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Province of Prince Edward Island
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CHAPTER 67

(Bill No. 73)

An Act to Amend the Income Tax Act

Honourable Allen F. Roach
Minister of Finance

GOVERNMENT BILL

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Queen's Printer
Charlottetown, Prince Edward Island

CHAPTER 67

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(Assented to May 12, 2017)

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

1. Clauses 9(1)(a), (b) and (c) of the *Income Tax Act R.S.P.E.I. 1988, Cap. I-1, are repealed and the following substituted:*

(a) in the case of an individual who at any time in the year is a married person or a person who is in a common-law partnership who supports the individual's spouse or common-law partner and is not living separate and apart from the spouse or common-law partner by reason of a breakdown of their marriage or common-law partnership, an amount equal to the total of

- (i) \$8,160, and
- (ii) the amount determined by the formula

$$\$6,931 - (C - \$693)$$

where

C is the greater of \$693 and the income of the individual's spouse or common-law partner for the year or, where the individual and the individual's spouse or common-law partner are living separate and apart at the end of the year because of a breakdown of their marriage or common-law partnership, the spouse's or common-law partner's income for the year while married or in a common-law partnership and not so separated;

(b) in the case of an individual who does not claim a deduction for the year because of clause (a) and who, at any time in the year,

- (i) is
 - (A) a person who is unmarried and who does not live in a common-law partnership, or
 - (B) a person who is married or in a common-law partnership, who neither supported nor lived with the person's spouse or common-law partner and who is not supported by that spouse or common-law partner, and
- (ii) whether alone or jointly with one or more other persons, maintains a self-contained domestic establishment (in which the individual lives) and actually supports in that establishment a person who, at that time, is
 - (A) except in the case of a child of the individual, resident in Canada,

(B) wholly dependent for support on the individual, or the individual and the other person or persons, as the case may be,
 (C) related to the individual, and
 (D) except in the case of a parent or grandparent of the individual, either under eighteen years of age or so dependent by reason of mental or physical infirmity,
 an amount equal to the total of
 (iii) \$8,160, and
 (iv) the amount determined by the formula

$$\$6,931 - (D - \$693)$$

where

D is the greater of \$693 and the dependent person's income for the year;
 (c) except in the case of an individual entitled to a deduction because of clause (a) or (b), \$8,160;

2. (1) Subsection 14(1) of the Act is amended by the deletion of the words "Where an individual is entitled to deduct an amount pursuant to subsection 118.6(2) of the Federal Act for the purpose of computing the individual's tax payable for a taxation year under Part I of the Federal Act, for the purposes of computing the tax payable under this Part by the individual for the taxation year, there may be deducted an amount determined by the formula" and the substitution of the words "For the purposes of computing the tax payable under this Part by an individual who is a qualifying student for a taxation year, there may be deducted an amount determined by the formula".

(2) Subsection 14(2) of the Act is repealed and the following substituted:

Application of
Federal Act
provisions

(2) Subsections 118.6(1) and (3) of the Federal Act apply for the purposes of this section.

(3) Section 14 of the Act is amended by the addition of the following after subsection (2):

"Full time student"
read as "student"

(3) Where the individual who is a qualifying student is eligible for a deduction under section 118.3 of the Federal Act or has a mental or physical impairment as described in paragraph 118.6(3)(b) of the Federal Act, the reference to "full-time student" in clause (1)(a) shall be read as "student".

3. This Act is deemed to have come into force on January 1, 2017.

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<i>STAGE:</i>	<i>DATE:</i>
<i>1st Reading:</i>	April 21, 2017
<i>2nd Reading:</i>	May 10, 2017
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<i>Assent:</i>	May 12, 2017

SIGNATURES:

Honourable H. Frank Lewis, Lieutenant Governor

Honourable Francis (Buck) Watts, Speaker

Clerk

Honourable Allen F. Roach
Minister of Finance

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