

Chapter 7

AN ACT TO AMEND THE INCOME TAX ACT

(Assented to March 14, 2023)

The Commissioner, by and with the advice and consent of the Legislative Assembly, enacts as follows:

1. **This Act amends the *Income Tax Act*, R.S.N.W.T. 1988,c.I-1.**
2. **The following is added after section 3.4.:**

Deemed payment

3.5. (1) An individual in relation to a month specified for a taxation year is deemed to have paid during the specified month, on account of their tax payable under this Act, an amount calculated under subsection (2), if the individual

- (a) is a resident of Nunavut on the first day of the specified month and preceding specified month;
- (b) has filed a return of income for the taxation year; and
- (c) is an eligible individual, within the meaning of section 122.5 of the federal Act, for the specified month.

Calculation of deemed payment

(2) The amount of the deemed payment by an individual under subsection (1) is determined by the formula

$$DP = AP \times (1 + QD + QR) \div 4$$

where

- DP is the amount of the deemed payment;
- AP is the amount prescribed by regulation;
- QD is the number of qualified dependents of the individual in relation to the specified month; and
- QR is
- (a) one, if the individual has a qualified relation in relation to the specified month; and
 - (b) otherwise, zero.

Federal Act

(3) The following provisions of the federal Act apply for the purposes of this section with any modifications that the circumstances require:

- (a) the definitions of “qualified dependent”, “qualified relation” and “return of income” in subsection 122.5(1);
- (b) subsection 122.5(2), except paragraph (c);
- (c) subsections 122.5(3.01), (3.1) and (3.2), with the references to subsection 122.5(3) of the federal Act read as references to subsection (1) of this section;
- (d) subsections 122.5(4) and (5) to (6);
- (e) subsection 122.5(6.1), with the addition of the following paragraph:
 - (d) the individual becomes or ceases to be a resident of Nunavut.

3. (1) Section 19 is renumbered as subsection 19(1).

(2) The following is added after subsection 19(1):

Incorporation of federal provisions – Nunavut Carbon Credit

(2) Subsections 160.1(1.1) and (2) of the federal Act apply for the purposes of this Act, with the reference to subsection 122.5(3) or (3.002) of the federal Act read as a reference to subsection 3.5(1) of this Act.

4. Subsection 23(1) is repealed and replaced by:

Incorporation of federal provisions respecting repeated failures

23. (1) The following provisions of the federal Act apply for the purposes of this Act:

- (a) subsection 163(1);
- (b) paragraph 163(2)(a) as it would apply without references to subsection 120(2) of the federal Act;
- (c) paragraph 163(2)(c.1), with the references to section 122.5 of the federal Act read as references to section 3.5 of this Act;
- (d) subsections 163(2.1), (3) and (4).

5. The following is added after subsection 24(1):

Incorporation of federal provisions – Nunavut Carbon Credit

(1.1) Subsection 164(2.1) of the federal Act applies for the purposes of this Act, with the reference to section 122.5 of the federal Act read as a reference to section 3.5 of this Act.

Transitional

6. The first specified month for the deemed payment under section 3.5 of the *Income Tax Act* is July, 2023.