

ONTARIO REGULATION

made under the

ELECTRICITY ACT, 1998

Amending O. Reg. 207/99

(PAYMENTS IN LIEU OF CORPORATE TAXES)

1. (1) Subsection 2 (2) of Ontario Regulation 207/99 is amended by striking out “sections 12.1 and 12.2” and substituting “sections 12.1, 12.2 and 12.3”.

(2) Subsection 2 (3) of the Regulation is amended by striking out “sections 12.1 and 12.2” in the portion before clause (a) and substituting “sections 12.1, 12.2 and 12.3”.

2. (1) Subsection 12.2 (1) of the Regulation is amended by adding “and before April 23, 2015” at the end.

(2) Subsection 12.2 (2) of the Regulation is amended by striking out “after December 31, 2007” in the portion before clause (a) and substituting “after December 31, 2007 and before April 23, 2015”.

3. The Regulation is amended by adding the following section:

12.3 For the purposes of determining the amount of a payment required by sections 89 and 90 of the Act in respect of a transaction or event that occurs after April 22, 2015, section 100 of the Federal Act, other than subsections (1.1), (1.2) and (1.3), applies with the following modification:

1. The references in subsections 100 (1) and (1.4) of the Federal Act to a person or partnership described in any of paragraphs 100 (1.1) (a) to (d) of the Federal Act shall be read as references to a person or partnership that is not an eligible corporation or eligible partnership under subsections 2 (2) and (3) of this Regulation.

4. (1) Subsection 16.1 (1) of the Regulation is amended by striking out “(2) to (7)” in the portion before clause (a) and substituting “(2) to (8)”.

(2) Section 16.1 of the Regulation is amended by adding the following subsection:

(8) For the period after December 31, 2015 and before January 1, 2019, and despite the application of paragraph 38 (a) of the Federal Act, as it applies for the purposes of determining the amount of a payment required by sections 89 and 90 of the Act, a corporation’s taxable

capital gain for a taxation year from a deemed disposition of a property under paragraph 149 (10) (b) of the Federal Act, as it applies for the purposes of subsection (3), is deemed to be zero.

Commencement

5. This Regulation is deemed to have come into force on April 23, 2015.

DRAFT