

# Legislative Proposals Relating to the Income Tax Act

## **1 (1) Section 63 of the *Income Tax Act* is amended by adding the following after subsection (3):**

### **COVID-19 – child care expenses**

**(3.1)** For the purpose of applying this section in respect of a taxpayer for the 2020 or 2021 taxation year,

**(a)** the definition *child care expense* in subsection (3) is to be read without reference to its paragraph (a) if at any time in the year the taxpayer was entitled to an amount referred to in subparagraph 56(1)(a)(iv) or (vii) or paragraph 56(1)(r), in respect of the year; and

**(b)** paragraph (b) of the definition *earned income* in subsection (3) is to be read as follows:

**(b)** all amounts that are included, or that would, but for paragraph 81(1)(a) or subsection 81(4), be included, because of section 6 or 7, subparagraph 56(1)(a)(iv) or (vii) or paragraph 56(1)(n), (n.1), (o) or (r), in computing the taxpayer's income,

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

## **2 (1) The Act is amended by adding the following after section 64:**

### **COVID-19 – disability supports deduction**

**64.01** For the purpose of applying section 64 in respect of a taxpayer for the 2020 or 2021 taxation year,

**(a)** the description of A in paragraph 64(a) is to be read without reference to its subparagraph (i) if at any time in the year the taxpayer was entitled to an amount referred to in subparagraph 56(1)(a)(iv) or (vii) or paragraph 56(1)(r), in respect of the year; and

**(b)** clause 64(b)(i)(A) is to be read as follows:

**(A)** an amount included under section 5, 6 or 7, subparagraph 56(1)(a)(iv) or (vii) or paragraph 56(1)(n), (o) or (r) in computing the taxpayer's income for the year, or

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

