



BILL NO. 174

Government Bill

*2nd Session, 62nd General Assembly
Nova Scotia
65 Elizabeth II, 2016*

An Act Respecting Certain Financial Measures

CHAPTER 2
ACTS OF 2016

**AS ASSENTED TO BY THE LIEUTENANT GOVERNOR
MAY 20, 2016**

The Honourable Randy Delorey
Minister of Finance and Treasury Board

*Halifax, Nova Scotia
Printed by Authority of the Speaker of the House of Assembly*

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An Act Respecting Certain Financial Measures

Be it enacted by the Governor and Assembly as follows:

1 This Act may be cited as the *Financial Measures (2016) Act*.

PART I

INCOME TAX ACT

2 Subsection 22A(2) of Chapter 217 of the Revised Statutes, 1989, the *Income Tax Act*, is repealed.

3 Section 28 of Chapter 217 is repealed and the following Section substituted:

28 (1) In this Section,

(a) “graduated rate estate” means a graduated rate estate as defined in subsection 248(1) of the Federal Act;

(b) “qualified disability trust” means a qualified disability trust as defined in subsection 122(3) of the Federal Act.

(2) The tax payable for a taxation year ending before January 1, 2016, by an *inter vivos* trust is the amount equal to the tax payable under subsection 122(1) of the Federal Act, except that the reference to “29%”, or to the amount that it is amended to read, shall be read, for the purpose of this Act, as a reference to the “highest percentage”.

(3) The tax payable for a taxation year ending after December 31, 2015, by any trust, other than a graduated rate estate or qualified disability trust, is the total of

(a) 21% of the amount taxable for the taxation year; and

(b) where subsection 122(2) of the Federal Act applies to the trust for the taxation year, the amount equal to the amount that would be determined under paragraph 122(1)(c) of the Federal Act, except that the reference to “29%”, or to the amount that it is amended to read, shall be read, for the purpose of this Act, as a reference to the “highest percentage”.

4 Subsections 38(7) and 38A(10) of Chapter 217 are repealed.

5 (1) Section 49A of Chapter 217, as enacted by Chapter 33 of the Acts of 2014, is amended by adding immediately after subsection (7) the following subsection:

(7A) Notwithstanding subsection (7), the aggregate amount of tax credits that may be claimed by a corporation in respect of an approved project may not

exceed the amount, if any, prescribed by the Minister of Finance and Treasury Board of the Province.

(2) Subsection 49A(9) of Chapter 217, as enacted by Chapter 33 of the Acts of 2014, is amended by adding “the project in respect of which the certificate was issued ceases to be an approved project or” immediately after “if” in the third line.

(3) Section 49A of Chapter 217, as enacted by Chapter 33 of the Acts of 2014, is further amended by adding immediately after subsection (14) the following subsection:

(14A)The Minister of Finance and Treasury Board of the Province may make regulations prescribing the aggregate amount of tax credits that may be claimed in respect of an approved project and respecting the manner in which the prescribed amount will apply.

6 Chapter 217 is further amended by adding immediately after Section 50 the following heading and Section:

Food Bank Tax Credit for Farmers

50A (1) In this Section,

- (a) “agricultural product” has the meaning prescribed by the regulations;
- (b) “eligible food bank” means a person or entity that
 - (i) distributes food in the Province without charge for the relief of poverty as part of its mandate,
 - (ii) is registered as a charity under the Federal Act, and
 - (iii) satisfies any other conditions prescribed by the regulations;
- (c) “eligible person” means
 - (i) an individual who carries on the business of farming in the Province or the individual’s spouse or common-law partner, or
 - (ii) a corporation that carries on the business of farming in the Province.

(2) A donation is a qualifying donation for a taxation year if

- (a) it is a donation of one or more agricultural products produced in the Province by an eligible person; and
- (b) it is donated by an eligible person to an eligible food bank.

(3) An eligible person, who is an individual and who was resident in the Province on the last day of a taxation year ending after December 31, 2015, may deduct from the amount of tax otherwise payable for the year a food bank donation tax credit not exceeding the amount determined by the formula

$$A \times B$$

where

A is the sum of the fair market value of each qualifying donation, the fair market value of which was used in calculating the amount deducted by the individual under Section 11 in computing the amount of the individual's tax payable for the year under this Part; and

B is 25 per cent.

(4) An eligible person that is a corporation may deduct from the amount of tax otherwise payable for a taxation year ending after December 31, 2015, a food bank donation tax credit not exceeding the amount determined by the formula

$$A \times B$$

where

A is that part of the person's qualifying donations for the year that was deducted by the person under subsection 110.1(1) of the Federal Act in computing the person's taxable income for the year; and

B is 25 per cent.

(5) A trust is not entitled to a tax credit under this Section.

(6) On or after December 31, 2020, the Minister of Finance and Treasury Board of the Province, or a person designated by the Minister of Finance and Treasury Board of the Province, shall conduct a review of the tax credit established by this Section and prepare a written report of the results of the review no later than December 31, 2021.

(7) The Minister of Finance and Treasury Board of the Province shall table the report referred to in subsection (6) in the Assembly if the Assembly is then sitting or, where the Assembly is not then sitting, file the report with the Clerk of the Assembly.

(8) The Governor in Council may make regulations

(a) governing any matter that may be prescribed pursuant to this Section;

(b) defining any word or expression used but not defined in this Section;

(c) respecting any matter or thing the Governor in Council considers necessary or advisable to carry out effectively the intent and purpose of this Section.

7 Chapter 217 is further amended by adding immediately after Section 80A the following Section:

80B The Minister of Finance and Treasury Board of the Province may not issue a tax-credit certificate to a taxpayer pursuant to this Act if, in the opinion of the Minister of Finance and Treasury Board of the Province,

(a) any information provided by the taxpayer to obtain the certificate is false, misleading or fails to disclose a material fact; or

(b) the taxpayer has not complied with any provision of this Act or the regulations or the spirit and intent of this Act or the regulations.

PART II

PROVINCIAL COURT ACT

8 Subsection 21A(1) of Chapter 238 of the Revised Statutes, 1989, the *Provincial Court Act*, as enacted by Chapter 7 of the Acts of 1998, is amended by striking out “determine” in the first line and substituting “recommend”.

9 Sections 21J and 21K of Chapter 238 are repealed and the following Sections substituted:

21J (1) Recommendations made by a tribunal after the fourteenth day of January, 2016, that are confirmed or varied by the Governor in Council, other than those that require legislation, take effect on the first day of April immediately following the year in which the tribunal is appointed, or such later date as recommended by the tribunal and confirmed or varied by the Governor in Council.

(2) Where recommendations of the tribunal that are confirmed or varied by the Governor in Council require legislation for implementation, the Minister shall, within one year of the report of the tribunal, introduce in the House of Assembly the necessary legislation to implement the recommendations as confirmed or varied by the Governor in Council.

21K (1) Within forty-five days of receipt of the report prepared by a tribunal pursuant to subsection (1) of Section 21E, the Minister shall forward the report to the Governor in Council.

(2) The Governor in Council shall, without delay, confirm, vary or reject each of the recommendations contained in the report referred to in subsection (1).

(3) Upon varying or rejecting the tribunal’s recommendations in accordance with subsection (2), the Governor in Council shall provide reasons for so doing to both the tribunal and the Association.

(4) The Governor in Council shall, without delay, cause the confirmed and varied recommendations to be implemented, and the recommendations have the same force and effect as if enacted by the Legislature once implemented and are in substitution of any existing legislation relating to those matters.

10 Subsection 21M(4) of Chapter 238 is repealed.

11 Clause 21N(1)(d) of Chapter 238, as enacted by Chapter 7 of the Acts of 1998, is amended by adding “, confirmed or varied by the Governor in Council” immediately after “tribunal” in the third line.

12 Subsection 23(4) of Chapter 238, as enacted by Chapter 27 of the Acts of 2013, is amended by

- (a) striking out “determined and” in the fifth line; and
- (b) adding “and confirmed or varied by the Governor in Council” immediately after “tribunal” in the last line.

13 Section 25 of Chapter 238, as enacted by Chapter 27 of the Acts of 2013, is amended by adding immediately after subsection (4) the following subsection:

(5) Notwithstanding subsection (4), on and after the first day of April, 2017, a pension payable pursuant to subsection (1) or (3) of Section 24 shall be increased in accordance with increases in the cost of living in the amounts and times recommended by a tribunal and confirmed or varied by the Governor in Council.

14 Section 27 of Chapter 238 is repealed and the following Section substituted:

27 (1) Notwithstanding the *Public Service Superannuation Act*, the respective contributions of the Province and the judges for pension benefits are the contributions recommended by a tribunal pursuant to clause (d) of subsection (1) of Section 21E and confirmed or varied by the Governor in Council pursuant to Section 21K.

(2) Where the contributions recommended by a tribunal and confirmed or varied by the Governor in Council exceed those required pursuant to the *Public Service Superannuation Act*, the contributions made in excess of those required by the *Public Service Superannuation Act* shall be paid to the General Revenue Fund of the Province.

(3) Where the contributions required pursuant to the *Public Service Superannuation Act* exceed those recommended by a tribunal and confirmed or varied by the Governor in Council, the amount by which the contributions required pursuant to the *Public Service Superannuation Act* exceed those determined and recommended by the tribunal and confirmed or varied by the Governor in Council shall be paid out of the General Revenue Fund of the Province.

PART III

PUBLIC SERVICE SUPERANNUATION ACT

15 Clauses 19(1)(a) and (b) of Schedule B of Chapter 4 of the Acts of 2012, the *Public Service Superannuation Act*, are repealed and the following clause substituted:

- (a) each Government director has and is entitled to exercise one vote;

PART IV

REVENUE ACT

16 Subsection 34(1) of Chapter 17 of the Acts of 1995-96, the *Revenue Act*, as amended by Chapter 21 of the Acts of 1996, Chapter 3 of the Acts of 1997, Chapter 13 of the Acts of 1998, Chapter 5 of the Acts of 1999 (Second Session), Chapters 3 and 48 of the Acts of 2001, Chapter 5 of the Acts of 2002, Chapter 4 of the Acts of 2003, Chapter 3 of the Acts of 2004, Chapter 9 of the Acts of 2007, Chapter 5 of the Acts of 2009, Chapter 3 of the Acts of 2013 and Chapter 6 of the Acts of 2015, is further amended by

- (a) striking out “twenty-five and fifty-two one-hundredths cents” in the first line of clause (a) and substituting “twenty-seven and fifty-two one-hundredths cents”;
- (b) striking out “twenty-four cents” in the first line of clause (b) and substituting “twenty-six cents”;
- (c) striking out “twenty-five and fifty-two one-hundredths cents” in the first line of clause (c) and substituting “twenty-seven and fifty-two one-hundredths cents”;
- (d) striking out “fifty-six” in the first line of clause (d) and substituting “sixty”; and
- (e) striking out “sixteen and fifty-two one-hundredths cents” in the first line of clause (e) and substituting “eighteen and fifty-two one-hundredths cents”.

PART V

SHARED SERVICES ACT

17 (1) Subsection 8(4) of Chapter 38 of the Acts of 2014, the *Shared Services Act*, is amended by striking out “prescribed by” in the second line and substituting “made pursuant to”.

(2) Subsection 8(5) of Chapter 38 is amended by striking out “prescribed by” in the first and second lines and substituting “made pursuant to”.

18 Section 9 of Chapter 38 is amended by striking out “designated by the regulations shall obtain the shared services prescribed by the regulations from a shared services organization” in the last three lines and substituting “shall obtain shared services from a shared services organization in accordance with the regulations”.

19 Subsection 12(1) of Chapter 38 is amended by

- (a) striking out “listing” in the first line of clause (d) and substituting “respecting”;
- (b) striking out “listing” in the first line of clause (e) and substituting “respecting”;
- (c) striking out “prescribing” in the first line of clause (h) and substituting “respecting”; and

(d) adding immediately after clause (h) the following clause:

(ha) respecting the shared services that a crown corporation, department and public sector entity must obtain pursuant to Section 9;

PART VI

EFFECTIVE DATES

- 20** (1) Section 5 has effect on and after January 1, 2015.
- (2) Section 6 has effect on and after January 1, 2016.
- (3) Section 16 has effect on and after April 20, 2016.
