

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

1ST SESSION, 43RD LEGISLATURE, ONTARIO
2 CHARLES III, 2024

Bill 195

**An Act to amend the Taxation Act, 2007
to increase Ontario small business deductions**

Ms S. Bowman

Private Member's Bill

1st Reading May 14, 2024

2nd Reading

3rd Reading

Royal Assent



**An Act to amend the Taxation Act, 2007
to increase Ontario small business deductions**

His Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1 (1) Subsection 31 (4) of the *Taxation Act, 2007* is amended by striking out “and” at the end of clause (d) and by repealing clause (e) and substituting the following:

- (e) 8.3 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2019 and before January 1, 2024 to the total number of days in the taxation year; and
- (f) 9.9 per cent multiplied by the ratio of the number of days in the taxation year that are after December 31, 2023 to the total number of days in the taxation year.

(2) Subsection 31 (5) of the Act is amended by striking out “\$500,000” and substituting “\$600,000”.

(3) Clause 31 (5.1) (a) of the Act is amended by striking out “\$500,000” and substituting “\$600,000”.

2 The formula in clause 32 (1) (b) of the Act is amended by striking out “\$500,000” wherever it appears and substituting in each case “\$600,000”.

Commencement

3 This Act is deemed to have come into force on January 1, 2024.

Short title

4 The short title of this Act is the *Cutting Taxes on Small Businesses Act, 2024*.

EXPLANATORY NOTE

The Bill amends the *Taxation Act, 2007*.

Section 31 is amended to increase the Ontario small business deduction rate from 8.3 per cent to 9.9 per cent. The business limit for a taxation year for the purposes of the small business deduction is increased from \$500,000 to \$600,000.

The formula in clause 32 (1) (b) for calculating the surtax to be added by an Ontario small business is also amended to reflect the increase of \$500,000 to \$600,000.

The amendments are deemed to have come into force on January 1, 2024.