

Bill No. 18 of 1950.

A BILL TO AMEND THE ALBERTA CORPORATION
INCOME TAX ACT

NOTE.

This Bill amends *The Alberta Corporation Income Tax Act*, being chapter 3 of the Statutes of Alberta, 1947.

The Alberta Corporation Income Tax Act is not applicable to taxation years after the 1948 taxation year. However, the amendments to sections 47 and 48 relate to appeal procedure and appeals can still arise under the Act for some months to come. The amendments to section 4 (o), 44 and 58 and the addition of the new section 44a are made for purposes of clarification and to reduce interest payable on arrears, and to reduce penalties for failure to deliver returns.

This Act and the corresponding Dominion Act are being jointly administered.

These changes are based on corresponding changes in the Dominion Act and are designed to maintain uniformity between the Dominion and Provincial legislation on this subject in accordance with the provisions of the tax agreement.

The purpose of the amendments to sections 47 and 48 is to bring the Provincial appeal procedure into closer conformity with the Dominion appeal procedure so as to avoid administrative complications and unnecessary expense. The amendments make the appeal procedure under this Act identical with the appeal procedure presently in force under *The Alberta Corporation Income Tax Act, 1949*.

If a corporation files simultaneous appeals under the Provincial and the Dominion Acts it appears desirable that Dominion appeals should be heard first by the Exchequer Court so that the Provincial Treasurer may have the benefit of that decision before having to decide on the Provincial appeal.

The amendment to section 47 (1) extends the time for the corporation to file its appeal from one month to two months.

Section 48 is amended. Subsection (1) is amended to extend the time for a corporation filing its appeal from the Provincial Treasurer from one month to three months. Subsections (2) and (3) are struck out and two new subsections are substituted which are the same as subsections (2) and (3) of section 41 of *The Alberta Corporation Income Tax Act, 1949*. Subsection (2) sets out in greater detail the documents required to be filed with the Clerk of the Court upon receipt of the notice of appeal. Subsection (3)

sets out the procedure to be followed in fixing the time and place for the hearing of an appeal. The amendment extends the time allowed for this procedure.

KENNETH A. MCKENZIE,
Acting Legislative Counsel.

(This note does not form any part of the Bill but is offered in explanation of its provisions.)

BILL

No. 18 of 1950.

An Act to amend The Alberta Corporation Income Tax Act.

(Assented to _____, 1950.)

HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

1. *The Alberta Corporation Income Tax Act*, being chapter 3 of the Statutes of Alberta, 1947, is hereby amended as to section 4, clause (o) by adding immediately at the end thereof the following:

“Provided, however, that in determining whether the income in the years 1947 and 1948 of a corporation or association incorporated or organized as a credit union or cooperative credit society is not liable to taxation by virtue of this clause it shall be construed as if it were enacted in the same form as section 43, subsection (1), clause (g) of *The Alberta Corporation Income Tax Act, 1949*.”

2. The said Act is further amended as to section 44 by adding immediately after subsection (3) the following new subsection:

“(4) For the 1948 taxation year subsection (3) shall be read and applied as though the expression ‘twenty months’ contained therein were ‘twelve months’.”

3. The said Act is further amended by adding immediately after section 44 the following new heading and section:

“Interest.

“44a. Where, under one or more provisions of this Act, a corporation liable to pay tax or an instalment of tax is liable to pay interest on a payment in arrears in respect of a period or part of a period after the end of 1949 at a rate of more than six per cent per annum or at rates the aggregate of which is more than six per cent per annum notwithstanding any provision of this Act under which it is so liable to pay interest it shall pay the interest for that period or part of a period at the rate of six per cent per annum.”

4. The said Act is further amended as to section 47, subsection (1) by striking out the words “one month” and by substituting the words “two months”.

5. The said Act is further amended as to section 48,—

- (a) by striking out the words "one month" where they occur in subsection (1) and by substituting the words "three months";
- (b) by striking out subsections (2) and (3) and by substituting the following:

"(2) Upon receipt of the notice of appeal the Clerk shall send one of the copies to the Provincial Treasurer who shall in due course, after receipt of such copy, file with the Clerk of the Court typewritten copies of the following documents:

- "(a) the return of income of the appellant, if any, for the period under review;
 - "(b) the notice of assessment appealed;
 - "(c) the notice of appeal from the assessment;
 - "(d) the decision of the Provincial Treasurer;
 - "(e) the notice of appeal from the decision of the Provincial Treasurer; and
 - "(f) all other documents and papers relative to the assessment under appeal;
- and shall immediately thereafter give notice by registered post to the appellant of the date of such filing.

"(3) Within six months after the filing of the documents and after giving seven days' notice to the other party, the appellant shall apply to a judge in chambers to appoint a time and place for the hearing of the appeal, and the Clerk of the Court shall notify all parties of the time and place so fixed; the time so appointed shall not be later than one month after the date of the application, provided that an extension of the time so appointed up to six months after the date of application shall be granted if so requested by either party to the appeal."

6. The said Act is further amended as to section 58 by adding immediately after subsection (1) the following new subsection:

"(1a) Notwithstanding subsection (1), clause (a) the penalty payable under that subsection for the 1948 taxation year is five per cent of the unpaid tax where the amount of tax that was unpaid when the return was required to be made is one hundred dollars or less."

7. This Act shall come into force on the day upon which it is assented to, and upon so coming into force sections 4 and 5 shall be deemed to have been in force at all times on and after the first day of January, 1950.

No. 18

FIRST SESSION
TWELFTH LEGISLATURE

14. GEORGE VI

1950

BILL

An Act to amend The Alberta
Corporation Income
Tax Act.

Received and read the

First time

Second time

Third time

HON. MR. MANNING.
