

2019 Ontario Budget Highlights from SLF

2019 ONTARIO PROVINCIAL BUDGET HIGHLIGHTS — April 11, 2019

- The Budget pegs the current deficit at \$11.7 billion.
- Ontario's debt is 343 billion.

PERSONAL TAXES

- No new personal income tax increases.
- Top marginal tax rates where income is over \$220,000 are:

Type of Income	Combined Rates
Salary and Other Ordinary Income	53.53%
Capital Gains	26.76%
Eligible Dividends	39.34%
Non-eligible Dividends	47.40%

CORPORATE TAXES

The Budget proposes no changes to Ontario corporate income tax rates which remain as follows for 2019:

Income	Ontario	Federal	Combined
Small business	3.50%	9.00%	12.50% ¹
M&P	10.00%	15.00%	25.00%
General	11.50%	15.00%	26.50%

1. The combined rate reflects the reduction in the small business rate from 10% to 9% on January 1, 2019.

The Conservatives promised during the election campaign to lower the corporate tax rate. They are now offering incentives instead, such as faster write-offs of capital investments, that parallel the measures announced in the Federal Government's Fall Economic Statement 2018.

2019 Ontario Budget Highlights from SLF

Passive investment income and the small business deduction (SBD) limit

The budget provides a reminder that Ontario will not parallel the 2018 federal budget measure that phases out the \$500,000 SBD limit for Canadian-controlled private corporations (CCPCs) that earn between \$50,000 and \$150,000 of passive investment income in a taxation year, for taxation years beginning after 2018. By not paralleling the federal measure, a CCPC could continue to save up to \$40,000 in Ontario tax annually.

OTHER BUDGET PROPOSAL HIGHLIGHTS

Child Care

Effective January 1, 2019 families with income up to \$150,000 will receive child-care support in the form of a new tax credit.

Colleges and Universities

Colleges and universities will see more of their funding linked to performance.

Auto Insurance

Proposes to introduce legislation to make auto insurance simpler including the ability to show proof of insurance electronically.

License Plates

Revamped license plate logos.

Estate Administration Tax

Eliminating the estate administration tax next year for all estates with assets of \$50,000 or less, resulting in savings of up to \$250.

Transit

Improvements to transportation in North Ontario.

Seniors

The previously announced dental program for low income seniors will allow individuals over the age of 65 with annual income of \$19,300 or less access to dental benefits.

The information contained in this budget release is intended solely to provide general guidance on matters of interest for the personal use of the reader, who accepts full responsibility for its use. The information in this document is provided with the understanding that the authors and publishers are not herein engaged in rendering legal, accounting, tax, or other professional advice or services and the authors and publishers do not assume any contractual, tortious or other form of liability for its contents or for any consequences arising from its use. As such it should not be used as a substitute for consultation with your Schwartz Levitsky Feldman LLP advisor.

2 of 2

SLF

Schwartz Levitsky Feldman LLP

CHARTERED ACCOUNTANTS • LICENSED PUBLIC ACCOUNTANTS
TRUSTEE IN BANKRUPTCY • BUSINESS VALUATORS & LITIGATION ACCOUNTANTS

For further information on how we can help you, please contact your SLF advisor or call 416.785.5353



WE ARE AN INDEPENDENT MEMBER OF
THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK