

Rate of
capital
tax on
non-banking
corporations

131.—(1) Except as provided in subsection 2, the tax payable under this Part by a corporation for a fiscal year calculated upon its taxable paid-up capital or taxable paid-up capital employed in Canada, as the case may be, in this subsection referred to as the “amount taxable”, is one fifth of 1 per cent of the amount taxable.

Rate of
capital tax
on banks

(2) The tax payable under this Part by a bank for a fiscal year calculated upon its taxable paid-up capital, in this subsection referred to as the “amount taxable”, is two-fifths of 1 per cent of the amount taxable.

s. 132,
re-enacted

15. Section 132 of the said Act is repealed and the following substituted therefor:

Deduction
from tax
on paid-up
capital

132.—(1) Except as provided in subsection 2, there may be deducted from the tax otherwise payable under this Part by a corporation for a fiscal year an amount equal to one-fifth of 1 per cent of that portion of the taxable paid-up capital or taxable paid-up capital employed in Canada, as the case may be, which is deemed to be used by the corporation in the fiscal year in each jurisdiction outside Ontario determined under rules prescribed by the regulations.

Idem

(2) There may be deducted from the tax otherwise payable under this Part by a bank for a fiscal year an amount equal to two-fifths of 1 per cent of that portion of its taxable paid-up capital, which is deemed to be used by the bank in the fiscal year in each jurisdiction outside Ontario determined under rules prescribed by the regulations.

s. 134,
amended

16. Section 134 of the said Act is amended by striking out “138, 139, 140, 141, 142 or” in the second and third lines.

ss. 138-142,
repealed

17. Sections 138, 139, 140, 141 and 142 of the said Act are repealed.

s. 143,
amended

18.—(1) Section 143 of the said Act is amended by adding thereto the following subsection:

Insurance
corporation,
what included

(2a) For the purposes of this section, “insurance corporation” and “corporation”, as the case may be, include underwriters and syndicates of underwriters operating on the plan known as Lloyds, and include fraternal societies as defined in *The Insurance Act*.

R.S.O. 1970,
c. 224

s. 143 (4) (b),
re-enacted

(2) Clause *b* of subsection 4 of the said section 143 is repealed and the following substituted therefor:

SECTION 15. This amendment provides that corporations and banks may deduct from the capital tax imposed by the Act the proportion of tax on taxable paid-up capital which is deemed to be used by the corporation or bank outside Ontario. The rate of tax referred to in the amendment is the new rate imposed in section 14 of the Bill.

SECTION 16. This section repeals references to sections of the Act that are being repealed by this Bill.

SECTION 17. This section repeals the special taxes imposed by the Act on banks, railway, telegraph and express corporations and corporations that operate sleeping or parlour cars in Ontario. These corporations will now become liable to pay the capital tax calculated upon taxable paid-up capital similar to other corporations.

SECTION 18. This amendment makes it clear that the premiums tax imposed by section 143 of the Act applies to insurers operating on the plan known as Lloyds. The premiums tax will also become payable by fraternal societies with respect to contracts of insurance that they issue on and after January 1, 1974, although insurance contracts issued by fraternal societies prior to that date will remain exempt from the premiums tax.

capital gains refund for the year otherwise determined under subsection 8 that the trust's income earned in the taxation year in Ontario is of its income for the year.

Application
to other
liability

(10) Instead of making a refund that might otherwise be made under subsection 8, the Minister may, where the trust is liable or about to become liable to make any payment under this Act, apply to that other liability the amount that would otherwise be refunded, and he shall notify the trust of that action.

s. 6*b* (1) (*d*),
re-enacted

- 2.—(1) Clause *d* of subsection 1 of section 6*b* of the said Act, as re-enacted by the Statutes of Ontario, 1972, chapter 146, section 2, is repealed and the following substituted therefor:

(*d*) "occupancy cost" means,

(i) municipal tax paid in the taxation year by a principal taxpayer, by his spouse, or by a trustee under a trust of which the principal taxpayer or his spouse is a beneficiary, in respect of a principal residence of the principal taxpayer, or

(ii) 20 per cent of the rent paid in the taxation year by a principal taxpayer, by his spouse, or by a trustee under a trust of which the principal taxpayer or his spouse is a beneficiary, for occupation of a principal residence of the principal taxpayer if such rent has been calculated to exclude all payments on account of meals or board and all payments of rent for occupation prior to the 1st day of January, 1972, but the foregoing provisions of this subclause do not apply to any principal taxpayer if he or his spouse or a trustee for either of them, as the case may be, while paying rent for the principal residence of the principal taxpayer, was also liable to pay municipal tax thereon by reason of any agreement with the lessor of the principal residence or for any other reason.

s. 6*b* (1) (*e*),
amended

- (2) Clause *e* of subsection 1 of the said section 6*b* is amended by striking out "that is either owned by or rented to the principal taxpayer or his spouse, and" in the second and third lines.

s. 6*b* (1) (*f*),
re-enacted

- (3) Clause *f* of subsection 1 of the said section 6*b* is repealed and the following substituted therefor:

(f) "principal taxpayer" means an individual who, on the last day of the taxation year, occupies and inhabits a principal residence except when that individual, on the last day of the taxation year, occupies and inhabits a principal residence with his spouse, in which case "principal taxpayer" means that spouse who has the higher taxable income for the taxation year, but "principal taxpayer" does not include any individual who on the last day of the taxation year was,

(i) under the age of sixteen years,

(ii) under the age of twenty-one years and residing in the principal residence of a principal taxpayer who claims such individual as a dependant in that taxation year, or

(iii) entitled to claim the exemption from tax granted in paragraph *a* or *b* of subsection 1 of section 149 of the Federal Act.

(4) Subsection 5 of the said section 6*b* is repealed and the following substituted therefor: s. 6*b* (5),
re-enacted

(5) The amount by which the deduction to which a principal taxpayer is entitled under subsection 2 exceeds his tax payable under this Act for the taxation year calculated without reference to this section may be applied by the Treasurer to pay any, Application
of refund

(a) tax, interest or penalty owing by the principal taxpayer for that or any prior taxation year under this Act, the income tax statute of any agreeing province, or the Federal Act; and

(b) contribution, penalty or interest owing by the principal taxpayer for that or any prior taxation year as a result of payments required from him under the *Canada Pension Plan Act*; and

R.S.C. 1970,
c. C-5

(c) premium, interest or penalty owing by the principal taxpayer for that or any prior taxation year under the *Unemployment Insurance Act, 1971*,

1970-71-72,
c. 48 (Can.)

and the part of the amount not so applied shall be paid to the principal taxpayer.

(5) Subsection 7 of the said section 6*b* is repealed and the following substituted therefor: s. 6*b* (7),
re-enacted

ing the intersection, and shall not proceed until a green light is shown, provided that the driver or operator may turn to the right after bringing the vehicle or car to a full stop.

s. 116(1),
re-enacted

3. Subsection 1 of section 116 of the said Act is repealed and the following substituted therefor:

Parking
on roadway

(1) Except for,

- (a) a motor vehicle of a municipal fire department while proceeding to a fire or answering a fire alarm call;
- (b) a motor vehicle operated by a person in the lawful performance of his duties as a police officer; or
- (c) a motor vehicle operated by a person in the performance of his duties as an ambulance driver,

no person shall park, stand or stop a vehicle on a roadway,

- (d) when it is practicable to park, stand or stop the vehicle off the roadway; or
- (e) when it is not practicable to park, stand or stop the vehicle off the roadway unless a clear view of the vehicle and of the roadway for at least 400 feet beyond the vehicle may be obtained from a distance of at least 400 feet from the vehicle in each direction upon the highway.

Commence-
ment

4. This Act comes into force on the day it receives Royal Assent.

Short title

5. This Act may be cited as *The Highway Traffic Amendment Act, 1973*.



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s. 1, par. 15,
amended

- (5) Paragraph 15 of the said section 1 is amended by striking out "and includes natural gas and manufactured gas" in the third and fourth lines and inserting in lieu thereof "and includes natural gas, manufactured gas, electricity and all other forms of energy that are sold for consumption in Ontario".

s. 2 (1),
amended

- 2.—(1) Subsection 1 of section 2 of the said Act is amended by striking out "5" in the fourth line and inserting in lieu thereof "7".

s. 2 (2), par. 2,
amended

- (2) Paragraph 2 of subsection 2 of the said section 2 is amended by striking out "\$2.50" and inserting in lieu thereof "\$4.00".

s. 2 (3),
amended

- (3) Subsection 3 of the said section 2 is amended by striking out "5" in the third line and inserting in lieu thereof "7".

s. 4 (1),
amended

3. Subsection 1 of section 4 of the said Act is amended by adding at the end thereof "or that such person has entered into an arrangement satisfactory to the Minister for the payment of such taxes or for securing their payment".

s. 5 (1),
par. 2,
re-enacted

- 4.—(1) Paragraph 2 of subsection 1 of section 5 of the said Act is repealed and the following substituted therefor:

2. any prepared meal the price of which neither exceeds \$4.00 nor is included in the sale price of two or more prepared meals that are sold to one purchaser for a total sale price that exceeds \$4.00;

2a. all prepared meals the prices of which are included in the total sale price of two or more prepared meals that are sold to one purchaser and that are consumed by two or more people if the average price of all the prepared meals the prices of which are included in such total sale price is not more than \$4.00 and if that average price is determined by dividing such total price by the number of people to whom was served a prepared meal the price of which was included in such total sale price and if the bill to the purchaser that contains such total sale price clearly shows the number of people to whom were served the prepared meals the prices of which were included in such total sale price.

s. 5 (1),
pars. 3-6,
re-enacted;
pars. 7-11,
repealed

- (2) Paragraphs 3, 4, 5, 6, 7, 8, 9, 10 and 11 of subsection 1 of the said section 5 are repealed and the following substituted therefor:

R.S.O. 1970,
cc. 190, 282

3. tangible personal property taxed under *The Gasoline Tax Act* or *The Motor Vehicle Fuel Tax Act*;

Subsection 5 expands the definition of tangible personal property to include electricity and other forms of energy.

SECTION 2.—Subsections 1 and 3 increase from 5 per cent to 7 per cent the rate of tax payable on the consumption of tangible personal property and taxable services.

Subsection 2 raises the exemption for prepared meals from \$2.50 to \$4.00.

SECTION 3 allows the Minister to give a certificate in a bulk sale transaction where satisfactory arrangements have been made for the payment of taxes due from the vendor. Previously, the certificate could only be given if the tax was paid, and this provision was found to delay the closing of some sales in bulk.

SECTION 4.—Subsection 1 exempts from tax any one prepared meal that is bought for \$4.00 or less. Where more than one prepared meal is charged for on the same bill and the total price exceeds \$4.00, the meals are exempt from tax where the average cost of the meals included in the total price is \$4.00 or less and the number of people for whom meals were bought is shown on the bill.

Subsection 2 repeals exemptions for fuel oil, coal, coke, natural and manufactured gas, and electricity, which now become taxable under the Act. New paragraphs are added to exempt fuel used in farming or manufacturing, as defined by the Minister, and to exempt electricity consumed to provide public transportation.

Subsection 3 repeals exemptions that will now be comprised in the broader exemption to be enacted as paragraph 13 of section 5 (1) of the Act.