

Explanatory Notes On Calculation Of Transitional Tax Debits And Credits For Ontario Corporations *Taxation Act, 2007*

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The *Taxation Act, 2007*, Chapter 11, Statutes of Ontario, 2007, was enacted in June 2007.

The legislation enables Ontario's corporate income tax, minimum tax, capital tax and special additional tax for life insurers to be administered by the Canada Revenue Agency for taxation years ending after 2008. It largely replaces the *Corporations Tax Act* (Ontario) and the *Income Tax Act* (Ontario) for those taxation years.

A large portion of the *Taxation Act, 2007* is substantially similar to the *Corporations Tax Act* (Ontario) and the *Income Tax Act* (Ontario). However, Subdivision d of Division B of Part III of the *Taxation Act, 2007* provides important new rules under which transitional tax credits and tax debits are calculated for Ontario corporations. These transitional tax credits and tax debits are designed to provide an appropriate transition from the *Corporations Tax Act* (Ontario) for corporations with different income tax attributes for federal and Ontario purposes.

The explanatory notes regarding the transitional provisions are available on the Ministry of Revenue's website at ontario.ca/revenue.

[APPENDIX A: Explanatory Notes On Calculation Of Transitional Tax Debits And Credits For Ontario Corporations](#)