



HOUSE USE ONLY

CHAIR:

WITH / WITHOUT

3rd SESSION, 67th GENERAL ASSEMBLY
Province of Prince Edward Island
4 CHARLES III, 2026

(Bill No. 23)

An Act to Amend the Income Tax Act

Hon. Jill Burridge
Minister of Finance and Affordability

GOVERNMENT BILL

Andrea MacRae
Acting King's Printer
Charlottetown, Prince Edward Island



AN ACT TO AMEND THE INCOME TAX ACT

BILL NO. 23

2026

BE IT ENACTED by the Lieutenant Governor and the Legislative Assembly of the Province of Prince Edward Island as follows:

1. Section 7 of the *Income Tax Act* R.S.P.E.I. 1988, Cap. I-1, is amended
 - (a) in clause (d), by the deletion of the words “; and” and the substitution of a semicolon;
 - (b) in clause (e), by the deletion of the period and the substitution of the words “; and”;
 - (c) by the addition of the following after clause (e):
 - (f) if the amount taxable exceeds \$200,000, the maximum amount determinable in respect of the taxation year under clause (e) plus 20.00% of the amount by which the amount taxable exceeds \$200,000.
2. Subsection 9(5) of the Act is repealed.
3. Clause 22(b) of the Act is amended by the deletion of the words “subsections 9(3) and (5)” wherever they occur and the substitution of the words “subsection 9(3)”.
4. Section 23 of the Act is amended by the deletion of the words “subsections 9(1), (2) and (5)” and the substitution of the words “subsections 9(1) and (2)”.
5. Section 26 of the Act is amended by the deletion of the words “subsections 9(3) and (5)” wherever they occur and the substitution of the words “subsection 9(3)”.
6. Section 33.1 of the Act is amended by the deletion of the words “subsections 9(3) and (5),” and the substitution of the words “subsection 9(3)”.
7. The Act is amended in the heading preceding section 36.3 by the deletion of the words “*Sales Tax Credit*” and the substitution of the words “*Island Essentials Benefit*”.

- 8.(1) Subsection 36.3(4) of the Act is amended in the formula by the deletion of the word “110” and the substitution of the word “310”.**
- (2) Subsection 36.3(6) of the Act is amended by the deletion of the words “to a maximum of \$55” and the substitution of the words “to a maximum of \$0”.**
- (3) Subsection 36.3(7) of the Act is amended**
- (a) by the deletion of the words “2.0%” and the substitution of the words “1.0%”; and**
 - (b) by the deletion of the words “\$50,000” and the substitution of the words “\$95,000”.**
- (4) Section 36.3 of the Act is amended by the addition of the following after subsection (8.2):**
- Minimum payment**
- (8.3) Despite subsections (4) to (7), an amount determined under subsection (3) for a specified month shall not be less than \$43.75.**
- (5) Subsection 36.3(10) of the Act is amended by the deletion of the words “is \$10” and the substitution of the words “is \$43.76”.**
- 9. Subsection 36.3.1(2) of the Act is amended**
- (a) in clause (a), by the deletion of the words “\$360” and the substitution of the words “\$410”; and**
 - (b) in clause (b), by the deletion of the words “\$240” and the substitution of the words “\$290”.**
- 10.(1) Sections 1 to 6 of this Act are deemed to have come into force on January 1, 2026.**
- (2) Sections 7, 8 and 9 of this Act come into force on July 1, 2026.**

EXPLANATORY NOTES

SECTION 1 amends section 7 of the *Income Tax Act* R.S.P.E.I. 1988, Cap. I-1, to add a new clause (f) that establishes the maximum amount determinable in respect of the taxation year where the amount taxable exceeds \$200,000.

SECTION 2 repeals subsection 9(5) of the Act.

SECTION 3 amends section 22 of the Act to remove references to the repealed subsection 9(5).

SECTION 4 amends section 23 of the Act to remove a reference to the repealed subsection 9(5).

SECTION 5 amends section 26 of the Act to remove references to the repealed subsection 9(5).

SECTION 6 amends section 33.1 of the Act to remove a reference to the repealed subsection 9(5).

SECTION 7 amends the heading preceding section 36.3 of the Act to better reflect the content of the section.

SECTION 8 amends subsection 36.3(4) of the Act to increase the amount of the benefit to be calculated under that subsection. The section also amends subsections 36.3(6) and (7) of the Act to change the amounts C and D that are to be used in the formula for calculating the benefit, as specified. The section adds a new subsection 36.3(8.3) to the Act to establish the minimum payment amount of \$175. The section then amends subsection 36.3(10) of the Act to change the dollar amount to be used in applying subsection 122.5(3.1) of the Federal Act for the purposes of the section.

SECTION 9 amends subsection 36.3.1(2) of the Act to increase each of the amounts in clauses (a) and (b) by \$50.

SECTION 10 provides for the commencement of this Act.

(Bill No. 23)

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<i>STAGE:</i>	<i>DATE:</i>
<i>1st Reading:</i>	April 17, 2026
<i>2nd Reading:</i>	
<i>To Committee:</i>	
<i>Reported:</i>	
<i>3rd Reading and Pass:</i>	
<i>Assent:</i>	

SIGNATURES:

Honourable Dr. Wassim Salamoun, Lieutenant Governor

Honourable Brad Trivers, Speaker

Joseph Jeffrey, Clerk

Hon. Jill Burridge
Minister of Finance and Affordability

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