



BILL NO. 105

Government Bill

*3rd Session, 63rd General Assembly
Nova Scotia
70 Elizabeth II, 2021*

An Act Respecting Certain Financial Measures

CHAPTER 6
ACTS OF 2021

**AS ASSENTED TO BY THE LIEUTENANT GOVERNOR
APRIL 19, 2021**

The Honourable Labi Kousoulis
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 (2021) Act*.

PART I

CORPORATION CAPITAL TAX ACT

2 **Clause 3(b) of Chapter 99 of the Revised Statutes, 1989, the *Corporation Capital Tax Act*, is amended by adding “, and begins before the date Part III of the *Income Tax Act* respecting the Financial Institutions Capital Tax comes into force” immediately after “1986” in the second line.**

PART II

EQUITY TAX CREDIT ACT

3 **Section 2 of Chapter 3 of the Acts of 1993, the *Equity Tax Credit Act*, as amended by Chapter 2 of the Acts of 1995, Chapter 3 of the Acts of 1997, Chapter 4 of the Acts of 2000, Chapter 3 of the Acts of 2001, Chapter 4 of the Acts of 2003, Chapter 6 of the Acts of 2005, Chapter 2 of the Acts of 2006, Chapter 5 of the Acts of 2009, Chapter 62 of the Acts of 2011 and Chapter 4 of the Acts of 2019, is further amended by**

(a) striking out subclause (h)(i) and substituting the following subclauses:

(i) in the case of a corporation, fully paid, newly issued voting common shares of the corporation, issued on or before February 28, 2022, that are non-redeemable and non-retractable, are non-convertible, are not restricted in profit sharing or participation upon dissolution and are not eligible for a tax credit allowed pursuant to the *Income Tax Act* (Canada) or a deduction from income pursuant to that Act other than a deduction pursuant to subsection 146(5) of that Act,

(ia) in the case of a community economic development corporation, fully paid, newly issued voting common shares of the corporation, issued on or before March 1, 2032, that are non-redeemable and non-retractable, are non-convertible, are not restricted in profit sharing or participation upon dissolution and are not eligible for a tax credit allowed pursuant to the *Income Tax Act* (Canada) or a deduction from income pursuant to that Act other than a deduction pursuant to subsection 146(5) of that Act,

and

(b) striking out “the twenty-eighth day of February, 2022” in the fourth and fifth lines of clause (j) and substituting “March 2, 2032”.

4 Subsection 6(1) of Chapter 3, as amended by Chapter 4 of the Acts of 2000, Chapter 3 of the Acts of 2001, Chapter 4 of the Acts of 2003, Chapter 2 of the Acts of 2006, Chapter 5 of the Acts of 2009 and Chapter 62 of the Acts of 2011, is further amended by striking out “the thirtieth day of September, 1993, and before the twenty-eighth of February, 2022” in the sixth and seventh lines of clause (a) and substituting “September 30, 1993, and before March 2, 2032”.

5 Subsection 8(1) of Chapter 3, as amended by Chapter 2 of the Acts of 1995, Chapter 4 of the Acts of 2000, Chapter 5 of the Acts of 2009 and Chapter 62 of the Acts of 2011, is further amended by striking out “March 1, 2022” in the ninth line and substituting “March 2, 2032”.

6 Chapter 3 is further amended by adding immediately after Section 26 the following Section:

26A (1) The Minister shall conduct or cause to be conducted a review of the tax credit established by this Act on or after December 31, 2030, and prepare a written report of the results of the review no later than December 31, 2031.

(2) The Minister shall table the report referred to in subsection (1) 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.

PART III

FINANCE ACT

7 Section 2 of Chapter 2 of the Acts of 2010, the *Finance Act*, as amended by Chapter 34 of the Acts of 2014, is further amended by striking out “*Universities Assistance Act*” in the last line of clause (q) and substituting “*Universities Accountability and Sustainability Act*”.

8 Section 36 of Chapter 2 is amended by adding immediately after subsection (1) the following subsections:

(1A) Where it has been determined that the amount authorized pursuant to subsection (1) and an Appropriations Act is insufficient to carry out the purpose of the Appropriations Act, the Minister shall prepare an additional borrowing plan which must be submitted with a report and recommendation to the Governor in Council.

(1B) Upon receipt of the additional borrowing plan and report of recommendation pursuant to subsection (1A), the Governor in Council may authorize the Minister to borrow any sum of money up to the amount shown in the additional borrowing plan, for a term greater than three hundred and sixty-five days, and the sum of money ordered must be added to the amount the Minister is authorized to borrow pursuant to subsection (1).

PART IV

HEALTH PROTECTION ACT

9 Section 75 of Chapter 4 of the Acts of 2004, the *Health Protection Act*, is amended by

(a) repealing clause (a) and substituting the following clause:

(a) “administrator” means an inspector who is appointed as an administrator by the Minister for the purpose of this Part;

and

(b) striking out “Agriculture” in the first line of clause (e) and substituting “Environment and Climate Change”.

10 Section 78 of Chapter 4 is amended by striking out “Administrator” in the first line and substituting “administrators”.

11 (1) Subsection 79(1) of Chapter 4 is amended by striking out “The Administrator” in the first line and substituting “An administrator”.

(2) Subsection 79(2) of Chapter 4 is amended by striking out “The Administrator” in the first line and substituting “An administrator”.

12 (1) Subsection 82(1) of Chapter 4 is amended by striking out “the Administrator” in the second line and in the second and third lines and substituting in each case “an administrator”.

(2) Subsection 82(2) of Chapter 4 is amended by striking out “the Administrator” in the second line and substituting “an administrator”.

(3) Subsection 82(3) of Chapter 4 is amended by striking out “the Administrator” in the first line and substituting “an administrator”.

13 Chapter 4 is further amended by adding immediately after Section 82 the following Section:

82A Where a person operates a food establishment without having obtained a permit or an exemption under Section 82, an administrator may order the closure of the food establishment or take any other action the administrator considers appropriate.

14 (1) Subsection 83(1) of Chapter 4 is amended by

(a) striking out “The Administrator” in the first line and substituting “An administrator”; and

(b) striking out “Administrator” in the third line and substituting “administrator”.

(2) Subsection 83(2) of Chapter 4 is amended by striking out “the Administrator” in the second line and substituting “an administrator”.

15 Section 84 of Chapter 4 is amended by striking out “the Administrator” in the first line and substituting “an administrator”.

16 (1) Subsection 85(1) of Chapter 4 is amended by striking out “the Administrator” in the second line and substituting “an administrator”.

(2) Subsection 85(3) of Chapter 4 is amended by striking out “Administrator” in the second line and substituting “administrator”.

17 Section 86 of Chapter 4 is amended by striking out “The Administrator” in the first line and substituting “An administrator”.

18 Section 87 of Chapter 4 is amended by striking out “The Administrator” in the first line and substituting “An administrator”.

19 Section 89 of Chapter 4 is amended by striking out “the Administrator” in the third line and substituting “an administrator”.

20 (1) Subsection 93(1) of Chapter 4 is amended by

(a) striking out “The Administrator” in the first line and substituting “An administrator”; and

(b) striking out “Administrator’s” in the second line and substituting “administrator’s”.

(2) Subsection 93(2) of Chapter 4 is amended by striking out “the Administrator” in the first line and substituting “an administrator”.

21 Section 94 of Chapter 4 is amended by striking out “the Administrator” in the first, in the second and in the third lines and substituting in each case “an administrator”.

22 Section 95 of Chapter 4 is amended by

(a) striking out “the Administrator” in the first line and substituting “an administrator”; and

(b) striking out “Administrator” in the third line and substituting “administrator”.

23 Section 96 of Chapter 4 is amended by striking out “The Administrator” in the first line and substituting “An administrator”.

24 Section 100 of Chapter 4 is amended by

(a) striking out “The Administrator” in the first line and substituting “An administrator”; and

(b) striking out “Administrator” in the third and in the fourth lines and substituting in each case “administrator”.

25 Subsection 104(2) of Chapter 4 is amended by striking out “Administrator” in the second line and substituting “administrators”.

26 Subsection 105(1) of Chapter 4 is amended by

(a) striking out “the Administrator” in the first line of clause (a) and substituting “administrators”;

(b) adding “administrators or” immediately after “of” in the second line of clause (a); and

(c) striking out “the Administrator” in the first line of clause (b) and substituting “administrators”.

PART V

INCOME TAX ACT

27 Section 41 of Chapter 217, as enacted by Chapter 4 of the Acts of 2000 and amended by Chapter 3 of the Acts of 2001, Chapter 5 of the Acts of 2002, Chapter 4 of the Acts of 2003, Chapter 6 of the Acts of 2005 and Chapter 33 of the Acts of 2014, is further amended by adding immediately after subsection (21) the following subsection:

(22) Where the time limit in subsection (21) would otherwise expire during the period beginning on March 31, 2020, and ending on December 30, 2020, the time limit is extended by six months or until December 31, 2020, if that day is before the end of those six months.

28 Part III of Chapter 217 is repealed and the following Part substituted:

PART III - FINANCIAL INSTITUTIONS CAPITAL TAX

69 (1) In this Part,

(a) “authorized foreign bank” means an authorized foreign bank as defined in section 2 of the *Bank Act* (Canada);

(b) “Canadian banking business” means a business carried on by an authorized foreign bank through a permanent establishment in Canada;

(c) “capital”, in the case of a financial institution other than an authorized foreign bank, means its capital for a taxation year that is the amount, if any, by which the total at the end of the year of

(i) the amount of its long-term debt,

(ii) the amount of its capital stock or, in the case of an institution incorporated without share capital, the amount of its members’ contributions,

(iii) retained earnings, contributed surplus and other surpluses, and

(iv) the amount of its reserves for the year except to the extent that the reserves were deducted in computing its income under Part I of the Federal Act for the year,

exceeds the total at the end of the year of

(v) the amount of any deficit deducted in computing its shareholders' equity, including for this purpose, the amount of any provision for the redemption of preferred shares, and

(vi) the amount of its deferred tax debit balance;

(d) "capital deduction" means the amount, if any, determined under the regulations;

(e) "financial institution" means

(i) a corporation that is a bank to which the *Bank Act* (Canada) applies,

(ii) a trust company within the meaning of the *Trust and Loan Companies Act*, or

(iii) a loan company within the meaning of the *Trust and Loan Companies Act*;

(f) "guidelines" means the risk-weighting guidelines issued by the superintendent;

(g) "long-term debt" means a financial institution's subordinated indebtedness evidenced by obligations issued for a term of not less than five years;

(h) "reserves" means reserves as defined in section 190 of the Federal Act;

(i) "subordinated indebtedness" means subordinated indebtedness as defined in the *Bank Act* (Canada) with those changes that the circumstances may require;

(j) "superintendent" means the federal Superintendent of Financial Institutions;

(k) "taxable capital" means the amount, if any, by which the capital of a financial institution for the year exceeds its capital deduction;

(l) "taxable capital employed in the Province for the year" means the amount equal to the financial institution's taxable capital multiplied by the ratio for allocating taxable income earned in the year in the Province as determined under Part IV of the Federal Regulations.

(2) Notwithstanding clause (1)(c), in the case of an authorized foreign bank, "capital" means the total of

(a) 10% of the total of all amounts, each of which is the risk-weighted amount at the end of the year of an on-balance sheet asset or an

off-balance sheet exposure of the bank in respect of its Canadian banking business that the bank would be required to report under the guidelines if those guidelines applied and required a report at that time; and

(b) the total of all amounts, each of which is an amount at the end of the year in respect of the bank's Canadian banking business that

(i) if the bank were a bank listed in Schedule II to the *Bank Act* (Canada), would be required under the risk-based capital adequacy guidelines issued by the superintendent and applicable at that time to be deducted from the bank's capital in determining the amount of capital available to satisfy the superintendent's requirement that capital equal a particular proportion of risk-weighted assets and exposures, and

(ii) is not an amount in respect of a loss protection facility required to be deducted from capital under the superintendent's guidelines respecting asset securitization applicable at that time.

(3) Subsection 190(2) and sections 190.2 and 190.21 of the Federal Act apply to this Part with those modifications that the circumstances may require.

70 (1) Every financial institution with a permanent establishment in the Province at any time during a taxation year shall pay a tax under this Part for the taxation year equal to 4% of its taxable capital employed in the Province for the year.

(2) The amount of tax payable under this Part may not be reduced by a tax credit provided under this Act.

71 The Governor in Council may make regulations

(a) respecting the amount of the capital deduction that may be claimed by a financial institution;

(b) respecting the allocation of a corporation's capital deduction among financial institutions related to it;

(c) respecting any matter or thing to be prescribed pursuant to this Part;

(d) defining any word or expression used but not defined in this Part;

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

72 Where a taxation year of a corporation is less than 51 weeks, the tax payable determined under Section 70 for the year in respect of the corporation is reduced to that proportion of that amount that the number of days in the taxation year is of 365.

73 This Part applies to every taxation year beginning after the coming into force of this Part.

29 (1) Subsection 96(2) of Chapter 217, as enacted by Chapter 4 of the Acts of 2000 and amended by Chapter 34 of the Acts of 2014, is further amended by

(a) striking out "or" at the end of clause (a);

(b) **striking out the period at the end of subclause (b)(ii) and substituting “; or”; and**

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

(c) the Minister of National Revenue for Canada and the Minister of Finance for Canada, where that information is provided pursuant to subsection 96(3).

(2) Section 96 of Chapter 217, as enacted by Chapter 4 of the Acts of 2000 and amended by Chapter 34 of the Acts of 2014, is further amended by adding immediately after subsection (2) the following subsection:

(3) The Minister of National Revenue for Canada may provide any information obtained by or on behalf of the Province for the purpose of this Act to an official of the Minister of Finance for Canada solely for the purpose of the formulation or evaluation of fiscal policy.

PART VI

PENSION BENEFITS ACT

30 Subsection 15(3) of Chapter 41 of the Acts of 2011, the *Pension Benefits Act*, is repealed and the following subsection substituted:

(3) Information that is filed or collected by or submitted to the Superintendent in relation to a pension or a pension plan must be kept confidential by the Superintendent and must not be disclosed to any other person except to

(a) a person referred to in any of clauses 42(1)(a) to (k) and in accordance with Sections 42 and 43;

(b) the authorized representative of

(i) another province of Canada,

(ii) the Government of Canada,

(iii) a Canadian association of pension supervisory authorities, or

(iv) a pension supervisory authority or the government of a designated jurisdiction,

in accordance with Section 8 or 9; or

(c) a person or entity who is otherwise entitled to receive the information under this Act.

31 Chapter 41 is further amended by

(a) **adding the heading “SURPLUS” immediately after Section 102; and**

(b) **striking out the heading “SURPLUS” immediately after Section 102A.**

PART VII

SAFE BODY ART ACT

32 Section 2 of Chapter 44 of the Acts of 2011, the *Safe Body Art Act*, is amended by

(a) striking out clause (a) and substituting the following clause:

(a) “administrator” means a public health inspector appointed as an administrator pursuant to this Act;

and

(b) striking out “Health and Wellness” in the first line of clause (h) and substituting “Environment and Climate Change”.

33 (1) Subsection 4(1) of Chapter 44 is amended by striking out “an Administrator” in the second line and substituting “administrators”.

(2) Subsection 4(2) of Chapter 44 is amended by striking out “The Administrator” in the first line and substituting “An administrator”.

34 (1) Subsection 7(1) of Chapter 44 is amended by striking out “the Administrator” in the second and third lines and substituting “an administrator”.

(2) Subsection 7(2) of Chapter 44 is amended by striking out “the Administrator” in the second line and substituting “an administrator”.

(3) Subsection 7(3) of Chapter 44 is amended by striking out “the Administrator” in the first line and substituting “an administrator”.

35 (1) Subsection 8(1) of Chapter 44 is amended by

(a) striking out “The Administrator” in the first line and substituting “An administrator”; and

(b) striking out “Administrator” in the second and third lines and substituting “administrator”.

(2) Subsection 8(2) of Chapter 44 is amended by striking out “the Administrator” in the second line and substituting “an administrator”.

36 Section 9 of Chapter 44 is amended by striking out “The Administrator” in the first line and substituting “An administrator”.

37 (1) Subsection 10(1) of Chapter 44 is amended by striking out “the Administrator” in the second line and substituting “an administrator”.

(2) Subsection 10(3) of Chapter 44 is amended by striking out “the Administrator” in the second line and substituting “an administrator”.

38 Section 11 of Chapter 44 is amended by striking out “The Administrator” in the first line and substituting “An administrator”.

39 Section 12 of Chapter 44 is amended by striking out “The Administrator” in the first line and substituting “An administrator”.

40 (1) Subsection 17(1) of Chapter 44 is amended by

(a) striking out “the Administrator” in the first line and substituting “an administrator”;

(b) striking out “Administrator’s” in the second and third lines and substituting “administrator’s”;

(c) striking out “Administrator” in the second line of clause (a) and substituting “administrator”; and

(d) striking out “Administrator” in the first line of subclause (d)(i) and substituting “administrator”.

(2) Subsection 17(2) of Chapter 44 is amended by striking out “The Administrator” in the first line and substituting “An administrator”.

41 (1) Subsection 18(1) of Chapter 44 is amended by striking out “the Administrator” in the first and in the third lines and substituting in each case “an administrator”.

(2) Subsection 18(3) of Chapter 44 is amended by striking out “the Administrator” in the second and third lines and substituting “an administrator”.

42 Section 19 of Chapter 44 is amended by

(a) striking out “The Administrator” in the first line and substituting “An administrator”; and

(b) striking out “Administrator” in the last line and substituting “administrator”.

43 Section 20 of Chapter 44 is amended by

(a) striking out “the Administrator” in the second line and substituting “an administrator”; and

(b) striking out “Administrator” in the third, in the fifth and in the sixth lines and substituting in each case “administrator”.

44 Subsection 21(1) of Chapter 44 is amended by striking out “the Administrator” in the first line and substituting “an administrator”.

45 Section 22 of Chapter 44 is amended by

(a) striking out “the Administrator” in the second line and substituting “an administrator”; and

(b) striking out “Administrator” in the third line and substituting “administrator”.

46 Section 23 of Chapter 44 is amended by

(a) striking out “the Administrator” in the first line and substituting “an administrator”; and

(b) striking out “Administrator” in the third line and substituting “administrator”.

47 Section 24 of Chapter 44 is amended by striking out “The Administrator” in the first line and substituting “An administrator”.

48 Section 25 of Chapter 44 is amended by striking out “The Administrator” in the first line and substituting “An administrator”.

49 Section 26 of Chapter 44 is amended by striking out “the Administrator” in the first line and substituting “an administrator”.

50 Clause 30(b) of Chapter 44 is amended by striking out “the Administrator” in the second line and substituting “an administrator”.

51 (1) Subsection 32(1) of Chapter 44 is amended by striking out “the Administrator” in the third line and substituting “an administrator”.

(2) Subsection 32(3) of Chapter 44 is amended by striking out “The Administrator” in the first line and substituting “An administrator”.

52 Subsection 33(1) of Chapter 44 is amended by

(a) striking out “the Administrator” in the first line of clause (b) and substituting “administrators”; and

(b) striking out “the Administrator” in the first line of clause (c) and substituting “administrators”.

PART VIII

SNOW SPORT HELMET ACT

53 Clause 3(c) of Chapter 47 of the Acts of 2011, the *Snow Sport Helmet Act*, is amended by striking out “Health and Wellness” in the first line and substituting “Environment and Climate Change”.

PART IX

TANNING BEDS ACT

54 Clause 3(c) of Chapter 44 of the Acts of 2010, the *Tanning Beds Act*, is amended by striking out “Health Promotion and Protection” in the first and second lines and substituting “Environment and Climate Change”.

PART X

EFFECTIVE DATE

55 Sections 2 and 28 come into force on such day as the Governor in Council orders and declares by proclamation.
