



ISSN 1180-4386

**Legislative Assembly
of Ontario**

First Session, 39th Parliament

**Assemblée législative
de l'Ontario**

Première session, 39^e législature

**Official Report
of Debates
(Hansard)**

Thursday 30 October 2008

**Journal
des débats
(Hansard)**

Jeudi 30 octobre 2008

**Standing Committee on
Finance and Economic Affairs**

Ideas for the Future Act, 2008

**Comité permanent des finances
et des affaires économiques**

Loi de 2008 sur des idées d'avenir

Chair: Pat Hoy
Clerk: William Short

Président : Pat Hoy
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Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS**

**COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES**

Thursday 30 October 2008

Jeudi 30 octobre 2008

The committee met at 0900 in room 151.

IDEAS FOR THE FUTURE ACT, 2008

LOI DE 2008 SUR DES IDÉES D'AVENIR

Consideration of Bill 100, An Act to amend the Corporations Tax Act and the Taxation Act, 2007 / Projet de loi 100, Loi modifiant la Loi sur l'imposition des sociétés et la Loi de 2007 sur les impôts.

The Chair (Mr. Pat Hoy): The Standing Committee on Finance and Economic Affairs will now come to order. We're here at committee this morning for our clause-by-clause consideration of Bill 100.

Our first motion is from the official opposition, Mr. Hudak.

Mr. Tim Hudak: Outstanding. All right, Mr. Chairman.

I move that the definition of "eligible commercialization business" in subsection 57.13(1) of the Corporations Tax Act, in section 1 of the bill, be amended by striking out the portion of the definition before clause (b) and substituting the following:

"eligible commercialization business' means any active business carried on in Ontario,

"(a) that is not limited to,

"(i) an advanced health technology business,

"(ii) a bioeconomy business, or

"(iii) a telecommunications, computer or digital technologies production business that is primarily engaged in activities described in categories 3341, 3342, 3344 or 5112 of the North American Industry Classification System 2007—Canada, as published by Statistics Canada."

What this does is expand the definition of eligible businesses for commercialization purposes to include, basically, all sectors of the Ontario economy, not just the very narrow definition that the government has brought forward.

As you may remember, Mr. Chair, the government's current bill, as it reads, would allow commercialization only in the areas of health technology, bioeconomy, telecommunications, computer or digital technologies production. That represents about 2% of GDP, so there is 98% of our province's businesses or research areas that would not benefit in the least from Bill 100; by way of example—something that's important in your riding as

well as in mine and in my colleague's beside me, Mr. Arnott—the agriculture and agribusiness sector.

There are tremendous innovations, and we're world leaders in that area. However, those who are engaged in that kind of research activity would not benefit from the tax refund in Bill 100, and that's why I moved this expansion.

The Chair (Mr. Pat Hoy): Further comment? Mr. Arthurs.

Mr. Wayne Arthurs: Very quickly, Mr. Chairman, the government can't support the motion as it's presented to us. Clearly, the objective is to target some areas, and this would open it up to all businesses, everything presumably from law firms with innovative ideas or accounting firms, and that's really not the intention of this particular piece of legislation; it's targeted on research areas that are a little more focused.

The Chair (Mr. Pat Hoy): Further comment? Mr. Prue.

Mr. Michael Prue: Well, it's not a comment, it's more of a question. My reading of the bill and my understanding of what is being attempted to be done, the intent of your motion—so you can clarify or tell me if that's wrong—is to extend tax breaks to many more types of companies, not just those in bio-tech, advanced health and telecommunications. So it's more like a tax reduction. You're looking for tax reductions across a broad sphere.

Mr. Tim Hudak: Yes. We're not changing the mechanism, so it still would be the rebate that occurs under this bill, as opposed to a general tax reduction, but it would, to answer your question more directly, generalize the benefits of Bill 100. While the government targeted four areas, and they are important areas, it's only 2% of our economy. As I mentioned, agriculture and the forestry and mining sectors, for example, are left out. So if a young researcher at Laurentian University had come up with a new innovation to help the mining sector, she could not benefit from this tax break by the narrow definition that the McGuinty government has brought forward.

Mr. Michael Prue: I just want to understand. What's being funded here is only \$5 million. So you want to spread that out pretty thin.

Mr. Tim Hudak: I think the \$5 million or so is the government's estimation, and there's no doubt that if you expanded the eligible commercialization business, as the

PC caucus has suggested, there probably would be greater take-up. There probably would be a change required in the government's planning, but we don't know why the government has kept such a very narrow focus on how our young scientists and innovators could benefit from this bill.

Mr. Michael Prue: Okay, thank you very much.

Mr. Tim Hudak: Just to my colleague, Mr. Arthurs, he has come down hard against the poor lawyers and accountants in his earlier comments today. Some of his caucus colleagues may be offended.

Mr. Wayne Arthurs: I have nothing against accountants or lawyers in particular.

Mr. Tim Hudak: I know that our amendment is a broad amendment. The government has indicated, through the parliamentary assistant, that they don't want to go that broad. Is the parliamentary assistant willing to entertain any additional sectors of the economy or just the four that are listed?

Mr. Wayne Arthurs: Very briefly, we're supportive of the legislation as it's presented. We believe there's some discretionary capacity for the Minister of Research and Innovation and the regulatory powers conferred on the Minister of Finance to provide some flexibility on a go-forward basis for the legislation, but we're quite satisfied with the legislation as it's presented.

Mr. Tim Hudak: My last question is back to the parliamentary assistant. Has the minister expressed any intention of broadening the legislation? He has, as you mentioned, the regulatory authority to add in more categories. Has he made any decisions in that regard?

Mr. Wayne Arthurs: No, not to my knowledge. Currently, we're still dealing with the legislation as presented, but the framework allows for him to have that capacity on a go-forward basis.

Mr. Tim Hudak: Then, Chair, my last comments: I think, as you know by the comments of the PC caucus in the Legislature, we are supportive of the general intentions of Bill 100. We have some amendments that we think will improve it, but we do believe that the government is being far too narrow in its definitions and leaving too many of our young entrepreneurs and innovators out in the cold when it comes to the benefits and vision in Bill 100.

I have no further comments on this particular amendment, but I would request a recorded vote, Chair.

The Chair (Mr. Pat Hoy): No other comment? I'll put the question.

Ayes

Arnott, Hudak.

Nays

Arthurs, Aggelonitis, Lalonde, Pendergast, Prue, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

Now we'll go to PC motion number 2 in your packet.

Mr. Tim Hudak: I move that the definition of "eligible intellectual property" in subsection 57.13(1) of the Corporations Tax Act, in section 1 of the bill, be struck out and the following substituted:

"'eligible intellectual property' means, in respect of a business carried on by a qualifying corporation, property that is,

"(a) a patent issued under the Patent Act (Canada),

"(b) intellectual property in respect of which,

"(i) an application for a patent was filed under the Patent Act (Canada), and

"(ii) a patent is issued pursuant to the application no later than the last day of the qualifying corporation's 10th taxation year ending after incorporation,

"(c) the copyright in a computer program that in the opinion of the Minister of Research and Innovation constitutes a technological advancement at the time the computer program is completed and meets such conditions as may be prescribed by the Minister of Finance, or

"(d) intellectual property that is prescribed by the Minister of Finance or that satisfies such conditions as may be prescribed by the Minister of Finance; ('propriété intellectuelle admissible')."

Similar to our first amendment, Chair, we are expanding the definition of "eligible intellectual property," to include intellectual property that was developed outside a qualifying institute. While we in the PC caucus are strong supporters of the outstanding work done in our universities and associated research institutes in some colleges, we do believe the government has shown too ideological an approach to this in leaving out any private research facilities that may not be currently associated with a qualifying institute. We think that, and we demonstrated during our debate on the bill, a significant number of innovations that have occurred have actually occurred in the private sector or in other groups that are outside the government's current, narrow proposition. Therefore, we think that the definition of "qualifying institute" should include that significant sector of our economy.

0910

The Chair (Mr. Pat Hoy): Thank you. Any other comment?

Mr. Wayne Arthurs: Very briefly, I think we need to recognize as well that not only this piece of legislation, the OITC will allow for support for colleges, universities and research institutes, including hospitals, but it would—there are other measures in place. The scientific research and development tax credits are in place for the private sector, Ontario innovation tax credits, to help private companies in innovative technologies as well—innovative strategies.

So this is focused. We've had the debate, in part, but this is a focused measure on our hospitals, colleges, universities—primarily colleges and universities—and those other institutions of research.

The Chair (Mr. Pat Hoy): Thank you. Any other comment?

Mr. Michael Prue: I'm a little wary of this, because many of the institutes that you may now be trying to fund are for-profit institutions. They're run by companies. The company intends to market their intellectual property and make a profit off it, which I understand, but I'm wondering why you want to further fund them when the companies involved are already paying for that research.

Mr. Tim Hudak: Yes. These are new innovations, new entrepreneurs. Under the definition of the bill, the number of companies that qualify is actually relatively limited, as I think my colleague knows from the way they structure who can approach the government to get the tax refund.

We do believe that it should be a level playing field, whether you're a for-profit or not-for-profit, a hospital or a private research institution. It's a significant sector of our economy that has been left out of the benefits of Bill 100, and we think this will appropriately level the playing field.

The Chair (Mr. Pat Hoy): Thank you. Any further comment? Hearing none, I'll put the question.

Mr. Tim Hudak: Recorded vote, Chair.

Ayes

Arnott, Hudak.

Nays

Aggelonitis, Arthurs, Lalonde, Pendergast, Prue, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.
PC motion number 3.

Mr. Tim Hudak: I move that the definition of "qualifying institute" in subsection 57.13(1) of the Corporations Tax Act, in section 1 of the bill, be struck out and the following substituted:

"qualifying institute" means any entity in Ontario where eligible intellectual property is developed."

The Chair (Mr. Pat Hoy): Comment?

Mr. Tim Hudak: This is a companion motion to the previous one, which had purported to amend the definition of "eligible intellectual property"; this one, "qualifying institute." Similarly, the goal of the PC caucus here is to level the playing field to allow institutes where research is conducted—outstanding research moving into innovations that can be commercialized—that have been left out of the bill under the government's current, narrow definition of "qualifying institute."

The Chair (Mr. Pat Hoy): Thank you. Any other comment?

Mr. Wayne Arthurs: Again, briefly, I appreciate the PC caucus's consistency in bringing forward amendments to broaden the scope. As I said earlier, the government's intention is to be more targeted.

One of the concerns I would have with the amendment—presumably, it would exclude the capacity for colleges, universities or eligible research institutions

outside the province to be eligible if they were to develop activity within the province of Ontario, because it does speak specifically to an entity in Ontario.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Tim Hudak: As I said, the goal of the amendment, unless we made an error in writing it, was simply to accept those that the government has indicated—universities, colleges, not-for-profit and hospitals—and just add to that those that take place outside of those institutions.

The Chair (Mr. Pat Hoy): Any other comment?
Hearing none—

Mr. Tim Hudak: Recorded vote, Chair.

Ayes

Arnott, Hudak.

Nays

Aggelonitis, Arthurs, Lalonde, Pendergast, Prue, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.
PC motion number 4.

Mr. Tim Hudak: I move that paragraph 1 of subsection 57.13(2) of the Corporations Tax Act, in section 1 of the bill, be amended by striking out "after March 24, 2008 and".

The Chair (Mr. Pat Hoy): Any comment?

Mr. Tim Hudak: Yes. We have some tremendous success stories in Ontario, particularly in the Kitchener-Waterloo, Cambridge area and Ottawa area, which have already demonstrated an admirable track record of moving innovations into commercialization. We worry that the way Bill 100 is currently written, these companies will be left out of the opportunity to benefit from the tax rebate. Secondly, it may actually create a more inefficient way of bringing products to commercialization by creating a disincentive to use companies that already have a demonstrated track record of success.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Michael Prue: I'm going to support this motion, not because of the rationale given by Mr. Hudak but because it is so incredibly easy for companies in Ontario—companies anywhere—to literally set up another company. You can get a numbered company for a few dollars, you can go down the street and you could set up a small, little company within the body of a big one and therefore be eligible. It seems to me an awful lot of effort to go to, and if companies want to circumvent this, they can do this very, very easily—if they want to circumvent what was the original intent.

I think to simply say that everyone is eligible is a whole lot better than forcing existing companies to set up alternative smaller companies or numbered companies under their control in order to qualify. It seems a rational and reasonable thing to do, to not put companies through those hoops.

Mr. Wayne Arthurs: My view and the government's view would be that we're talking about the establishment of new entities, new companies for the creation of new jobs along the way, but also the new technologies. These are coming out of research institutes—the colleges and universities—so they're not being developed by existing companies as such.

I know the member opposite from the PC caucus, Mr. Hudak, was referencing the Kitchener-Waterloo technology triangle. Ms. Pendergast, who is here with us on the committee this morning, certainly is very familiar with what's happening in that neck of the woods as well. But we're satisfied that leaving the matter as it is in the legislation will achieve the ends that the government would like to see.

The Chair (Mr. Pat Hoy): Mr. Arnott?

Mr. Ted Arnott: Not surprisingly, I'm going to support this motion. I think Mr. Prue has made a very good point. This motion is entirely consistent with everything I've heard the government say in defence of Bill 100. It in no way expands the scope of the bill, I don't think, if they're concerned about the cost. I would encourage government members to consider supporting it.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, I'll put the question—

Mr. Tim Hudak: A recorded vote, Chair.

Ayes

Arnott, Hudak, Prue.

Nays

Aggelonitis, Arthurs, Lalonde, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

We turn to PC motion number 5.

Mr. Tim Hudak: I move that section 57.13 of the Corporations Tax Act, in section 1 of the bill, be amended by adding the following subsection:

"Forms

"(4) Any application, notice or certificate referred to in this part may be in an electronic format acceptable to the Minister or Revenue."

The Chair (Mr. Pat Hoy): Any comment?

Mr. Tim Hudak: Yes. I think I might have a chance with this one; I do. We found it kind of ironic that a bill that is about technology, innovation, entrepreneurship and helping—I think largely younger people as well move products into the marketplace, and a better future—is so paper heavy, where you have to fill out one form and send it to one minister, who then gives you another form that you then shop to another minister. It just seems rather arduous and in some ways, probably to a lot of people who follow this bill, a little prehistoric. Why wouldn't the government—especially the Ministry of Research and Innovation, of all ministries—allow for electronic forms in the legislation to make it a lot easier

for these young entrepreneurs to take their products to marketplace?

The Chair (Mr. Pat Hoy): Mr. Prue.

Mr. Michael Prue: Yes, for pretty much the same rationale; I don't see why this would cause any grief to the government, and certainly if it makes it easier for applications to be made. If there is a format, you simply type the necessary information into the appropriate box and send it off without delay, and it's acceptable to the Minister of Revenue as well. I don't see any harm in this at all.

0920

Mr. Wayne Arthurs: I certainly can't disagree that this is a good idea. We've gone, historically, from deals on a handshake to where one has to exchange a lot of paper in the process along the way; electronic filing helps to expedite that. It's my understanding, though, that both the Corporations Tax Act and the Taxation Act, 2007, already allow for electronic filing. So, in effect, although it's a very good idea, the legislation as it exists would allow for electronic filing. Obviously there are issues around security that would have to be resolved in the context of this particular application. I've been advised that both those acts already allow for electronic filing within the legislation, thus incorporating this would be somewhat redundant in the context of what already exists.

The Chair (Mr. Pat Hoy): Comments?

Mr. Tim Hudak: We're in government, and redundancy is sort of the middle name in government. My friend Mr. Arnott said, "Well, you know, we can help save some trees here." I know that the heavy hand of Dwight Duncan's office is watching over you currently, I do want to say. Look at the way he's scowling at us.

I will remind my colleagues that it does say "may." It doesn't force the minister to do so, but it does give this current Minister of Revenue—or any future Minister of Revenue—that option to make the paperwork, so to speak, a lot easier for these entrepreneurs. I would call on at least one and a half of my colleagues to escort the bill from across the floor.

Recorded vote, please, Chair.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none, all in favour?

Ayes

Arnott, Hudak, Prue.

Nays

Aggelonitis, Arthurs, Lalonde, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

Now we go to the PC motion on page 6.

Mr. Tim Hudak: I move that section 57.13 of the Corporations Tax Act, in section 1 of the bill, be amended by adding the following subsection:

"Within reasonable time

“(5) Any certificate or notice required under this part shall be provided within such reasonable time as may be agreed between the applicant and the Minister of Research and Innovation or the Minister of Revenue, as applicable.”

The Chair (Mr. Pat Hoy): Any comment?

Mr. Tim Hudak: The goal here is to make sure that this process is smooth. As we’ve mentioned in our critique of the legislation during second reading, there are many steps to this process: from first making sure that you do qualify, getting that certificate of eligibility from the Minister of Research and Innovation and then going back to the Minister of Revenue to seek out the refund. These are busy individuals. Obviously, if they are qualifying for this act under the current narrow restrictions, they won’t have a lot of resources at hand. So we think it’s very reasonable to ask for the ministries to respond to applicants to Bill 100 in a reasonable time frame.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Michael Prue: I’m going to support this amendment. I don’t think this is all that difficult. The reason I’m supporting the amendment is because the amounts of money and the time frames that are put into the bill—the amounts of money seem to be very small and the take-up probably very, very low. The low cost of the program proves how little this initiative will be used by new companies, at least in the short term. The fact is that most new companies in these fields do not become profitable for between eight and 10 years. That’s what they have told our caucus and our researcher, that it takes eight to 10 years to get an idea off the ground and to get it marketable and out there before the company becomes profitable. So during that period the company is probably not paying taxes anyway. All this simply says is that if the company wants to be involved and if the government wants to pay—it may take a longer time or a shorter time—that can be negotiated. If it’s a good idea and if it’s going to assist the company, I don’t see that this is going to cause any grief, and therefore I would support the motion.

The Chair (Mr. Pat Hoy): Comment?

Mr. Wayne Arthurs: I can’t support the motion as it’s put to us. In fact, I think this might put the kinds of constraints potentially on the capacity of this new entity and government to jointly fulfill their obligations. And when there are some adjustments that have to occur, it may in fact be countermeasured to what the PC caucus has been asking for in part, and that’s a broadening of the legislative capacity for other companies, for example, which we don’t support. But, having said that, this may put constraints on the ability of new entities and the government to continue to work co-operatively when things don’t necessarily mesh quite the way we would like to see them.

The Chair (Mr. Pat Hoy): Thank you. Mr. Prue?

Mr. Michael Prue: I have to comment on that. I mean, to work co-operatively: This is a negotiative process that’s being talked about, and surely the government would want to negotiate if they thought the idea was a

good one. It would give the government flexibility and the company flexibility over a period of time. So I have some difficulty with that. I do agree with the member. I did vote against the first three amendments put forward by the Conservative caucus because I felt that it was broadening it beyond the scope of what the intent was, and that is for universities—places of higher learning—hospitals, and I thought it should be. So I don’t really see the rationale. This is an institute developing an idea, a company trying to take hold of it and market it, and if they don’t become profitable for eight to 10 years they sit down, they discuss it with government and say that this program may or may not work for us, but this is how it could. The government listens and says, “This is a really good idea, and we would like you to proceed, and therefore we’re going to be a little bit flexible here.” I don’t see the problem. I’m sorry, I just don’t see the problem as enunciated.

The Chair (Mr. Pat Hoy): Thank you. Any other comment?

Mr. Tim Hudak: Prue’s correct.

The Chair (Mr. Pat Hoy): Thank you. Any other comment? Hearing none, I’ll call the question—

Mr. Tim Hudak: A recorded vote, Chair.

Ayes

Arnott, Hudak, Prue.

Nays

Aggelonitis, Arthurs, Lalonde, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

Shall section 1 carry? All in favour? Those opposed? Carried.

Shall section 2 carry? All in favour? Opposed? Carried.

Shall section 3 carry? All in favour? Opposed? Carried.

Shall section 4 carry? All in favour? Opposed? Carried.

Now we’re at section 5, and we have a PC motion on page 7.

Mr. Tim Hudak: I move that the definition of “eligible commercialization of business” in subsection 104.2(1) of the Taxation Act, 2007, in section 5 of the bill, be amended by striking out the portion of the definition before clause (b) and substituting the following:

“‘eligible commercialization business’ means any active business carried on in Ontario,

“(a) that is not limited to,

“(i) an advanced health technology business,

“(ii) a bioeconomy business, or

“(iii) a telecommunications, computer or digital technologies production business that is primarily engaged in activities described in categories 3341, 3342, 3344 or 5112 of the North American Industry Classi-

fication System 2007 – Canada, as published by Statistics Canada.”

This is a mere amendment to our first. As you know, the structure of the bill has it amending acts similar to the first section of the bill, and that’s why that is an amendment written in the same spirit as our first. I won’t reiterate my arguments. I think folks know why we’re proposing these amendments.

The Chair (Mr. Pat Hoy): Thank you. Mr. Prue.

Mr. Michael Prue: First, to the Chair: Is this in order, since number 1 was defeated?

The Chair (Mr. Pat Hoy): I would have legislative counsel give the answer to that.

It is in order. This speaks to the Taxation Act, whereas the one previous spoke to a different act, the Corporations Tax Act.

Mr. Michael Prue: Then perhaps I could ask legislative counsel too, what would the effect be if this passed, since the legislation did not contain this? What would the effect be of having—

Mr. Tim Hudak: You’re an optimist, eh?

Mr. Michael Prue: Well, no, I’m just trying to understand what the effect would be to the Taxation Act, when the act, whence it comes, does not contain that provision.

Ms. Julia Hood: Okay, the bill amends two different acts.

Mr. Michael Prue: Yes, I realize that.

Ms. Julia Hood: One will be coming into force on January 1, 2009. That’s the Taxation Act, 2007. So the motion he’s now suggesting would be to amend that act, which is going to come into force and basically be phased in as the new tax legislation in Ontario, replacing the old acts that are currently—

Mr. Michael Prue: But it’s containing a provision that is not contained in Bill 100. So the law that creates this ability—this portion will not be in effect, but then you have a tax act that allows for it. That’s the difficulty I have.

0930

Ms. Julia Hood: Sorry, I’m not following.

Mr. Michael Prue: We defeated amendment 1.

Ms. Julia Hood: The Taxation Act, 2007, has been passed. It’s just not in force yet. So there already is a definition in existence; it’s just that it has not come into force yet. So when it does come into force, this is the proposed change to it.

Mr. Michael Prue: All right. I think it’s a moot point, in any event. I don’t imagine this could possibly be successful, given number 1, so I’ll just let it go.

The Chair (Mr. Pat Hoy): Any other comment? Mr. Arthurs.

Mr. Wayne Arthurs: Mr. Hudak was good enough to say that he’d made his arguments in respect to the first motion. Our position would be the same. This is a mirror of the other motion, which dealt with a different act. The government caucus won’t be supporting the amendment; no surprise.

The Chair (Mr. Pat Hoy): Any other comment?

Mr. Tim Hudak: A recorded vote, Chair.

The Chair (Mr. Pat Hoy): Hearing none—a recorded vote is requested.

Ayes

Arnott, Hudak.

Nays

Aggelonitis, Arthurs, Lalonde, Pendergast, Prue, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost. PC motion 8. Mr. Hudak.

Mr. Tim Hudak: I move that the definition of “eligible intellectual property” in subsection 104.2(1) of the Taxation Act, 2007, in section 5 of the bill, be struck out and the following substituted:

“‘eligible intellectual property’ means, in respect of a business carried on by a qualifying corporation, property that is,

“(a) a patent issued under the Patent Act (Canada),

“(b) intellectual property in respect of which,

“(i) an application for a patent was filed under the Patent Act (Canada), and

“(ii) a patent is issued pursuant to the application no later than the last day of the qualifying corporation’s 10th taxation year ending after incorporation,

“(c) the copyright in a computer program that in the opinion of the Minister of Research and Innovation constitutes a technological advancement at the time the computer program is completed and meets such conditions as may be prescribed by the Minister of Finance, or

“(d) intellectual property that is prescribed by the Minister of Finance or that satisfies such conditions as may be prescribed by the Minister of Finance; (‘propriété intellectuelle admissible’).”

The Chair (Mr. Pat Hoy): Comment?

Mr. Tim Hudak: Again, this is a mirror amendment to the Taxation Act as opposed to the Corporations Tax Act, reflecting the structure of the bill.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none—

Mr. Tim Hudak: A recorded vote, Chair.

The Chair (Mr. Pat Hoy): Recorded vote requested.

Ayes

Hudak.

Nays

Aggelonitis, Arthurs, Lalonde, Pendergast, Prue, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost. PC motion number 9. Mr. Hudak.

Mr. Tim Hudak: I move that the definition of “qualifying institute” in subsection 104.2(1) of the Taxation Act, 2007, in section 5 of the bill, be struck out and the following substituted:

“‘qualifying institute’ means any entity in Ontario where eligible intellectual property is developed.”

The Chair (Mr. Pat Hoy): Comment?

Mr. Tim Hudak: Again, this is a mirror amendment to the third one that I brought forward, the only difference here being, of course, amending the Taxation Act as opposed to the Corporations Tax Act, reflecting the structure of the bill.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none—

Mr. Tim Hudak: A recorded vote, Chair.

The Chair (Mr. Pat Hoy): A recorded vote is requested.

Ayes

Hudak.

Nays

Aggelonitis, Arthurs, Lalonde, Pendergast, Prue, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

PC motion number 10. Mr. Hudak.

Mr. Tim Hudak: I move that paragraph 1 of subsection 104.2(2) of the Taxation Act, 2007, in section 5 of the bill, be amended by striking out “after March 24, 2008 and”.

The Chair (Mr. Pat Hoy): Any comment?

Mr. Tim Hudak: Again, this is a mirror amendment to the fourth one that I brought forward, simply reflecting the structure of the bill, so it’s the Taxation Act as opposed to the Corporations Tax Act.

The Chair (Mr. Pat Hoy): Mr. Prue.

Mr. Michael Prue: I supported motion number 4. I still think it was the rational and right thing to do, but again, I don’t see any purpose in supporting this, because I do have some very real problems with the conflict between what was attempted and the ancillary act. So I just don’t know. If you ask for a recorded vote, I just don’t know what I could do. It’s just illogical to me.

The Chair (Mr. Pat Hoy): Thank you. Any other comment?

Mr. Tim Hudak: Just to keep Mr. Prue’s vote in the mysteries of time, I won’t request a recorded vote on my motion number 10.

The Chair (Mr. Pat Hoy): I’ll put the question, then, if we’re ready. All in favour? Those opposed? The motion is lost.

PC motion number 11.

Mr. Tim Hudak: I move that section 104.2(2) of the Taxation Act, 2007, in section 5 of the bill, be amended by adding the following subsection:

“Forms

“(4) Any application, notice or certificate referred to in this part may be in an electronic format acceptable to the Minister of Revenue.”

The Chair (Mr. Pat Hoy): Comment?

Mr. Tim Hudak: Let’s get with the times, Chair. Even if it doesn’t work for the Corporations Tax Act, heck, this will still be one less form in electronic format if this motion were to pass.

The Chair (Mr. Pat Hoy): Any other comment? Hearing none—

Mr. Tim Hudak: Recorded vote.

Ayes

Hudak, Prue.

Nays

Aggelonitis, Arthurs, Lalonde, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

PC motion number 12.

Mr. Tim Hudak: This is my last chance, Chair; I’m 0 for 11 so far. I’m going to throw this out there, just in case.

I move that section 104.2 of the Taxation Act, 2007, in section 5 of the bill, be amended by adding the following subsection:

“Within a reasonable time

“(5) Any certificate or notice required under this part shall be provided within such reasonable time as may be agreed between the applicant and the Minister of Research and Innovation or the Minister of Revenue, as applicable.”

The Chair (Mr. Pat Hoy): Comments?

Mr. Tim Hudak: And I will let my colleague Mr. Prue’s very strong arguments earlier in the session on the companion amendment stand as my own for this, my last chance getting an amendment passed today.

The Chair (Mr. Pat Hoy): Thank you. Any other comment? Hearing none, I’ll put the question.

Mr. Tim Hudak: Recorded vote.

Ayes

Hudak, Prue.

Nays

Aggelonitis, Arthurs, Lalonde, Pendergast, Sousa.

The Chair (Mr. Pat Hoy): The motion is lost.

Shall section 5 carry? All in favour? Opposed? Carried.

Now we go to the NDP motion on page 13.

Mr. Michael Prue: I move that the bill be amended by adding the following section:

“5.1 The act is amended by adding the following part:

“Part V.3, graduate student scholarships

“Graduate student scholarships

“104.11(1) Every year, the Ontario minister shall pay a scholarship of \$15,000 each to a minimum of 333 graduate students studying in the province of Ontario.

“(2) In order to receive a scholarship under this section, a graduate student shall apply for the scholarship in the manner and at the time directed by the Ontario minister.”

The Chair (Mr. Pat Hoy): Mr. Prue, I’m going to rule your motion out of order because it compels monies to be spent.

Mr. Michael Prue: I’m just trying to use the \$5 million a little more appropriately, because I actually think it will produce more in terms of research than anything else that’s being done here.

The Chair (Mr. Pat Hoy): So it is out of order.

Interjections.

The Chair (Mr. Pat Hoy): Order, please.

Shall section 6 carry? All in favour? Opposed? Carried.

Shall section 7 carry? All in favour? Opposed? Carried.

Shall section 8 carry? All in favour? Opposed? Carried.

Shall section 9 carry? All in favour? Opposed? Carried.

Shall section 10 carry? All in favour? Opposed? Carried.

Now we move to NDP motion number 14.

Mr. Michael Prue: My caucus has requested that this be put forward. I do recognize the Chair is likely to say that this is frivolous and vexatious, so I am prepared for that.

I move that section 11 of the bill be struck out and the following substituted:

“Short title

“11. The short title of this act is the Won’t Create New Jobs Act, 2008.”

The Chair (Mr. Pat Hoy): And you were correct. The motion is out of order in that it is frivolous.

Shall section 11 carry? All in favour? Opposed? Carried.

Shall the title of the bill carry? All in favour? Opposed? Carried.

Shall Bill 100 carry? All in favour? Opposed? Carried.

Shall I report the bill to the House? All in favour? Opposed? Carried.

We are adjourned. Thank you very much.

The committee adjourned at 0945.

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