



Plain Language Summary for Bill 62: An Act to Amend the Income Tax Act, No. 2

The Government of the Northwest Territories (GNWT), Department of Finance, is amending the *Income Tax Act* to harmonize income tax legislation with Canada as required under the *Canada-Northwest Territories Tax Collection Agreement*. The proposed amendments will also allow Canada Revenue Agency (CRA) to share Northwest Territories (NWT) income tax data with Finance Canada.

The proposed amendments are technical and administrative in nature and expected to have negligible financial implications.

The proposed Bill will:

- Allow CRA to share NWT-specific taxpayer data with Finance Canada, allowing Finance Canada to support territorial tax policy design and provide a more detailed analysis of the implications of federal tax measures for the territorial tax system;
- Remove federally repealed provisions used to address various COVID-19 relief measures; and,
- Ensure the NWT Act is consistent with federal provisions, to remain in compliance with the *Canada-Northwest Territories Tax Collection Agreement (Tax Collection Agreement)*.

The proposed Bill includes the following changes:

- Removes reference to a repealed federal provision regarding option for trusts to pay tax;
- Removes reference to the federal COVID-19 relief measure for an additional GST/HST payment;
- Removes reference to the federal temporary wage subsidy under COVID-19 relief measures;
- Includes a provision allowing CRA to share NWT-specific taxpayer data with Finance Canada;
- Includes reference to the special federal rules for determining the NWT Child Benefit as part of COVID-19 relief measures;
- Includes reference to the federal special rule for the disability supports deduction as part of COVID-19 relief measures;
- Align the NWT Act with the federal administrative rules in compliance with *the Tax Collection Agreement*;

- Includes reference to federal rules on evidence for notices sent to persons in compliance with the *Tax Collection Agreement*
- Includes a reference to federal provisions relating to certain allowed or disallowed deductions in the calculation of the federal foreign tax credit; and,
- Removes ambiguity in certain terms relating to tax on split income for multi-jurisdictional tax filers.

For additional information or questions contact:

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