[Français](http://www.ontario.ca/fr/lois/loi/02t22)

Tax Incentive Zones Act (Pilot Projects), 2002

[S.O. 2002, chapter 22](https://www.ontario.ca/laws/statute/s02022)  
Schedule B

**Consolidation Period:** From January 1, 2007 to the [e-Laws currency date](http://www.e-laws.gov.on.ca/navigation?file=currencyDates&lang=en).

Last amendment: [2006, c.32, Sched.C, s.63](http://www.ontario.ca/laws/statute/S06032" \l "schedcs63s1).

Legislative History: [2006, c.32, Sched.C, s.63](http://www.ontario.ca/laws/statute/S06032" \l "schedcs63s1).

CONTENTS

|  |  |
| --- | --- |
| [1.](#BK0) | Definitions |
| [2.](#BK1) | Establishment of tax incentive zones |
| [3.](#BK2) | Cancellation of provincial taxes |
| [4.](#BK3) | Cancellation of municipal taxes |
| [5.](#BK4) | Cancellation of school taxes |
| [6.](#BK5) | Cancellation of fees and charges |
| [7.](#BK6) | Eligibility |
| [8.](#BK7) | Tax incentive agreements |
| [9.](#BK8) | Non-compliance with tax incentive agreement |
| [10.](#BK9) | Zone administrators |
| [11.](#BK10) | Inspections |
| [12.](#BK11) | Offence |
| [13.](#BK12) | Regulations |
| [14.](#BK13) | Scope of municipal by-laws |
| [15.](#BK14) | Prohibition re assistance does not apply |

Definitions

**1** In this Act,

“designated law” means a statutory provision that is specified in a regulation made under clause 13 (1) (a); (“loi désignée”)

“Minister” means the Minister of Finance; (“ministre”)

“tax incentive agreement” means an agreement described in section 8; (“accord d’allégement fiscal”)

“tax incentive zone” means a geographic area designated as a tax incentive zone under section 2; (“zone d’allégement fiscal”)

“zone administrator” means a person designated as a zone administrator under section 10. (“administrateur de zone”) 2002, c. 22, Sched. B, s. 1.

Establishment of tax incentive zones

**2** The Lieutenant Governor in Council may, by regulation, designate any geographic area in Ontario as a tax incentive zone and may limit the designation to a specified period of time. 2002, c. 22, Sched. B, s. 2.

Cancellation of provincial taxes

**3** The Minister may, by regulation, cancel all or part of the taxes paid or payable to the Crown under a designated law by an eligible person in respect of an activity carried on in a tax incentive zone. 2002, c. 22, Sched. B, s. 3.

Cancellation of municipal taxes

**4** (1)  A local municipality may pass by-laws providing for the cancellation of all or part of the taxes paid or payable to the municipality under the Municipal Act, 2001 or the City of Toronto Act, 2006, as the case may be, by an eligible person in respect of property located in a tax incentive zone within the municipality. 2002, c. 22, Sched. B, s. 4 (1); 2006, c. 32, Sched. C, s. 63 (1).

Same, upper-tier municipalities

(2)  An upper-tier municipality may pass by-laws providing for the cancellation of all or part of the taxes paid or payable to the municipality under the Municipal Act, 2001 by an eligible person in respect of property located in a tax incentive zone within the municipality. 2002, c. 22, Sched. B, s. 4 (2).

Restriction

(3)  A municipality is not authorized to pass a by-law under subsection (1) or (2) unless the municipality has obtained the written approval of the Minister of Municipal Affairs and Housing for the proposed by-law. 2002, c. 22, Sched. B, s. 4 (3).

**Section Amendments with date in force (d/m/y)**

[2006, c. 32, Sched. C, s. 63 (1)](http://www.ontario.ca/laws/statute/S06032" \l "schedcs63s1) - 01/01/2007

Cancellation of school taxes

**5** The Minister may, by regulation, cancel all or part of the taxes paid or payable to a school board under the *Education Act* by an eligible person in respect of property located in a tax incentive zone within the jurisdiction of the school board. 2002, c. 22, Sched. B, s. 5.

Cancellation of fees and charges

**6** (1)  The Minister may, by regulation, cancel all or part of a fee or charge paid or payable to the Crown or to a school board under a designated law by an eligible person in respect of property that is located or an activity that is carried on in a tax incentive zone. 2002, c. 22, Sched. B, s. 6 (1).

Same, local municipalities

(2)  A local municipality may pass by-laws providing for the cancellation of all or part of a fee or charge paid or payable to the municipality under a designated law by an eligible person in respect of property that is located or an activity that is carried on in a tax incentive zone within the municipality. 2002, c. 22, Sched. B, s. 6 (2).

Same, upper-tier municipalities

(3)  An upper-tier municipality may pass by-laws providing for the cancellation of all or part of a fee or charge paid or payable to the municipality under a designated law by an eligible person in respect of property that is located or an activity that is carried on in a tax incentive zone within the municipality. 2002, c. 22, Sched. B, s. 6 (3).

Restriction

(4)  A municipality is not authorized to pass a by-law under subsection (2) or (3) unless the municipality has obtained the written approval of the Minister of Municipal Affairs and Housing for the proposed by-law. 2002, c. 22, Sched. B, s. 6 (4).

Eligibility

Cancellation of provincial taxes, fees, charges

**7** (1)  A person who satisfies the prescribed criteria is an eligible person for the purposes of a regulation made under section 3 or subsection 6 (1) for a particular tax incentive zone if the person enters into a tax incentive agreement with the zone administrator and the Minister. 2002, c. 22, Sched. B, s. 7 (1).

Same, cancellation of municipal taxes, fees, charges

(2)  A person who satisfies the prescribed criteria is an eligible person for the purposes of a by-law made by a municipality under section 4 or subsection 6 (2) or (3)for a particular tax incentive zone if the person enters into a tax incentive agreement with the zone administrator. 2002, c. 22, Sched. B, s. 7 (2).

Same, cancellation of school taxes

(3)  A person who satisfies the prescribed criteria is an eligible person for the purposes of a regulation made under section 5 for a particular tax incentive zone if the person enters into a tax incentive agreement with the zone administrator and the Minister. 2002, c. 22, Sched. B, s. 7 (3).

Expiry of status

(4)  Upon the expiry of a tax incentive agreement, the person ceases to be an eligible person with respect to the applicable taxes, fees or charges in the tax incentive zone. 2002, c. 22, Sched. B, s. 7 (4).

Loss of status

(5)  A person ceases to be an eligible person for the purposes of this Act if the person ceases to meet the prescribed criteria or if the person fails to comply with any tax incentive agreement that the person has entered into. 2002, c. 22, Sched. B, s. 7 (5).

Tax incentive agreements

**8** A tax incentive agreement must contain such terms as the Minister may approve and must be entered into in a form approved by the Minister. 2002, c. 22, Sched. B, s. 8.

Non-compliance with tax incentive agreement

**9** (1)  This section applies if the Minister decides that a person has failed to comply with a tax incentive agreement to which the person is a party and gives written notice to the person. 2002, c. 22, Sched. B, s. 9 (1).

Same

(2)  Upon receiving the notice, the person becomes liable to pay the taxes, charges or fees to which the person would have been liable if the person had not entered into the tax incentive agreement or such lesser amount as the Minister considers appropriate in the circumstances. 2002, c. 22, Sched. B, s. 9 (2).

Dispute

(3)  The person may apply to the Superior Court of Justice within 60 days after receiving the notice for a determination as to whether the decision of the Minister described in subsection (1) was reasonable. 2002, c. 22, Sched. B, s. 9 (3).

Powers of the court

(4)  If the court decides that the decision of the Minister was not reasonable, the court may order the Minister to reconsider whether the person has failed to comply with the tax incentive agreement; if the court decides that the decision of the Minister was reasonable, the court may order the person to pay all or part of the taxes, fees or charges for which the person would have been liable if the person had not entered into the tax incentive agreement. 2002, c. 22, Sched. B, s. 9 (4).

Zone administrators

**10** The Minister may, by regulation,

(a) establish, or authorize the establishment of, an entity for the purposes of designating the entity as a zone administrator and provide for the composition, powers and duties of the entity;

(b) designate a person or entity to act as a zone administrator for a tax incentive zone;

(c) assign powers and duties to a zone administrator and specify the manner in which the powers are to be exercised and the duties performed. 2002, c. 22, Sched. B, s. 10.

Inspections

**11** An inspector authorized by the Minister or by the zone administrator may enter any premises where an eligible person is carrying on activities or where any property of the eligible person is kept and may examine any documents or records to determine whether the eligible person is complying with the tax incentive agreement. 2002, c. 22, Sched. B, s. 11.

Offence

**12** (1)  A person who makes, participates in, assents to or acquiesces in the making of a false or deceptive statement in an agreement or document prepared for the purposes of this Act is guilty of an offence. 2002, c. 22, Sched. B, s. 12 (1).

Penalty

(2)  On conviction of an offence under subsection (1), the person is liable to imprisonment for a term of not more than two years or a fine of not more than $100,000 or to both. 2002, c. 22, Sched. B, s. 12 (2).

Regulations

**13** (1)  The Minister may, by regulation,

(a) specify provisions of statutes that are designated laws for the purposes of section 3 or subsection 6 (1), (2) or (3);

(b) prescribe criteria that a person must satisfy in order to be an eligible person. 2002, c. 22, Sched. B, s. 13 (1).

Scope

(2)  A regulation under this Act may be general or particular and may differentiate between classes of eligible person. 2002, c. 22, Sched. B, s. 13 (2).

Restriction, designated laws

(3)  A regulation under clause (1) (a) may specify different designated laws for different tax incentive zones. 2002, c. 22, Sched. B, s. 13 (3).

Same, eligible persons

(4)  A regulation under clause (1) (b) may specify a person by name and state that the person shall be deemed to satisfy the prescribed criteria, if any, to be an eligible person. 2002, c. 22, Sched. B, s. 13 (4).

Conditions

(5)  A regulation under this Act that cancels all or part of the taxes, fees or charges paid or payable by an eligible person under a designated law may impose conditions or restrictions with respect to the cancellation. 2002, c. 22, Sched. B, s. 13 (5).

Scope of municipal by-laws

**14** (1)  A municipal by-law authorized by this Act that cancels all or part of the taxes, fees or charges paid or payable by an eligible person may impose conditions or restrictions with respect to the cancellation. 2002, c. 22, Sched. B, s. 14 (1).

Classes

(2)  A municipal by-law authorized by this Act may be general or particular and may differentiate between classes of eligible person. 2002, c. 22, Sched. B, s. 14 (2).

Prohibition re assistance does not apply

**15** (1)  Section 106 of the Municipal Act, 2001 and section 82 of the City of Toronto Act, 2006 do not apply with respect to a cancellation of taxes, fees or charges by a municipality under this Act. 2006, c. 32, Sched. C, s. 63 (2).

Same

(2)  The following provisions do not apply with respect to a cancellation of taxes, fees or charges by the Minister under this Act:

1. Employer Health Tax Act, subsection 2 (4).

2. Fuel Tax Act, section 1.1.

3. Gasoline Tax Act, section 1.1.

4. Land Transfer Tax Act, section 1.1.

5. Retail Sales Tax Act, section 1.1. 2002, c. 22, Sched. B, s. 15 (2).

**Section Amendments with date in force (d/m/y)**

[2006, c. 32, Sched. C, s. 63 (2)](http://www.ontario.ca/laws/statute/S06032" \l "schedcs63s2) - 01/01/2007

**16** Omitted (provides for coming into force of provisions of this Act). 2002, c. 22, Sched. B, s. 16.

**17** Omitted (enacts short title of this Act). 2002, c. 22, Sched, B, s. 17.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Français](http://www.ontario.ca/fr/lois/loi/02t22)

[Back to top](#Top)