

Major Canadian tax bills enacted into law

JUNE 21, 2024 3 MIN READ



Related Expertise

- [International Tax](#)
- [Tax](#)
- [Tax Advisory Services](#)
- [Tax Disputes](#)
- [Tax Litigation](#)

Two major Canadian tax bills were enacted into law before Parliament adjourned for the summer. The *Fall Economic Statement Implementation Act, 2023* (FES Act) received royal assent on June 20, 2024. Introduced as [Bill C-59](#) on November 30, 2023, the FES Act implements several significant tax measures that were first announced in the [2023 Fall Economic Statement](#), as well as updated versions of draft legislation released in [August 2023](#), the [2023 federal budget](#) and earlier.

On the same day, the *Budget Implementation Act, 2024, No. 1* (BIA) also received royal assent. Introduced as [Bill C-69](#) on May 2, 2024, the BIA includes the *Global Minimum Tax Act* and two clean energy measures.

Further information about the key tax measures in the FES Act and the BIA can be found in our earlier Updates as follows:

- [excessive interest and financing expenses limitation \(EIFEL\) rules](#) (Bill C-59)
- [clean energy measures](#) (Bills C-59 and C-69): carbon capture, utilization and storage (CCUS), clean technology, clean hydrogen and clean technology manufacturing investment tax credits, as well as the prevailing wages and apprenticeship hour requirements applicable to multiple clean energy investment tax credits
- [Global Minimum Tax Act](#) (Bill C-69)
- [revised GAAR amendments](#) (Bill C-59)
- [hybrid mismatch rules](#) (Bill C-59)
- [share buyback tax](#) (Bill C-59)
- [digital services tax](#) (Bill C-59)
- [substantive CCPCs](#) (Bill C-59)
- [employee ownership trusts](#) (Bill C-59)
- [intergenerational business transfers](#) (Bill C-59)
- [retirement compensation arrangements – letters of credit](#) (Bill C-59)

For the digital services tax, the FES Act provides that the *Digital Services Tax Act* will come into force not on royal assent, but rather on a day to be indicated in an order in council (as recommended by the federal government and signed by the Governor General). This provision allows the Canadian government to decide whether and when to implement the digital services tax (DST) pending a potential global deal on [Pillar One](#). No such order has been issued to date and the government has not provided an update on when such an order

might be issued — although the legislation contemplates that the DST will be collected retrospectively to periods beginning on January 1, 2022.

Neither bill includes the increase to the capital gains inclusion rate, which were included in a Notice of Ways and Means Motion tabled in Parliament on June 10, 2024. The government indicated that those rules are to be included in revised draft legislation to be released in July 2024. An implementation bill that includes the increased capital gains inclusion rate is expected to be introduced to Parliament in fall 2024. Despite the expectation of certain further amendments to the draft legislation, the effective date of the capital gains rate increase will remain June 25, 2024.

If you have any questions or require additional analysis on the FES Act or the BIA, please contact any member of our National Tax Department.