

Bill No. 57 of 1951.

A BILL TO AMEND THE ALBERTA CORPORATION
INCOME TAX ACT, 1949.

NOTE.

This Bill amends *The Alberta Corporation Income Tax Act, 1949*, being chapter 6 of the Statutes of Alberta, 1949.

The provisions of the above Act are applicable to the 1949 and subsequent taxation years for the duration of the Dominion-Provincial tax agreement. Under the agreement this Act and the corresponding Dominion Act are being jointly administered. These changes as contained in this Bill 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 agreement.

Section 7, subsection (1), which deals with income of shareholders, is amended. A new subsection is also added to this section dealing with interest on income bonds.

Section 8 is repealed. It dealt with the undistributed income of corporations.

Section 9, which deals with amounts not included in computing income, is amended by the addition of two new clauses dealing with war savings certificates and with prospecting.

Section 10 is amended by striking out clause (c) of subsection (1) and substituting a new clause. A new clause (m) is added at the end of subsection (1) dealing with profit sharing plans. The amendments to section 10 are applicable to the 1949 and subsequent taxation years.

Section 11, which deals with exploration costs for mining and drilling, is amended to include references to natural gas as well as to petroleum. A new subsection (1a) is added immediately after subsection (1). Subsection (3) is struck out and two new subsections are substituted in its stead. Clause (a) of subsection (4) is struck out and a new clause is substituted in its stead. A new subsection (4a) is added immediately after subsection (4).

Section 17, which deals with lease-option agreements and hire-purchase agreements, is repealed and a new section is substituted. The new section is applicable, in the case of

movable property to 1949 and subsequent taxation years, and in the case of other contracts or arrangements to 1950 and subsequent taxation years.

Section 19, which deals with disposition of depreciable property, is amended. Subsection (1) is struck out and two new subsections are substituted in its stead. Subsection (3), clause (e) of the section is amended by the addition of a new subclause (iii). Subsection (6) of section 19 is also repealed and two new subsections are substituted in its stead.

A new section 20*a* dealing with transfers of rights to income is added immediately after section 20. The new section is applicable to the 1950 and subsequent taxation years.

Section 21 is amended by striking out clause (a) and substituting two new clauses dealing with charitable donations. The new clauses are applicable to the 1950 and subsequent taxation years.

Section 28 is amended by striking out clause (a) and substituting a new clause dealing with deep test wells. A new subsection (2) is also added to the section dealing with such deep test oil wells.

Section 30 is amended by striking out subsection (2) and substituting a new subsection dealing with demands for returns.

Section 33 is repealed. The repeal is effective for the 1949 and subsequent taxation years.

Section 37 is amended by the addition of a new subsection (7) dealing with income from sources in another country which cannot be transferred to Canada. The new subsection is applicable to the 1949 and subsequent taxation years.

A new section 38*a* is added immediately after section 38 dealing with evasion of tax.

Section 43, subsection (1) dealing with exemptions for personal corporations is amended by striking out clause (c) and substituting three new clauses dealing with certain designated organizations, charitable organizations and non-profit corporations. A new subsection (3) is also added to this section.

Section 49, dealing with co-operatives, is amended by the addition of a new subsection dealing with income from provincial grants to the co-operative. The amended section is applicable to the 1949 and subsequent taxation years.

Section 52, dealing with special contributions by employers to superannuation or pension funds, is amended. The amended section is applicable to 1949 and subsequent taxation years.

Two new sections are added immediately after section 52. The new section 52*a* deals with employees profit sharing plans. The new section 52*b* deals with mining and amounts that are not to be included in computing the income from mining properties. Both these new sections are applicable to 1949 and subsequent taxation years.

A new section is added immediately after section 63 providing for the filing of an information return.

Section 67 is amended by the addition of a new subsection (2) which is applicable to 1949 and subsequent taxation years.

Section 71, which deals with procedure and evidence, is amended by the addition of two new subsections both of which deal with the proof of certain documents in court proceedings.

Section 75 is amended by striking out subsection (8) and substituting a new subsection.

The First Schedule is amended by substituting the words "taxable income" for the word "income" wherever it appears. This change is applicable to the 1949 and subsequent taxation years.

Apart from those sections where specific provision has been made as to the time of their coming into force the amendments contained in this Bill come into force upon assent.

KENNETH A. MCKENZIE,
Legislative Counsel.

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

BILL

No. 57 of 1951.

An Act to amend The Alberta Corporation Income
Tax Act, 1949.

(Assented to _____, 1951.)

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, 1949*, being
chapter 6 of the Statutes of Alberta, 1949, is hereby
amended.

2. Section 7 is amended,—

Section 7
amended

(a) by striking out all that portion of subsection (1)
following clause (c) and by substituting the follow-
ing:

“otherwise than,—

“(i) on the reduction of capital, the redemption of
shares or the winding-up, discontinuance or
reorganization of its business;

Stock
dividends
and stock
rights

“(ii) by payment of a stock dividend; or

“(iii) by conferring on all holders of common shares
in the capital of the corporation a right to buy
additional common shares therein;

the amount or value thereof shall be included in
computing the income of the shareholder for the
year.”;

(b) by renumbering subsection (3) as subsection (4);

(c) by adding immediately after subsection (2) the
following new subsection:

“(3) An annual or other periodic amount paid by
a corporation to a taxpayer in respect of an income
bond or income debenture shall be deemed to have
been received by the taxpayer as a dividend unless
the corporation is entitled to deduct the amount so
paid in computing its income.”.

Interest
on income
bonds

3. Section 8 is repealed.

Section 8
repealed

4. Section 9 is amended,—

Section 9
amended

(a) by striking out the word “and” where it occurs at
the end of clause (a);

- (b) by adding immediately after clause (b) the following new clauses:
- War saving certificate “(c) an amount received under a war savings certificate issued by His Majesty in right of Canada or under a similar savings certificate issued by His Majesty in right of Newfoundland before April 1, 1949; and
- Prospecting “(d) an amount received as a result of prospecting that section 52*b* provides is not to be included.”
- Section 10 amended **5.** (1) Section 10, subsection (1) is amended,—
- (a) by striking out clause (c) and by substituting the following:
- Interest “(c) an amount paid in the year or payable in respect of the year (depending upon the method regularly followed by the corporation in computing its income), pursuant to a legal obligation to pay interest on,—
- “(i) borrowed money used for the purpose of earning income from a business or property (other than property the income from which would be exempt); or
- “(ii) an amount payable for property acquired for the purpose of gaining or producing income therefrom or for the purpose of gaining or producing income from a business (other than property the income from which would be exempt);
- or a reasonable amount in respect thereof, whichever is the lesser;”;
- (b) by striking out the word “and” where it occurs at the end of clause (k);
- (c) by adding the word “and” at the end of clause (l);
- (d) by adding immediately after clause (l) the following new clause:
- Profit sharing plan “(m) an amount paid by the corporation in trust for its employees under an employees’ profit sharing plan as permitted by section 52*a*.”
- (2) Subsection (1) is applicable to the 1949 and subsequent taxation years.
- Section 11 amended **6.** Section 11 is amended,—
- (a) by striking out all that portion of subsection (1) preceding clause (a) and by substituting the following:
- Corporations in petroleum or natural gas business “**11.** (1) A corporation whose principal business is production, refining or marketing of petroleum, petroleum products or natural gas or exploring or drilling for petroleum or natural gas may deduct in computing its income, for the purposes of this Act, the lesser of,—”;

- (b) by adding immediately after subsection (1) the following new subsection:

“(1a) In computing a deduction under subsection (1), no amount shall be included in respect of a payment for or in respect of a right, license or privilege to explore for, drill for or take petroleum or natural gas other than an annual payment not exceeding one dollar per acre.” Idiom

- (c) by striking out subsection (3) and by substituting the following:

“(3) A corporation whose chief business is that of mining or exploring for minerals may deduct, in computing its income for the purpose of this Act for a taxation year, an amount equal to all prospecting, exploration and development expenses incurred by it in the taxation year, directly or indirectly, in searching for minerals in Canada if the corporation has filed certified statements of such expenditures and has satisfied the Provincial Treasurer that it has been actively engaged in prospecting and exploring for minerals in Canada by means of qualified persons and has incurred the expenditures for such purposes. Business of mining or exploring

“(3a) Subsection (3) is applicable in respect of expenditures incurred in the calendar years 1949 to 1952, inclusive.” Application

- (d) by striking out clause (a) of subsection (4) and by substituting the following:

“(a) the testing of a significant geological structure by a deep test well that was spudded in during, or the deepening of which was commenced in, 1950 and that proved unproductive; or”;

- (e) by adding immediately after subsection (4) the following new subsection:

“(4a) Subsection (4) is applicable *mutatis mutandis* in respect of expenditures made in connection with,—

“(a) the testing of a significant geological structure by a deep test oil well that was spudded in during, or the deepening of which was commenced in, 1951 and that proved unproductive; or

“(b) the testing of a significant stratigraphic trap by a group of test wells that were spudded in during 1951 and drilled to an aggregate depth of twenty-five thousand feet and all of which wells proved unproductive.”.

7. (1) Section 17 is struck out and the following is substituted: Section 17 amended

“**17.** (1) A lease-option agreement, a hire-purchase agreement or other contract or arrangement for the leasing Lease-option, hire-purchase, etc.

or hiring of property, except immovable property used in carrying on the business of farming, by which it is agreed that the property may, on the satisfaction of a condition, vest in the lessee or other person to whom the property is leased or hired shall, for the purpose of computing the income of the lessee or other such person, be deemed to be an agreement for the sale of the property and rent or other consideration paid or given thereunder shall be deemed to be on account of the price of the property and not for its use.

“(2) The lessee or other person in whom the property may vest shall, for the purpose of a deduction under section 10, subsection (1), clause (a), be deemed to have acquired the property at a capital cost equal to the price fixed by the contract or arrangement minus the aggregate of all amounts paid by him,—

“(a) in the case of a contract or arrangement relating to movable property, before the 1949 taxation year; and

“(b) in the case of any other contract or arrangement, before the 1950 taxation year;

under the contract or arrangement on account of the rent or other consideration.

“(3) Where a person is deemed under this section to have acquired property under a contract or arrangement and the contract or arrangement is subsequently rescinded or determined, he shall for the purpose of section 19, be deemed to have disposed of the property for the price fixed by the contract or arrangement minus the aggregate of all amounts paid by him under the contract or arrangement on account of the rent or other consideration.”.

Application

(2) This section is applicable,—

(a) in the case of a contract or arrangement relating to movable property, to the 1949 and subsequent taxation years; and

(b) in the case of any other contract or arrangement, to the 1950 and subsequent taxation years.

Section 19 amended

8. (1) Section 19 is amended,—

(a) by striking out subsection (1) and by substituting the following:

Undepreciated capital cost

“**19.** (1) Where depreciable property of a corporation of a prescribed class has, in a taxation year, been disposed of and the proceeds of disposition exceed the undepreciated capital cost to it of depreciable property of that class immediately before the disposition, the lesser of,—

“(a) the amount of the excess; or

“(b) the amount that the excess would be if the property had been disposed of for the capital cost thereof to the corporation;

shall be included in computing its income for the year.

“(1*a*) Where one or more amounts are by subsection (1) required to be included in computing a corporation’s income for a taxation year in respect of the disposition of depreciable property of a prescribed class and the corporation has, during the year but following the dispositions, acquired further depreciable property of that class, notwithstanding subsection (1) and clause (e) of subsection (3), the following rules are applicable,—

“(a) if the aggregate of the amounts that would, according to the terms of subsection (1), be included thereunder in computing its income is equal to or exceeds the amount that would, according to the terms of clause (e) of subsection (3), be the undepreciated capital cost to it of depreciable property of that class at the end of the year before any deduction is made under section 10, subsection (1), clause (a) for that year,—

“(i) the amount to be included in computing its income for the year under subsection (1) in respect of dispositions of depreciable property of that class is that aggregate minus the amount that would be that undepreciated capital cost; and

“(ii) the undepreciated capital cost to it of depreciable property of that class at the end of the year is nothing; and

“(b) if the aggregate of the amounts that would, according to the terms of subsection (1), be included thereunder in computing its income is less than the amount that would, according to the terms of clause (e) of subsection (3), be the undepreciated capital cost to it of depreciable property of that class at the end of the year before any deduction is made under section 10, subsection (1), clause (a) for that year,—

“(i) no amounts shall be included in computing its income for the year in respect of depreciable property of that class under subsection (1); and

“(ii) the undepreciated capital cost to it of depreciable property of that class at the end of the year before any deduction is made under section 10, subsection (1), clause (a) for the year is the amount that it would be according to the terms of clause (e) of subsection (3) minus that aggregate.”;

(b) by striking out the word “and” where it occurs at the end of subclause (i) of clause (e);

(c) by adding the word “and” at the end of subclause (ii) of clause (e);

(d) by adding immediately after subclause (ii) of clause (e) the following new subclause:

“(iii) each amount by which the undepreciated capital cost to the corporation of depreciable property of that class as of the end of a previous year was reduced by virtue of subsection (1*a*).”;

(e) by striking out subsection (6) and by substituting the following:

“(6) Subsection (1) does not apply in determining a corporation’s income for a taxation year from farming or fishing unless it has elected to take a deduction for that or a previous year under regulations made under section 10, subsection (1), clause (a) other than a regulation providing solely for an allowance for computing income from farming or fishing.

“(7) Notwithstanding subsection (6), where a deduction has been taken under Part VII of the regulations under this Act, subsection (1) is applicable in respect of the prescribed classes created by the said Part VII.”.

Application (2) This section is applicable to the 1949 and subsequent taxation years.

New section 20*a* **9.** (1) The following new section is added immediately after section 20:

Transfers of rights to income **“20*a*.** Where a corporation has, at any time before the end of a taxation year (whether before or after the commencement of this Act), transferred or assigned to a person with whom it was not dealing at arms length the right to an amount that would, if the right thereto had not been so transferred or assigned, be included in computing its income for the taxation year because the amount would have been received or receivable by it in or in respect of the year, the amount shall be included in computing the corporation’s income for the taxation year unless the income is from property and the corporation has also transferred or assigned the property.”.

Application (2) This section is applicable to the 1950 and subsequent taxation years.

Section 21 amended **10.** Section 21 is amended by striking out clause (a) and by substituting the following:

Charitable donations **“(a)** the aggregate of gifts made by the corporation in the year to,—

“(i) a charitable organization in Canada exempt from tax under this Part by section 43, subsection (1), clause (ca);

- “(ii) a corporation resident in Canada and exempt from tax under this Part by section 43, subsection (1), clause (cb);
 - “(iii) a trust resident in Canada all the property of which is held absolutely in trust exclusively for charitable purposes, that has not, since June 1, 1950, acquired control of any corporation and that, during the period,—
 - “(A) did not carry on any business;
 - “(B) had no debts incurred since June 1, 1950, other than obligations arising in respect of salaries, rents and other current operating expenses; and
 - “(C) made gifts, the aggregate of which is not less than ninety per cent of its income for the period, to charitable organizations in Canada or corporations resident in Canada the incomes of which for the period are exempt from tax under this Part by section 43, subsection (1), clauses (ca) or (cb); and
 - “(iv) His Majesty in right of any province; and
 - “(v) any Canadian municipality; provided that such aggregate does not exceed five per cent of its income for the year and that payment of the amounts is proven by filing receipts with the Provincial Treasurer;
 - “(aa) the aggregate of gifts made by the corporation in the year to His Majesty in right of Canada, if payment of the amounts is proven by filing receipts with the Provincial Treasurer; and”.
- (2) This section is applicable to the 1950 and subsequent taxation years.

11. Section 28 is amended,—

Section 28
amended

- (a) by renumbering the section as subsection (1);
- (b) by striking out clause (a) of subsection (1) and by substituting the following:
 - “(a) the testing of a significant geological structure by a deep test well that was spudded in during, or the deepening of which was commenced in, 1950 and that proved unproductive; or”
- (c) by adding immediately after subsection (1) the following new subsection:
 - “(2) Subsection (1) is applicable *mutatis mutandis* in respect of expenditures made in connection with,—
 - “(a) the testing of a significant geological structure by a deep test oil well that was spudded in during, or the deepening of which was commenced in, 1951 and that proved unproductive; or

Deep test
wells

Deep test
wells

“(b) the testing of a significant stratigraphic trap by a group of test wells that were spudded in during 1951 and drilled to an aggregate depth of twenty-five thousand feet and all of which wells proved unproductive.”.

Section 30
amended

12. Section 30 is amended by striking out subsection (2) and by substituting the following:

Demands
for return

“(2) Every corporation, whether or not it is liable to pay tax under this Part for a taxation year and whether or not a return has been filed under subsection (1) or (3), shall, on demand by registered letter from the Provincial Treasurer, file, within such reasonable time as may be stipulated in the registered letter, with the Provincial Treasurer in prescribed form and containing prescribed information a return of the income for the taxation year designated in the letter.”.

Section 33
repealed
Application

13. (1) Section 33 is repealed.

(2) This section is applicable to the 1949 and subsequent taxation years.

Section 37
amended

14. (1) Section 37 is amended by adding immediately after subsection (6) the following new subsection:

Income in
blocked
currency

“(7) Where the income of a corporation for a taxation year, or part thereof, is from sources in another country and the corporation by reason of monetary or exchange restrictions imposed by the law of that country is unable to transfer it to Canada, the Provincial Treasurer may, if he is satisfied that payment as required by this Part of the whole of the additional tax under this Part for the year reasonably attributable to income from sources in that country would impose extreme hardship on the corporation, postpone the time for payment of the whole or a part of that additional tax for a period to be determined by the Provincial Treasurer but no such postponement may be granted if any of the income for the year from sources in that country has been,—

“(a) transferred to Canada;

“(b) used by the corporation for any purpose whatsoever, other than payment of income tax to the Government of that other country on income from sources therein; or

“(c) disposed of by the corporation;

and no interest is payable under this section in respect of that additional tax, or part thereof, during the period of postponement.”.

(2) This section is applicable to the 1949 and subsequent taxation years.

New
section 38a

15. (1) The following new section 38a is added immediately after section 38:

“38a. Every corporation that has wilfully, in any manner, evaded or attempted to evade payment of the tax payable by it under this Part for a taxation year or any part thereof is liable to a penalty, to be fixed by the Provincial Treasurer, of not less than twenty-five per cent and not more than fifty per cent of the amount of the tax evaded or sought to be evaded.”.

Evasion
of tax

(2) This section is applicable to the 1949 and subsequent taxation years.

16. Section 43 is amended,—

Section 43
amended

(a) by striking out clause (c) of subsection (1) and by substituting the following:

“(c) an agricultural organization, a board of trade or a chamber of commerce, no part of the income of which was payable to, or was otherwise available for the personal benefit of, any proprietor, member or shareholder thereof;

Certain
organiza-
tions

“(ca) a charitable organization all the resources of which were devoted to charitable activities carried on by the organization itself and no part of the income of which was payable to, or was otherwise available for the personal benefit of, any proprietor, member or shareholder thereof;

Charitable
organiza-
tions

“(cb) a corporation no part of the income of which was payable to, or was otherwise available for the personal benefit of, any proprietor, member or shareholder thereof, that has not, since June 1, 1950, acquired control of any other corporation and that, during the period,—

Non-profit
corporation

“(i) did not carry on any business;

“(ii) had no debts incurred since June 1, 1950, other than obligations arising in respect of salaries, rents and other current operating expenses; and

“(iii) expended amounts each of which is,—

“(A) an expenditure in respect of charitable activities carried on by the corporation itself;

“(B) a gift to an organization in Canada the income of which for the period is exempt from tax under this Part by virtue of clause (ca); or

“(C) a gift to a corporation resident in Canada the income of which for the period is exempt from tax under this Part by virtue of this clause; and

the aggregate of which is not less than ninety per cent of the corporation's income for the period;”;

(b) by adding immediately after subsection (2) the following new subsection:

When deemed not to have acquired control of another corporation

“(3) For the purpose of section 21, clause (a), subclause (iii) and subsection (1), clause (cb) of this section,—

“(a) a corporation is controlled by another corporation or by a trust if more than fifty per cent of its issued share capital (having full voting rights under all circumstances) belongs to,—

“(i) the other corporation or the trust; or

“(ii) the other corporation or the trust and persons with whom the other corporation or the trust does not deal at arms length; but a corporation or trust shall be deemed not to have acquired control of a corporation if it has not purchased (or otherwise acquired for a consideration) any of the shares in the capital stock of that corporation; and

Gifts to be included in income

“(b) there shall be included in computing a corporation’s or trust’s income all gifts received by the corporation or trust other than gifts received subject to a trust or direction that the property given or property substituted therefor, is to be held by the corporation or trust for the purpose of gaining or producing income therefrom.”.

Section 49 amended

17. (1) Section 49 is amended,—

(a) by renumbering the section as subsection (1);

(b) by adding immediately after subsection (1) the following new subsection:

Provincial grant to co-operative

“(2) Where a corporation that was incorporated under provincial legislation respecting the establishment of co-operative corporations for the purpose of marketing (including processing incidental thereto or connected therewith) natural products belonging to or acquired from its members or customers, of purchasing supplies, equipment or household necessities for or to be sold to its members or customers or of performing services for its members or customers has received a grant from the Government of a Province that was not fixed by reference to natural products marketed, supplies, equipment or household necessities purchased or sold or services performed by it,—

“(a) no amount shall be included in respect of the grant in computing the corporation’s income for any year; and

“(b) section 19, subsection (4), clause (h) is not applicable in respect of any property in respect of or for the acquisition of which it was received.”.

Application

(2) This section is applicable to the 1949 and subsequent taxation years.

18. (1) Section 52 is amended by striking out all that portion preceding clause (a) and by substituting the following:

Section 52 amended

“52. Where a corporation is an employer and has made a special payment (or payments) on account of an employees’ superannuation or pension fund or plan in respect of the past services of employees pursuant to a recommendation by a qualified actuary in whose opinion the resources of the fund or plan required to be augmented by the amount of one or more special payments to ensure that all the obligations of the fund or plan to the employees may be discharged in full and has made the payment so that it is irrevocably vested in or for the fund or plan and the payment has been approved by the Provincial Treasurer, there may be deducted in computing the income for the taxation year the lesser of,—”.

Employer's payment to pension plan

(2) This section is applicable to the 1949 and subsequent taxation years.

Application

19. (1) The following new headings and sections are added immediately after section 52:

New sections 52a and 52b

“Employees Profit Sharing Plan.

“52a. (1) An amount paid by an employer to a trustee under an employees’ profit sharing plan during a taxation year may be deducted in computing the employer’s income for the taxation year.

Payments under employees’ profit sharing plan deductible from income

“(2) In this Act, an ‘employees profit sharing plan’ means an arrangement under which payments computed by reference to its profits from its business are made by a corporation to a trustee in trust for the benefit of officers or employees of the corporation (whether or not payments are also made to the trustee by the officers or employees) and under which the trustee has, since the commencement of the plan or the end of 1949, whichever is the later, each year allocated either contingently or absolutely, to individual officers or employees,—

“employees profit sharing plan”

“(a) all amounts received by him from the employer; and

“(b) all profits from the trust property;

in such manner that the aggregate of all such amounts and such profits minus such portion thereof as has been paid to beneficiaries under the trust is allocated either contingently or absolutely to officers or employees who are beneficiaries thereunder.

“Mining.

“52b. (1) In this section,—

Interpretation

“(a) ‘minerals’ do not include petroleum or natural gas;

“minerals”

“(b) ‘mining property’ means a right to prospect, explore or mine for minerals or a property the principal value of which depends upon its mineral content; and

“mining property”

- "prospector" "(c) 'prospector' means an individual who prospects or explores for minerals or develops a property for minerals on behalf of himself, on behalf of himself and others or as an employee.
- Amount not included in income "(2) An amount that would otherwise be included in computing the income for a taxation year of a corporation that has, either under an arrangement with the prospector made before the prospecting, exploration or development work or as employer of the prospector, advanced money for, or paid part or all of, the expenses of prospecting or exploring for minerals or of developing a property for minerals, shall not be included in computing its income for the year if it is the consideration for,—
- "(a) an interest in a mining property acquired under the arrangement under which it made the advance or paid the expenses, or, if the prospector was its employee, acquired by it through the employee's efforts; or
- "(b) shares of the capital stock of a corporation received by it in consideration for property described in clause (a) that it has disposed of to such corporation.
- "(3) Clause (b) of subsection (2) does not apply,—
- "(a) in the case of a corporation that disposed of the shares after carrying on a campaign to sell shares of the corporation to the public; or
- "(b) to shares acquired by the exercise of an option to purchase shares received as consideration for property described in clause (a) of subsection (2)."
- Application (2) Sections 52*a* and 52*b* are applicable to the 1949 and subsequent taxation years.
- New section 63*a* **20.** The following new section 63*a* is added immediately after section 63:
- Information return "**63*a*.** Whether or not it has filed an information return as required by a regulation made under section 56, subsection (1), clause (d), every corporation shall, on demand by registered letter from the Provincial Treasurer, file within such reasonable time as may be stipulated in the registered letter, with the Provincial Treasurer such prescribed information return as is designated in the letter."
- Section 67 amended **21.** (1) Section 67 is amended,—
- (a) by renumbering the section as subsection (1);
- (b) by adding immediately after subsection (1) the following new subsection:
- Penalty upon conviction "(2) Where a corporation has been convicted under this section of wilfully, in any manner, evading or attempting to evade, payment of taxes imposed by this Act, it is not liable to pay a penalty imposed under section 38*a* for the same evasion or

attempt unless it was assessed for that penalty before the information or complaint giving rise to the conviction was laid or made.”.

(2) This section is applicable to the 1949 and subsequent taxation years. Application

22. Section 71 is amended by adding immediately after subsection (11) the following new subsections: Section 71 amended

“(12) Every document purporting to be an order, direction, demand, notice, certificate, requirement, decision or assessment over the name in writing of the Provincial Treasurer, the Deputy Provincial Treasurer, or an officer authorized by regulation to exercise the powers or perform the duties of the Provincial Treasurer under this Act, shall be deemed to be a document signed, made and issued by the Provincial Treasurer, the Deputy Provincial Treasurer or the officer unless it has been called in question by the Provincial Treasurer or by some person acting for him or His Majesty. Proof of documents

“(13) Every form purporting to be a form prescribed or authorized by the Provincial Treasurer shall be deemed to be a form prescribed by order of the Provincial Treasurer under this Act unless called in question by the Provincial Treasurer or some person acting for him or for His Majesty.”. Forms prescribed or authorized

23. Section 75 is amended by striking out subsection (8) and by substituting the following: Section 75 amended

“(8) Subsection (2) of section 30, section 55, sections 58 to 60 inclusive, sections 63 and 63a, section 71 except subsection (4) thereof, and regulations made under clause (e) of subsection (1) of section 56 are applicable *mutatis mutandis* in respect of matters arising under *The Alberta Corporation Income Tax Act*, being chapter 3 of the Statutes of Alberta, 1947.”. Application

24. (1) The First Schedule is amended by adding immediately before the word “income” wherever it occurs the word “taxable”. First Schedule amended

(2) This section is applicable to the 1949 and subsequent taxation years. Application

25. This Act shall come into force on the day upon which it is assented to. Coming into force

No. 57.

**FOURTH SESSION
ELEVENTH LEGISLATURE**

15 GEORGE VI

1951

BILL

An Act to amend The Alberta
Corporation Income Tax
Act, 1949.

Received and read the

First time

Second time

Third time

HON. MR. MANNING.
