



**McCANN
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CHARTERED
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2020 Provincial Budget Commentary

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Introduction

While Ontario said they were tabling a Budget on Nov 5th, the actual Budget speech was long on a recitation of what they have already done and quoting big dollars on what they're going to spend and on what – but very short on information that would actually be useful to us in planning our cash-flows and anticipated tax burden.

General

- Largest deficit in Ontario history and it is going to increase.
- The provided 3 scenarios moving forward, and the potential deficit for each.
- Additional monies have been allocated to hospitals, but various groups are indicating it's not sufficient to cover all the additional costs the hospitals are facing.

Personal

[Tax Rates](#)

No changes.

[Wine and Beer](#)

Scheduled tax increases will be frozen until 2022.

[At-Home Schooling Costs](#)

Before the end of this year, parents will receive another \$200 per child under 12 and \$250 per child or youth with special needs. The payments will be similar to the payments made back in March. The program is intended to offset costs of items such as workbooks, school supplies and technology. No further information was provided on restrictions of who can receive or whether these payments will be taxable.

[Seniors Tax Credit](#)

The budget will provide a 25% reimbursement of eligible renovations of up to \$10,000. This will be refundable in situations where the taxpayer does not owe enough taxes to offset the tax credit in 2021.



[Long-term Care](#)

The government announced earlier in the week a change in the standard of care for residents to an average of 4 hours per day. The Budget was silent on financing this change.

[Tourism Tax Credit](#)

Included in the Budget was an announcement that they are exploring ways to create a tax credit of up to 20% of expenses for visiting destinations in Ontario in 2021.

Business

[Employer Health Tax](#)

Small businesses with payroll < \$1 million will now be exempt from paying the Employer Health Tax.

[Electricity Spending](#)

Effective Jan 1st, 2021, medium and large commercial and industrial businesses will have a portion of their hydro bills subsidized.

[Business Education Tax](#)

The rate paid by most businesses will be dropping to 0.88%.

[And Just In Case You Wanted to Know ...](#)

The Ontario Lottery corporation's profit has dropped by > 90% BUT cannabis sales are growing exponentially!