

Legislative Proposals Relating to the Income Tax Act

1 Section 6 of the *Income Tax Act* is amended by adding the following after subsection (2.1):

COVID-19 — automobile operating expense benefit

(2.2) If a taxpayer met the condition in subparagraph (iv) of the description of A in paragraph (1)(k) for the 2019 taxation year in respect of the use of an automobile made available to the taxpayer, or to a person related to the taxpayer, by an employer (within the meaning assigned by subsection (2)), then for the purpose of applying paragraph (1)(k) in respect of an automobile provided by that employer in 2020 or 2021 (referred to in this subsection as the “relevant year”), the amount determined for A in paragraph (1)(k) in respect of the automobile for the relevant year is deemed to be the lesser of

- (a)** $\frac{1}{2}$ of the amount determined under subparagraph (1)(e)(i) in respect of the automobile for the relevant year, and
- (b)** the amount determined under subparagraph (v) of the description of A in paragraph (1)(k) in respect of the automobile for the relevant year.

COVID-19 — reasonable standby charge

(2.3) A taxpayer is deemed to meet the condition in subparagraph (a)(ii) of the description of A in subsection (2) in respect of an employer (within the meaning assigned by subsection (2)) for the 2020 or 2021 taxation year if the taxpayer met the conditions in subparagraphs (a)(i) and (ii) of the description of A in subsection (2) for the 2019 taxation year in respect of an automobile made available to the taxpayer, or to a person related to the taxpayer, by that employer.

2 (1) Subsection 87(2) of the Act is amended by adding the following after paragraph (g.6):

COVID-19 — automobile benefits

(g.7) for the purposes of subsections 6(2.2) and (2.3), the new corporation is deemed to be the same corporation as, and a continuation of, each predecessor corporation;

(2) Subsection (1) is deemed to have come into force on January 1, 2020.