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Ontario

Date : December 7, 2017

Re : MOF
Proposed regulation under the Electricity Act, 1998
Amending - O. Reg. 207/99
PAYMENTS IN LIEU OF CORPORATE TAXES
reg2017.0609.e05.edi

This proposed regulation has been sealed under the authority of the Registrar of Regulations.

REGISTRAR OF REGULATIONS

CONFIDENTIAL
Until filed with the
Registrar of Regulations

REG2017.0609.e
5.EDI-AR

ONTARIO REGULATION

made under the

ELECTRICITY ACT, 1998

Amending O. Reg. 207/99

(PAYMENTS IN LIEU OF CORPORATE TAXES)

1. Sections 3 and 6 of Ontario Regulation 207/99 are amended by striking out "16.1" at the end and substituting "16.2".

2. The Regulation is amended by adding the following section immediately before the heading "Returns and Payments":

16.2 (1) For the purposes of determining the amount of any payment required for a taxation year from a specified corporation under sections 89 and 90 of the Act, the method of calculating the amount of the payment is modified by the following rules:

1. Any income or loss or taxable capital gain or allowable capital loss in respect of property held by a specified trust that would be income or a loss or a taxable capital gain or allowable capital loss of the specified corporation under subsection 75 (2) of the Federal Act is deemed to be nil.

2. Any amount paid or payable to the specified corporation in the taxation year by a specified trust that would be included in computing the income of the specified corporation for the year under subsection 104 (13) of the Federal Act is deemed to be nil.

3. Any benefits to the specified corporation from or under a specified trust that would be included in computing the specified corporation's income for the taxation year under subsection 105 (1) of the Federal Act are deemed to be nil.

4. Any amounts that would be included in computing the specified corporation's income for the taxation year in respect of the disposition of an income interest in a specified trust under subsection 106 (2) of the Federal Act are deemed to be nil.

5. Any proceeds of disposition in respect of a disposition of all or any part of the specified corporation's capital interest in a specified trust in the taxation year are deemed to be equal to the adjusted cost base of the interest as determined under the Federal Act.

(2) The following corporations are specified corporations for the purposes of subsection (1):

1. FHP2017 Inc.

(3) The following financing entities, as defined in subsection 1 (1) of the *Ontario Fair Hydro Plan Act, 2017*, are specified trusts for the purposes of subsection (1):

1. The Fair Hydro Trust.

Commencement

3. This Regulation comes into force on the day it is filed.

Made by:

…………………………………………………..
Signature (in blue ink)

Minister of Finance

Date made: ………………………………