

The Employee's Tools Credit Regulations

being

Chapter I-2.01 Reg 4 (effective January 1, 2006) as amended
by Saskatchewan Regulations 88/2017.

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER I-2.01 REG 4

The Income Tax Act, 2000

Title

- 1 These regulations may be cited as *The Employee's Tools Credit Regulations*.

Interpretation

- 2 In these regulations:

- (a) “**Act**” means *The Income Tax Act, 2000*;
- (b) “**credit**” means the employee's tools credit determined in accordance with these regulations;
- (c) “**eligible individual**” means an individual who meets the requirements of section 6;
- (d) “**eligible tool**” means a tool that meets the requirements of section 4;
- (e) “**eligible trade occupation**” means an occupation included in a trade group;
- (f) “**trade group**” means a trade group set out in clause 7(a), (b), (c) or (d).

2 Feb 2007 cI-2.01 Reg 4 s2.

Credit established

3(1) For the purposes of section 34.2 of the Act, the employee's tools credit is established with respect to an eligible individual who is employed in an eligible trade occupation.

(2) The amount of the credit that may be allowed for a taxation year before the 2017 taxation year is calculated in relation to either:

- (a) a one-time trade entry amount determined in accordance with section 8; or
- (b) an annual maintenance amount determined in accordance with section 9.

(3) In his or her lifetime, an individual may claim, and the minister may allow to the individual, a credit with respect to only one one-time trade entry amount.

(4) Subject to subsection (3), an eligible individual may claim, and the minister may allow to an eligible individual, a credit for a taxation year in an amount not exceeding the allowable credit determined pursuant to subsection 10(1) or (2).

(5) Subject to subsection (8), an eligible individual is not entitled to claim a credit with respect to a one-time trade entry amount and an annual maintenance amount for the same taxation year.

(6) The amount of an individual's credit that is allowed with respect to a one-time trade entry amount pursuant to subsection 10(1) is required to be deducted in the taxation year for which the credit is allowed, to the extent that the individual has tax otherwise payable in that taxation year against which the amount of the credit can be deducted.

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(7) The amount of an individual's credit that is allowed with respect to an annual maintenance amount pursuant to subsection 10(2) is required to be deducted in the taxation year for which the credit is allowed.

(8) Subject to subsection (6), the amount of an individual's credit for a taxation year that is allowed with respect to a one-time trade entry amount pursuant to subsection 10(1) may be deducted from the tax otherwise payable by the individual for the immediately following two taxation years to the extent that the credit has not previously been deducted pursuant section 34.2 of the Act.

2 Feb 2007 cI-2.01 Reg 4 s3; 1 Sep 2017 SR
88/2017 s3.

Eligible tool

4(1) To qualify as an eligible tool, a tool must have been:

(a) acquired by purchase or lease by an individual employed by an employer to perform the ordinary tasks required in the conduct of an eligible trade occupation; and

(b) actually used by the individual for the purpose described in clause (a).

(2) Equipment that is ancillary to an eligible tool is deemed to be an eligible tool for the purposes of this section.

(3) Items of clothing and motor vehicles that are required to be licensed are not eligible tools.

2 Feb 2007 cI-2.01 Reg 4 s4.

Cost of tool

5(1) Subject to subsection (2), for the purposes of these regulations, the cost of an eligible tool acquired by an individual is deemed to be the purchase price paid by the individual for the eligible tool, including any applicable sales taxes but not including any financing costs.

(2) In the case of an eligible tool that is acquired by an individual by lease, the cost of the eligible tool is deemed to be the cost of the eligible tool, including applicable sales taxes but not including financing costs, on which the lease payments are based.

2 Feb 2007 cI-2.01 Reg 4 s5.

Eligible individual

6 To qualify as an eligible individual for a taxation year, an individual must meet the following criteria:

(a) the individual must be employed in the taxation year by an employer to perform the ordinary tasks required in the conduct of an eligible trade occupation;

(b) the individual's primary source of income for the taxation year must be the income earned from the employment described in clause (a); and

(c) the individual must be required as a condition of his or her employment to provide eligible tools for use in the employment described in clause (a).

2 Feb 2007 cI-2.01 Reg 4 s6.

Eligible trade occupation

7 An eligible trade occupation is an occupation included in one of the following trade groups:

- (a) Group 1: hair stylist, bricklayer, drywaller, roofer, insulator, glazier, painter, floor covering installer;
- (b) Group 2: plumber, pipe fitter, gas fitter, carpenter, electrician, sheet metal worker, boiler maker, iron worker, autobody repairer, refrigeration mechanic, machinist;
- (c) Group 3: vehicle mechanic, cabinet maker, millwright;
- (d) Group 4: heavy duty mechanic.

2 Feb 2007 cI-2.01 Reg 4 s7.

One-time trade entry amount

8(1) To qualify for a one-time trade entry amount in a taxation year, an individual must meet the following criteria:

- (a) the individual must be an eligible individual in the taxation year;
- (b) the individual must begin employment in the taxation year in the eligible trade occupation with respect to which the individual is an eligible individual in the taxation year pursuant to clause (a);
- (c) the cost of eligible tools acquired in the taxation year by the individual for the eligible trade occupation mentioned in clause (b) must exceed the qualifying tool expense threshold set out in subsection (2) for the trade group in which the eligible trade occupation is included; and
- (d) the individual must not have previously been allowed a credit for a one-time trade entry amount with respect to employment in any eligible trade occupation.

(2) The qualifying tool expense threshold for an eligible trade occupation in a trade group is:

- (a) \$1,350 for an occupation in Group 1;
- (b) \$5,000 for an occupation in Group 2;
- (c) \$9,000 for an occupation in Group 3; and
- (d) \$12,500 for an occupation in Group 4.

(3) The one-time trade entry amount for an eligible individual employed in an eligible trade occupation in a trade group is:

- (a) \$1,350 for an occupation in Group 1;
- (b) \$5,000 for an occupation in Group 2;
- (c) \$9,000 for an occupation in Group 3; and
- (d) \$12,500 for an occupation in Group 4.

2 Feb 2007 cI-2.01 Reg 4 s8.

I-2.01 REG 4**EMPLOYEE'S TOOLS CREDIT****Annual maintenance amount**

9(1) To qualify for an annual maintenance amount in a taxation year, an individual must be an eligible individual in the taxation year.

(2) The annual maintenance amount for an eligible individual employed in an eligible trade occupation in a trade group is:

- (a) \$300 for an occupation in Group 1;
- (b) \$1,000 for an occupation in Group 2;
- (c) \$1,500 for an occupation in Group 3; and
- (d) \$2,500 for an occupation in Group 4.

2 Feb 2007 cI-2.01 Reg 4 s9.

Calculation of allowable credit

10(1) Subject to subsections 3(2), (3) and (5), if an individual qualifies for a one-time trade entry amount for a taxation year, the individual's allowable credit for the taxation year is the amount TC calculated in accordance with the following formula:

$$TC = OT \times AP$$

where:

OT is the individual's one-time trade entry amount for the taxation year determined pursuant to subsection 8(3); and

AP is the appropriate percentage for the taxation year.

(2) Subject to subsections 3(2), (3) and (5), if an individual qualifies for an annual maintenance amount for a taxation year, the individual's allowable credit for the taxation year is the amount TC calculated in accordance with the following formula:

$$TC = AM \times AP$$

where:

AM is the individual's annual maintenance amount for the taxation year determined pursuant to subsection 9(2); and

AP is the appropriate percentage for the taxation year.

2 Feb 2007 cI-2.01 Reg 4 s10; 1 Sep 2017 SR
88/2017 s4.

Claiming credit

11(1) An individual claiming the credit on his or her return of income must submit with the return:

(a) a declaration of the individual's employer, in a form approved by the minister, verifying:

- (i) that the individual was employed by the employer in an eligible trade occupation in the taxation year;
- (ii) that the individual was required in the taxation year, as a condition of his or her employment, to provide eligible tools used by the individual to perform the ordinary tasks of the eligible trade occupation mentioned in subclause (i); and

- (iii) in the case of an individual claiming the one-time trade entry amount, that all of the tools set out in the list provided pursuant to subclause (b)(i) are tools described in subclause (ii); and
- (b) in the case of an individual claiming the one-time trade entry amount:
 - (i) an itemized list, signed and dated by the individual's employer, of the eligible tools acquired by purchase or lease by the individual in the taxation year for use in his or her employment in an eligible trade occupation, including the cost of each eligible tool; and
 - (ii) a declaration of the individual, in a form approved by the minister, verifying:
 - (A) that the individual has, in the taxation year, as a condition of his or her employment, acquired by purchase or lease and used in his or her employment in an eligible trade occupation, all of the eligible tools set out in the list mentioned in subclause (i); and
 - (B) that the total cost of the eligible tools set out in the list mentioned in subclause (i) exceeds the qualifying tool expense threshold set out in subsection 8(2) for the trade group in which the individual's eligible trade occupation is included.
- (2) The minister may set any procedures that the minister considers appropriate with respect to the manner in which the credit is to be claimed.

2 Feb 2007 cI-2.01 Reg 4 s11.

Deceased individual

12 No amount may be deducted as a credit on a separate return of income filed pursuant to subsection 70(2) or 150(4) or paragraph 104(23)(d) of the federal Act from the tax payable with respect to a taxation year that is the year of death of an individual.

2 Feb 2007 cI-2.01 Reg 4 s12.

Bankrupt individual

13 With respect to an individual who becomes bankrupt:

- (a) a reference in these regulations to a taxation year is to be read as a reference to all taxation years of the individual in the calendar year in which the individual becomes bankrupt;
- (b) the total of the amounts deductible as a credit for all taxation years of the individual in the calendar year in which the individual becomes bankrupt shall not exceed the total amount that could otherwise have been claimed in a taxation year that included the full calendar year; and
- (c) for the purposes of subsection 3(3) and clause 8(1)(d), the total of the amounts deductible as a credit for all taxation years of the individual in the calendar year in which the individual becomes bankrupt is deemed to be a credit with respect to only one one-time trade entry amount.

2 Feb 2007 cI-2.01 Reg 4 s13.

Coming into force

14 These regulations come into force on the day on which they are filed with the Registrar of Regulations but are retroactive and are deemed to have been in force on and from January 1, 2006.

2 Feb 2007 cI-2.01 Reg 4 s14.