

Ontario Jobs and Opportunity Bonds

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About this Notice

The purpose of this notice is to inform corporations and their representatives that the Minister of Finance has amended O.Regulation 155/03 to provide a refund to certain corporations who receive interest from Ontario Jobs and Opportunity Bonds (OJOBS).

Background

Ontario currently provides a tax incentive for corporations who invest in OJOBS by allowing a special deduction in computing income for tax purposes. The special deduction is equal to the interest earned on OJOBS and makes the OJOBS interest received by a corporation tax free.

Starting in the 2009 taxation year, the Canada Revenue Agency (CRA) will administer corporate income taxes, corporate minimum tax, capital tax and special additional tax on life insurers on behalf of Ontario. A consequence of the harmonization of the corporate tax administration is that Ontario is required to adopt the federal income tax base for taxation years ending after December 31, 2008. As a result, the special deduction cannot be provided under the *Taxation Act, 2007* for taxation years ending after December 31, 2008 because Ontario must follow federal deductions to arrive at the common tax base.

Amendment of O. Regulation 155/03

Technical amendments to O.Regulation 155/03 enable the Minister to provide a refund to corporations who receive interest from OJOBS. Corporations with taxable income in 2009 will be refunded the amount of tax paid on OJOB interest. Corporations reporting a loss in 2009 will receive 14% of the amount of any loss (multiplied by the corporation's Ontario allocation factor for the year) that it would have incurred as a result of having been entitled to deduct its OJOB interest from its income.

Administration

Corporations are required to apply in writing for a refund within one year of their 2009 taxation year end. A refund form will be available early in 2009.

For More Information

Telephone enquiries

Please contact the Ministry of Revenue between 8:30 am and 5:00 pm at:

- 1 866 ONT-TAXS (1 866 668-8297)
- 1 800 263-7776 teletypewriter (TTY)

Internet Enquiries This publication and various other English and French bulletins published by the Ministry of Revenue may be obtained online at ontario.ca/revenue.

Information on the Single Administration of Ontario Corporate Tax by the Canada Revenue Agency may be obtained at www.cra-arc.gc.ca/ctao.

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