



# **BILL NO. 39**

*Government Bill*

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*1st Session, 63rd General Assembly  
Nova Scotia  
66 Elizabeth II, 2017*

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## **An Act Respecting Certain Financial Measures**

CHAPTER 6  
ACTS OF 2017

**AS ASSENTED TO BY THE ADMINISTRATOR OF THE PROVINCE  
OCTOBER 26, 2017**

The Honourable Karen Casey  
*Minister of Finance and Treasury Board*

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*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 (2017) Act*.

### PART I

#### EXECUTIVE COUNCIL ACT

2 (1) Subsection 6(1) of Chapter 155 of the Revised Statutes, 1989, the *Executive Council Act*, is amended by striking out “55” in the last line and substituting “45A”.

(2) Subsection 6(2) of Chapter 155 is amended by striking out “55” in the last line and substituting “45A”.

3 Section 7 of Chapter 155 is amended by striking out “55” in the ninth line and substituting “45A”.

### PART II

#### HOUSE OF ASSEMBLY ACT

4 Subsection 39(1) of Chapter 1 (1992 Supplement) of the Revised Statutes, 1989, the *House of Assembly Act*, is amended by striking out “45” in the last line and substituting “45A”.

5 (1) Subsection 42(1) of Chapter 1 is amended by striking out “45” in the fourth line and substituting “45A”.

(2) Subsection 42(3) of Chapter 1 is amended by striking out “45” in the fifth line and substituting “45A”.

(3) Subsection 42(4) of Chapter 1 is amended by striking out “45” in the sixth line and substituting “45A”.

6 Subsection 45A(7A) of Chapter 1 (1992 Supplement) of the Revised Statutes, 1989, the *House of Assembly Act*, as enacted by Chapter 21 of the Acts of 2015, is amended by striking out “December 31, 2017” in the last line and substituting “December 31st in the year in which increases are next effective pursuant to subsection (6)”.

## PART III

## INCOME TAX ACT

**7 Section 10 of Chapter 217 of the Revised Statutes, 1989, the *Income Tax Act*, as enacted by Chapter 4 of the Acts of 2000 and amended by Chapter 29 of the Acts of 2000, Chapter 4 of the Acts of 2003, Chapter 6 of the Acts of 2005, Chapter 2 of the Acts of 2006, Chapter 9 of the Acts of 2007 and Chapter 2 of the Acts of 2008, is further amended by adding immediately after subsection (7) the following subsection:**

(8) This Section does not apply for the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017.

**8 (1) Subsection 10A(1) of Chapter 217, as enacted by Chapter 2 of the Acts of 2006, is amended by**

(a) striking out “and” at the end of clause (c);

(b) striking out the period at the end of clause (d) and substituting “; and”; and

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

(e) for the 2011 taxation year and subsequent taxation years, \$8,481.

**(2) Subsection 10A(2) of Chapter 217, as enacted by Chapter 2 of the Acts of 2006, is amended by**

(a) striking out “and” at the end of clause (c);

(b) striking out the period at the end of clause (d) and substituting a semicolon; and

(c) adding immediately after clause (d) the following clauses:

(e) for the 2011 taxation year, \$7,201; and

(f) for the 2012 taxation year and subsequent taxation years, \$8,481.

**(3) Subsection 10A(3) of Chapter 217, as enacted by Chapter 2 of the Acts of 2006, is amended by**

(a) striking out “and” at the end of clause (c);

(b) striking out the period at the end of clause (d) and substituting a semicolon; and

(c) adding immediately after clause (d) the following clauses:

(e) for the 2011 taxation year, \$720; and

(f) for the 2012 taxation year and subsequent taxation years, \$848.

**(4) Subsection 10A(4) of Chapter 217, as enacted by Chapter 2 of the Acts of 2006, is amended by**

- (a) striking out “and” at the end of clause (c);**
- (b) striking out the period at the end of clause (d) and substituting “; and”; and**
- (c) adding immediately after clause (d) the following clause:**
  - (e) for the 2011 taxation year and subsequent taxation years, \$18,575.**

**(5) Subsection 10A(5) of Chapter 217, as enacted by Chapter 2 of the Acts of 2006, is amended by**

- (a) striking out “and” at the end of clause (c);**
- (b) striking out the period at the end of clause (d) and substituting “; and”; and**
- (c) adding immediately after clause (d) the following clause:**
  - (e) for the 2011 taxation year and subsequent taxation years, \$13,677.**

**(6) Subsection 10A(6) of Chapter 217, as enacted by Chapter 2 of the Acts of 2006, is amended by**

- (a) striking out “and” at the end of clause (c);**
- (b) striking out the period at the end of clause (d) and substituting “; and”; and**
- (c) adding immediately after clause (d) the following clause:**
  - (e) for the 2011 taxation year and subsequent taxation years, \$5,683.**

**(7) Subsection 10A(7) of Chapter 217, as enacted by Chapter 2 of the Acts of 2006, is amended by**

- (a) striking out “and” at the end of clause (c);**
- (b) striking out the period at the end of clause (d) and substituting “; and”; and**
- (c) adding immediately after clause (d) the following clause:**
  - (e) for the 2011 taxation year and subsequent taxation years, \$4,141.**

**(8) Subsection 10A(8) of Chapter 217, as enacted by Chapter 2 of the Acts of 2006, is amended by**

- (a) striking out “and” at the end of clause (c);**
- (b) striking out the period at the end of clause (d) and substituting “; and”; and**

(c) **adding immediately after clause (d) the following clause:**

(e) for the 2011 taxation year and subsequent taxation years, \$30,828.

**(9) Subsection 10A(9) of Chapter 217, as enacted by Chapter 2 of the Acts of 2006, is amended by**

(a) **striking out “and” at the end of clause (c);**

(b) **striking out the period at the end of clause (d) and substituting “; and”; and**

(c) **adding immediately after clause (d) the following clause:**

(e) for the 2011 taxation year and subsequent taxation years, \$1,173.

**9 Chapter 217 is further amended by adding immediately after Section 10A the following Sections:**

10B (1) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017, there may be deducted a basic personal amount determined by the formula

$$A \times B$$

where

A is the appropriate percentage for the year; and

B is \$8,481

(2) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017, there may be deducted an additional basic personal amount determined by the formula

$$A \times C$$

where

A is the appropriate percentage for the year; and

C is

(a) for an individual with a taxable income of \$25,000 or less for the year, \$3,000; and

(b) for an individual with a taxable income of greater than \$25,000 for the year, \$3,000 less 6% of the amount by which the individual's taxable income exceeds \$25,000 for the year.

10C (1) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017, where at any time in the year the individual

(a) is a married person or a person who is in a common-law partnership;

(b) supports the individual's spouse or common-law partner; and

(c) is not living separate and apart from the spouse or common-law partner by reason of a breakdown of their marriage or common-law partnership,

there may be deducted a spousal amount determined by the formula

$$A \times (B - C)$$

where

- A is the appropriate percentage for the year;
- B is \$8,481; and
- C is the income of the individual's spouse or common-law partner for the year.

(2) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017, where the individual is eligible to make a deduction under subsection (1), there may be deducted an additional spousal amount determined by the formula

$$A \times (D - E)$$

where

- A is the appropriate percentage for the year;
- D is
  - (a) for an individual with a taxable income of \$25,000 or less for the year, \$3,000; and
  - (b) for an individual with a taxable income of greater than \$25,000 for the year, \$3,000 less 6% of the amount by which the individual's taxable income exceeds \$25,000 for the year.
- E is the income of the individual's spouse or common-law partner for the year.

10D (1) Except in the case of an individual who claims a deduction for the taxation year under Section 10C, for the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017, where at any time in the year the individual

- (a) is either
  - (i) an unmarried individual who does not live in a common-law partnership, or
  - (ii) an individual who is married or in a common-law partnership and who
    - (A) neither supports nor lives with the individual's spouse or common-law partner, and
    - (B) is not supported by the individual's spouse or common-law partner; and
- (b) whether alone or jointly with one or more other individuals, maintains a self-contained domestic establishment in which the individual

lives, and actually supports in that establishment an individual who, at that time, is

- (i) except in the case of a child of the individual, resident in Canada,
- (ii) wholly dependent for support on the individual or on the individual and any other individuals in the domestic establishment, as the case may be,
- (iii) related to the individual, and
- (iv) except in the case of a parent or grandparent of the individual, either under eighteen years of age or so dependent by reason of mental or physical infirmity,

there may be deducted a dependant amount determined by the formula

$$A \times (B - C)$$

where

- A is the appropriate percentage for the year;
- B is \$8,481; and
- C is the income of the individual's dependant for the year.

(2) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017, where the individual is eligible to make a deduction under subsection (1), there may be deducted an additional dependant amount determined by the formula

$$A \times (D - E)$$

where

- A is the appropriate percentage for the year;
- D is
  - (a) for an individual with a taxable income of \$25,000 or less for the year, \$3,000; and
  - (b) for an individual with a taxable income of greater than \$25,000 for the year, \$3,000 less 6% of the amount by which the individual's taxable income exceeds \$25,000 for the year; and

E is the income of the individual's dependant for the year.

10E For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017, where at any time in the year the individual alone or jointly with one or more individuals, maintains a self-contained domestic establishment that is the ordinary place of residence of the individual and of a particular person

- (a) who has attained the age of eighteen years;
- (b) who is
  - (i) the individual's child or grandchild, or



(ii) the parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the individual or of the individual's spouse or common-law partner and resident in Canada; and

(c) who

(i) is the individual's parent or grandparent and has attained the age of sixty-five years, or

(ii) is dependent on the individual because of the particular person's mental or physical infirmity,

there may be deducted a caregiver amount determined by the formula

$$A \times (B - C)$$

where

A is the appropriate percentage for the year;

B is \$18,575; and

C is the greater of the particular person's income for the year and \$13,677.

10F For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017, for each dependant of the individual who at any time in the year

(a) has attained the age of eighteen years; and

(b) is dependent on the individual because of mental or physical infirmity,

there may be deducted an infirm dependant amount determined by the formula

$$A \times (B - C)$$

where

A is the appropriate percentage for the year;

B is \$8,481; and

C is the greater of the dependant's income for the year and \$5,683.

10G (1) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017, where an individual has attained the age of sixty-five years before the end of the year, there may be deducted an age amount determined by the formula

$$A \times (B - C)$$

where

A is the appropriate percentage for the year;

B is \$4,141; and

C is 15% of the amount, if any, by which the individual's income for the year would exceed \$30,828 if no amount were included in respect of a gain from a disposition of property to which section 79 of the Federal Act applies in computing that income.

(2) For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017, where the individual is eligible to make a deduction under subsection (1), there may be deducted an additional age amount determined by the formula

$$A \times D$$

where

A is the appropriate percentage for the year; and

D is

(a) for an individual with a taxable income of \$25,000 or less for the year, \$1,465; and

(b) for an individual with a taxable income of greater than \$25,000 for the year, \$1,465 less 2.93% of the amount by which the individual's taxable income exceeds \$25,000 for the year.

10H For the purpose of computing the tax payable under this Part by an individual for a taxation year after December 31, 2017, where the individual was resident in the Province on the last day of the year, there may be deducted a pension amount determined by the formula

$$A \times B$$

where

A is the appropriate percentage for the year; and

B is the lesser of \$1,173 and the eligible pension income of the individual for the year.

10I (1) In this Section,

(a) "eligible individual" means an individual who, on the last day of the taxation year, is resident in the Province and who, at that time,

(i) does not have a cohabiting spouse or common-law partner as defined in section 122.6 of the Federal Act,

(ii) has a cohabiting spouse or common-law partner, as defined in section 122.6 of the Federal Act, whose income for the taxation year is greater than the individual's income for the taxation year, or

(iii) has a cohabiting spouse or common-law partner, as defined in section 122.6 of the Federal Act, whose income for the taxation year is equal to the individual's income for the taxation year and renounces his or her entitlement to deduct an amount determined by the formula under subsection (2);

(b) "qualified dependant" means an individual who, on the first day of the month,

(i) has not attained the age of six years,

(ii) resides with the eligible individual,

(iii) is not a person in respect of whom a special allowance under the *Children's Special Allowances Act* (Canada) is payable for the month, and

(iv) is not a person in respect of whom an amount has been deducted for that taxation year under Section 10D.

(2) For the purpose of computing the tax payable under this Part by an eligible individual for a taxation year after December 31, 2017, there may be deducted by the eligible individual in respect of each qualified dependant an amount for young children determined by the formula

$$A \times B$$

where

A is the appropriate percentage for the year; and

B is the product obtained when \$100 is multiplied by the number of months in the taxation year that the individual is the eligible individual in respect of the qualified dependant on the first day of the month.

(3) Only one eligible individual may claim the amount determined by the formula in subsection (2) in respect of the same qualified dependant for any given month.

**10 Clause 13(3)(b) of Chapter 217, as enacted by Chapter 6 of the Acts of 2005, is amended by adding “, 10B to 10I” immediately after “10” in the last line.**

**11 (1) Subsection 15(1) of Chapter 217, as enacted by Chapter 4 of the Acts of 2000, is amended by striking out the first eight lines and substituting “For the purpose of computing the tax payable under this Part by an individual who is a qualifying student for a taxation year, there may be deducted an amount determined by the formula”.**

**(2) Subsection 15(2) of Chapter 217 is repealed and the following subsection substituted:**

(2) Subsections 118.6(1) and (3) of the Federal Act apply for the purposes of this Section, except that the reference in subsection 118.6(3) to “subparagraph (a)(i) of the definition *qualifying student* in subsection (1)” is to be read as “clause 15(1)(a) of the *Income Tax Act* (Nova Scotia)”.

**12 (1) Clause 16(1)(b) of Chapter 217, as enacted by Chapter 6 of the Acts of 2005, is amended by adding “, 10B to 10I” immediately after “10” in the last line.**

**(2) Subsection 16(2) of Chapter 217, as enacted by Chapter 6 of the Acts of 2005, is amended by adding “, 10B to 10I” immediately after “10” in the fifteenth line.**

**13 (1) Subsection 19(1) of Chapter 217, as enacted by Chapter 6 of the Acts of 2005 and amended by Chapter 2 of the Acts of 2008, is further amended by**

**(a) striking out “Section” in the sixteenth line and substituting “Sections 10G, 10H and”;**

(b) adding “10B,” immediately after “Sections” in the sixth line of clause (a); and

(c) adding “to 10G” immediately after “10B” in the last line of subclause (b)(ii).

(2) Subsection 19(2) of Chapter 217, as enacted by Chapter 6 of the Acts of 2005, is amended by adding “, Section 10C” immediately after “10(1)(a)” in the fourth line.

(3) Clause 19(3)(a) of Chapter 217, as enacted by Chapter 6 of the Acts of 2005, is amended by adding “, 10B to 10I” immediately after “10” in the last line.

14 Clause 23(1)(b) of Chapter 217, as enacted by Chapter 9 of the Acts of 2007 and amended by Chapter 2 of the Acts of 2008 and Chapter 5 of the Acts of 2009, is further amended by

(a) adding “10H, 10I,” immediately after “Sections” in the second line of subclause (i); and

(b) adding “10B to 10G,” immediately after “Sections” in the second line of subclause (ii).

15 Section 24 of Chapter 217 is repealed and the following Section substituted:

24 (1) In computing an individual’s tax payable under this Part for a taxation year ending before January 1, 2018, the following provisions shall be applied in the following order: subsections 10(1), 10(5) and 10(2), Section 18, subsection 10(3), Sections 13, 12A, 17, 14 and 15, subsections 19(2) and 19(1), Sections 12, 12B, 11, 21, 35, 50, 38, 36, 37, 36A, 36B and 38A and subsection 50A(3).

(2) In computing an individual’s tax payable under this Part for the 2018 taxation year and subsequent taxation years, the following provisions shall be applied in the following order: Sections 10B to 10F, 10I, 10G, 18, 10H, 13, 12A, 17, 14 and 15, subsections 19(2) and 19(1), Sections 12, 12B, 11, 21, 35, 50, 38, 36, 37, 36A, 36B and 38A and subsection 50A(3).

16 Section 25 of Chapter 217, as enacted by Chapter 9 of the Acts of 2007 and amended by Chapter 2 of the Acts of 2008 and Chapter 5 of the Acts of 2009, is further amended by adding “10H and” immediately after “Sections” in the eighth line.

17 Section 26 of Chapter 217, as enacted by Chapter 9 of the Acts of 2007 and amended by Chapter 2 of the Acts of 2008 and Chapter 5 of the Acts of 2009, is further amended by adding “10B to 10H,” immediately after “Sections” in the first line.

18 Section 27 of Chapter 217, as enacted by Chapter 9 of the Acts of 2007 and amended by Chapter 2 of the Acts of 2008 and Chapter 5 of the Acts of 2009, is further amended by

(a) adding “10H, 10I,” immediately after “Sections” in the second line of clause (a);

(b) striking out “subsection” in the second line of clause (b) and substituting “subsections”; and

(c) adding “10B to 10G,” immediately after “Sections” in the third line of clause (b).

19 Section 29 of Chapter 217, as enacted by Chapter 9 of the Acts of 2007, is amended by striking out “Section” in the last line and substituting “Sections 10I and”.

20 Section 32A of Chapter 217, as enacted by Chapter 6 of the Acts of 2005 and amended by Chapter 9 of the Acts of 2007, is further amended by striking out “Section” in the ninth line and substituting “Sections 10H, 10I,”.

21 Subclause 35(1)(c)(i) of Chapter 217, as enacted by Chapter 6 of the Acts of 2005, is amended by striking out “Section 10” in the last line and substituting “Sections 10 or 10B to 10I”.

22 (1) Subsection 40(4) of Chapter 217, as enacted by Chapter 6 of the Acts of 2005 and amended by Chapter 3 of the Acts of 2013, is further amended by

(a) striking out the period in the second line of clause (c) and substituting “, and ending on December 31, 2016; and”; and

(b) adding immediately after clause (c) the following clause:

(d) for the first amount, “\$500,000” and, for the second amount, “\$1,370” for the period commencing on January 1, 2017.

(2) Subsection 40(6) of Chapter 217, as enacted by Chapter 6 of the Acts of 2005 and amended by Chapter 3 of the Acts of 2013, is further amended by

(a) striking out the period in the second line of clause (b) and substituting “, and ending on December 31, 2016; and”; and

(b) adding immediately after clause (b) the following clause:

(c) \$500,000 for the period commencing on January 1, 2017.

#### PART IV

#### PENSION BENEFITS ACT

23 Section 61 of Chapter 41 of the Acts of 2011, the *Pension Benefits Act*, as amended by Chapter 37 of the Acts of 2014 and Chapter 48 of the Acts of 2015, is further amended by adding immediately after subsection (14) the following subsection:

(15) This Section applies, *mutatis mutandis*, to a retired member who is entitled to begin to receive a pension from the pension fund by virtue of having reached the normal retirement age under the pension plan but who has not yet elected to receive the pension, if the pension plan so permits.