin key animation on or after June 1, 2024, are no longer eligible for the regional and distant location regional tax credits.

British Columbia mining exploration tax credit – Effective February 23, 2024, oil and gas exploration expenses are excluded from the mining exploration tax credit.

British Columbia production services tax credit – Animated productions that begin key animation on or after June 1, 2024, are no longer eligible for the regional production services and distant location production services tax credits.

British Columbia shipbuilding and ship repair industry tax credit – The credit is extended for two years to the end of 2026.

British Columbia training tax credit – The credit is extended for three years to the end of 2027.

Manitoba

[2024-04-02 Budget]

Manitoba data processing investment tax credits – These credits are eliminated effective for the 2025 tax year.

Manitoba interactive digital media tax credit – Expenses for eligible projects are to be claimed in the tax year in which they were incurred. A sub-category of qualifying corporations is established for Manitoba video game companies. Qualifying corporations in the new sub-category would be exempt from having to apply for a certificate of eligibility (pre-approval) before project work starts.

Manitoba rental housing construction tax credit – Effective for the 2024 tax year, a new tax credit is announced that will provide $8,500 for the construction of new market-rate rental units and $13,500 for units classified and maintained as affordable units for a period of least 10 years. Construction must start on or after January 1, 2024. This tax credit will be fully refundable for non-profit organizations. For other businesses, $8,500 will be fully refundable on all units, with an additional $5,000 non-refundable credit available over 10 years for affordable units.

Newfoundland and Labrador

[2024-12-27 Regulation 103/24]

Newfoundland and Labrador interactive digital media tax credit – The credit, which was set to end December 31, 2024, has been made permanent.

[2024-03-21 Budget]

Newfoundland and Labrador – Provincial corporation tax – Effective January 1, 2024, the lower rate of income tax is decreased from 3% to 2.5%.

Nova Scotia

[2024-02-29 Budget]

Nova Scotia digital animation tax credit – The credit is extended for five years to December 31, 2030.

Nova Scotia digital media tax credit – The credit is extended for five years to December 31, 2030.

Nova Scotia innovation equity tax credit – The credit is extended for five years to March 1, 2029.

Nova Scotia venture capital tax credit – The credit is extended for five years to March 30, 2029.

Ontario

[2024-03-26 Budget]

Ontario computer animation and special effects (OCASE) tax credit – For film or television productions for which no specified labour costs were incurred before March 26, 2024, an eligible production no longer has to qualify for either the Ontario film and television tax credit or the Ontario production services tax credit. Instead, the corporation will have to incur a minimum of $25,000 in Ontario labour expenditures for each film or television production for which the OCASE (Ontario computer animation and special effects) credit is claimed. This minimum labour expenditure threshold will have to be incurred either:

- in the tax year of the claim, or
- cumulatively between the tax year of the claim and the previous tax year

Once the minimum labour expenditure threshold is reached, expenditures related to that production in any subsequent tax year will also be eligible. Certain types of productions will be excluded from eligibility, such as instructional, music and gaming videos.

Saskatchewan

[Bill 1 – Royal assent 2024-12-10]

Saskatchewan – Provincial corporation tax – The lower tax rate of income tax of 1% has been made permanent.

[2024-03-20 Budget]

Saskatchewan – Provincial corporation tax – The lower tax rate of income tax of 1% is extended until June 30, 2025. It was set to return to 2% on July 1, 2024.

2023 – Federal

[2023-11-21 Fall Economic Statement]

Canadian journalism labour tax credit

The 2023 Fall Economic Statement proposes to increase the cap on labour expenditures per eligible newsroom employee from $55,000 to $85,000. It also proposes to temporarily increase the tax credit rate from 25% to 35% for a period of four years. As a result, organizations would be able to claim up to $29,750 in eligible labour costs per eligible newsroom employee per year. These changes would apply to qualifying labour expenditures incurred after 2022. The rate would return to 25% for expenditures incurred after 2026. Transitional rules would apply to prorate these changes if an organization's tax year does not follow a calendar year.

Clean electricity investment tax credit

The 2023 Fall Economic Statement proposes to expand eligibility for the credit to include systems that produce electricity or both electricity and heat from waste biomass.

Clean technology investment tax credit

The 2023 Fall Economic Statement proposes to expand eligibility for the credit to include systems that produce electricity, heat, or both electricity and heat from waste biomass. This would be available to businesses investing in eligible property that is acquired and becomes available for use on or after November 21, 2023.

Dividend received deduction by financial institutions

Budget 2023 proposed to deny the dividend received deduction for dividends received after 2023 by financial institutions on shares that are mark-to-market property or tracking property. The 2023 Fall Economic Statement proposes an exception to this measure for dividends received on **taxable preferred shares** (as defined in the Income Tax Act).

Excessive interest and financing limitation (EIFEL) rules

[2023-08-04 Draft Legislative Proposals]

In general terms, the proposed EIFEL (excessive interest and financing limitation) rules limit the amount of net interest and financing expenses that may be deducted in computing a taxpayer's income to no more than a fixed ratio of earnings before interest, taxes, depreciation and amortization. Generally, the proposed EIFEL (excessive interest and financing limitation) rules apply directly to taxpayers that are corporations or trusts. They also apply indirectly to partnerships, as interest and financing expenses and revenues of a partnership are attributed to members that are corporations or trusts, in proportion to their interests in the partnership.

The proposed EIFEL (excessive interest and financing limitation) rules generally apply to tax years starting on or after October 1, 2023.

[2023-03-28 Budget]

Clean economy investment tax credits

Budget 2023 proposed the creation of new investment tax credits, some previously announced in the Fall Economic Statement 2022, along with modifications to the carbon capture, utilization, and storage investment tax credit (CCUS ITC).

Interactions with other federal tax credits

Businesses will be able to claim **only one** of the following clean economy ITCs (investment tax credits) if a particular property is eligible for more than one of the credits:

- clean electricity ITC (investment tax credit)
- clean hydrogen ITC (investment tax credit) (investment tax credit)
- clean technology ITC (investment tax credit)
- clean technology manufacturing ITC (investment tax credit)
- carbon capture, utilization and storage ITC (investment tax credit)

However, multiple tax credits could be available for the same project, if the project includes different types of eligible property.

Businesses will be able to fully benefit from both the clean economy ITCs (investment tax credits) (other than the CCUS ITC (carbon capture, utilization, and storage investment tax credit)) and the Atlantic investment tax credit.

Labour requirements related to certain investment tax credits

To achieve the maximum tax credit rates for all ITCs (investment tax credits) (other than the clean technology manufacturing ITC) (investment tax credit), businesses will have to meet certain labour requirements – prevailing wage requirements and apprenticeship requirements. Otherwise, the credit rate will be reduced by 10 percentage points.

Exemptions will apply for acquisitions of off-road zero-emission vehicles and acquisitions and installations of low-carbon heat equipment.

Clean electricity ITC (investment tax credit)

A new 15% refundable tax credit, the clean electricity investment tax credit has been proposed, to support eligible entities that make eligible investments to accelerate the supply and transmission of clean electricity. The credit would be available as of the day of the federal budget 2024, for projects that did not begin construction before March 28, 2023. The credit would not be available after 2034. The Department of Finance will engage with provinces, territories, and other relevant parties to develop the design and implementation details of the credit.

Clean hydrogen ITC (investment tax credit)

A new refundable tax credit, the clean hydrogen investment tax credit, has been proposed to support investments in clean hydrogen production. The credit is equal to between 15% and 40% of the cost of purchasing and installing eligible property used in the eligible project, depending on the carbon intensity (CI) of the production process. Processes with the lowest carbon intensity [measured as kilograms of carbon dioxide equivalent (CO_2eq) per kilogram of hydrogen produced] would earn the highest rate. The credit would not apply when the carbon intensity is 4.0 kg (kilogram) or more. The credit would apply to property that is acquired and that becomes available for use after March 27, 2023. It would be reduced by half for property that becomes available for use in 2034 and would not apply after 2034.

Clean technology ITC (investment tax credit)

A new refundable clean technology investment tax credit has been introduced. The credit is equal to 30% of the capital cost of eligible clean technology property that is acquired and that becomes available for use after March 27, 2023, and before 2034. The rate will be reduced to 15% in 2034 and nil after 2034. Qualifying equipment includes certain zero-emission power generation technologies (including concentrated solar energy equipment and small modular nuclear reactors), storage equipment for zero-emission energy and non-road zero-emission vehicles. Geothermal energy systems are also generally included, unless they are used for geothermal energy projects that will co-produce oil, gas or other fossil fuels.

Clean technology manufacturing ITC (investment tax credit)

A refundable investment tax credit for clean technology manufacturing and processing, and critical mineral extraction and processing has been proposed. The clean technology manufacturing investment tax credit would be equal to 30% of the capital cost of eligible property associated with eligible activities. Eligible property would generally include machinery and equipment, including certain industrial vehicles, used in manufacturing, processing, or critical mineral extraction, as well as related control systems. The credit would not be available for property used in the production of battery cells or modules if such production benefits from direct support through a Special Contribution Agreement with the Government of Canada.

The credit would apply to property that is acquired and that becomes available for use after 2023. It would be gradually phased out starting with property that becomes available for use in 2032 as follows: 30% in 2024 to 2031, 20% in 2032, 10% in 2033, and 5% in 2034. The credit would no longer be in effect for property that becomes available for use after 2034.

Note

The labour requirements do **not** apply to the clean technology manufacturing ITC (investment tax credit).

CCUS ITC (CCUS ITC)

New design details were added to the credit regarding:

- the expansion of eligible equipment
- the addition of British Columbia as an eligible jurisdiction
- the validation of concrete storage requirement
- the treatment of refurbishment costs
- the recovery of refurbishment investment tax credits
- the reporting of knowledge sharing and climate risk disclosure

These measures apply to eligible expenses incurred after 2021 and before 2041.

Note

Businesses will **not** be able to benefit from both the CCUS ITC (carbon capture, utilization and storage investment tax credit) and the Atlantic ITC (investment tax credit).

Dividend received deduction by financial institution

The dividend received deduction will be denied for dividends received after 2023 by financial institutions on shares that are mark-to-market property or tracking property. It was later announced that, as an exception, this measure will not apply to dividends received on **taxable preferred shares** (as defined in the Income Tax Act).

Flow-through shares and critical mineral exploration tax credit – Lithium from brines

Eligible expenses related to lithium from brines made on or after March 28, 2023, qualify as Canadian exploration expenses and Canadian development expenses. The eligibility to the critical mineral exploration tax credit is expanded to include this mineral resource.

General anti-avoidance rule (GAAR)

The GAAR (general anti-avoidance rule) rule will be amended by:

- introducing a preamble namely to address interpretative issues
- lowering the avoidance transaction standard
- introducing an economic substance rule
- introducing a 25% penalty
- extending the reassessment period by three years

Income tax treatment of credit unions

The definition of credit union under the Income Tax Act is modified. Under the previous legislation, a credit union that did not earn all or substantially all (generally 90% or more) of its revenues from sources specified in the definition could have been excluded from the definition. This condition is removed effective January 1, 2016.

Part II.2 (Part 2.2) tax on repurchases of equity

For transactions that occur after 2023, a corporate-level 2% tax has been introduced that will apply on the net value of all types of share repurchases by:

- a corporation resident in Canada (other than a mutual fund corporation) whose shares are listed on a designated stock exchange at any time in the tax year
- a trust whose units are listed on a designated stock exchange at any time in the tax year and that is one of the following:
  - a real estate investment trust
  - a specified investment flow-through (SIFT) trust
- a partnership where the partnership unit is listed on a designated stock exchange at any time in the tax year and that is a SIFT (specified investment flow-through) partnership
- publicly traded entities that would be SIFT (specified investment flow-through) trusts or SIFT (specified investment flow-through) partnerships if their assets were located in Canada

The tax will not apply to an entity described above in a tax year if the total fair market value of equity that is redeemed, acquired, or cancelled in that tax year (prorated for short tax years) is less than $1 million. The tax will apply for repurchases and issuances of equity that occur after 2023.

Rate reduction for zero-emission technology manufacturers

The rate reduction for zero-emission technology manufacturers has been extended by three years. The reduced rates will be 4.5% until 2031, 5.625% in 2032, 6.75% in 2033, and 7.875% in 2034 for income eligible for the small business deduction. For other eligible income, the reduced rates will be 7.5% until 2031, 9.375% in 2032, 11.25% in 2033, and 13.125% in 2034. These new measures will be fully phased out for tax years starting after 2034.

For tax years starting after 2023, eligible activities that qualify for the reduced tax rates will be expanded to include the following nuclear manufacturing and processing activities:

- manufacturing of nuclear energy equipment
- processing or recycling of nuclear fuels and heavy water
- manufacturing of nuclear fuel rods

Underused housing tax (UHT)

[2023-03-27 News release]

Although the deadline for filing the UHT (Underused housing tax) return and paying the UHT (Underused housing tax) payable is still April 30, 2023, no penalties or interest will be applied for UHT (Underused housing tax) returns and payments that the CRA (Canada Revenue Agency) receives before November 1, 2023.

Zero-emission passenger vehicles

[2022-12-16 News release]

For zero-emission passenger vehicles (new and used) acquired on or after January 1, 2023, the prescribed amount is increased from $59,000 to $61,000, before sales tax. The previous increase was from $55,000 to $59,000, effective January 1, 2022.

Mandatory disclosure rules

[2022-11-03 News release]

In order to fully assess the feedback received as part of the public consultation on mandatory disclosure rules launched August 9, 2022, the government intends to delay the coming into force date of the reporting requirements for **reportable transactions** and **notifiable transactions** until the date on which a bill implementing these changes receives royal assent. The coming into force date for **uncertain tax treatments** would remain the same as described in August (that is, tax years beginning after 2022, with penalties only applying after royal assent). For more information, see Mandatory disclosure rules – Overview.

Note

Enabling Bill C-47 received royal assent on June 22, 2023.

2023 – Provinces and territories

Atlantic provinces – Carbon taxation

New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island are subject to the federal carbon backstop for carbon taxation since July 1, 2023.

British Columbia

[2023-02-28 Budget]

British Columbia farmers' food donation tax credit – This credit, which was set to end December 31, 2023, has been extended three years to December 31, 2026.

British Columbia interactive digital media tax credit – This credit, which was set to end August 31, 2023, has been extended five years to August 31, 2028.

Manitoba

[2023-03-07 Budget]

Manitoba green energy equipment tax credit – This credit, which was set to end June 30, 2023, is now permanent.

Manitoba interactive digital media tax credit – Effective April 1, 2023, the eligible expenditures are expanded to allow for more flexible forms of employee compensation and incentives as eligible labour expenditures for this credit. This does not include labour expenditures such as bonuses tied to profits or revenues, stock options or signing bonuses, which are still not eligible.

New Brunswick

[2023-03-21 Budget]

New Brunswick – Carbon taxation – The province has opted to adopt the federal carbon backstop for carbon taxation effective July 1, 2023. Previously, the province had applied its own approach to carbon taxation.

Newfoundland and Labrador

[2023-04-20 Regulation 31/23]

Newfoundland and Labrador all-spend film and video production tax credit – Effective April 7, 2022, a new all-spend film and video production tax credit has been introduced. The 40% tax credit applies to total eligible production costs, with a maximum credit of $10 million for an eligible production in a tax year.

Nova Scotia

[2023-02-22 Regulation 44/2023]

Nova Scotia capital investment tax credit – Effective October 1, 2022, the maximum aggregate amount of tax credits that can be claimed by a corporation for an approved project is increased from $30 million to $100 million.

Ontario

[2023-03-23 Budget]

Ontario film and television tax credit – Productions supported by Ontario tax credits must now provide on-screen acknowledgement of this support in their end credits. The eligibility for the credit was extended to professional film and television productions that are distributed exclusively online if eligibility requirements are met.

Ontario made manufacturing investment tax credit – A new 10% refundable corporation income tax credit has been introduced for qualifying investments of up to $20 million a tax year made by eligible corporations, for a maximum credit of $2 million a year. This applies to investments made after March 22, 2023, or before for buildings meeting specific criteria. Qualifying investments are expenditures for certain capital property included in capital cost allowance class 1 or 53. Eligible corporations are Canadian-controlled private corporations that have a permanent establishment in Ontario.

Ontario production services tax credit – Productions supported by Ontario tax credits must now provide on-screen acknowledgement of this support in their end credits. The eligibility for the credit was extended to professional film and television productions that are distributed exclusively online if eligibility requirements are met. Effective November 15, 2022, expenditures for leasing real property in Ontario for on-location filming no longer must meet the "ordinarily engaged in" requirement for eligible tangible property expenditures. Expenditures must be reasonable in the circumstances and paid to an arm's length party. The maximum eligible expenditures for leasing real property for on-location filming is 5% of the production's qualifying production expenditures, net of these location costs.

Ontario small business deduction – Ontario paralleled the federal change in the small business deduction phase-out, first announced in the 2022 federal budget. The deduction will not be reduced to nil until a Canadian-controlled private corporation and its associated corporations have a combined taxable capital of $50 million. This change is effective for tax years starting after April 6, 2022.

Yukon

[Yukon Carbon Price Rebate Amendments Act (2022) – Royal assent 2022-10-24]

Yukon carbon rebate – Starting in 2023, the Yukon business carbon price rebate also includes the mining business carbon price rebate.

Date modified:
2025-01-09