

Bill No. 62 of 1954

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.

Section 5 is amended by striking out clause (f) and by substituting a new clause (f). This amendment repeals from the time of its introduction in 1949 the provision that a premium received on the acquisition of shares must be included in income.

Subsection (1) of section 10 is amended to provide for the circumstances where the employer is required by contract to make the payment called for by the superannuation fund or plan on the date the employee becomes eligible to retire.

A new section 18a is added which deals with the taxation of interest on bonds or similar securities sold between interest dates. It provides that the seller of a bond shall include in income the interest accrued up until the date of sale or transfer and it further provides that the purchaser in computing its income may deduct the proportion accruing before it purchased the bond from the total amount of interest it receives on the interest due date.

A new subsection (3a) is added to section 39 which provides that where a decision of the Provincial Treasurer, or the courts, established that there has been an overpayment of tax, interest at the rate of 6% shall be paid to the corporation on the amount of the overpayment.

The new subsection (5) added to section 43 enables a charitable corporation to be exempt from income tax in its first year even though it did not distribute 90% of its income in the year.

Subsection (1) of section 58 is amended. This amendment allows the immediate certification of an amount where in the opinion of the Provincial Treasurer a corporation is attempting to avoid payment of taxes.

This Bill comes into force upon assent.

J. W. RYAN,
Acting Legislative Counsel.

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

BILL

No. 62 of 1954

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

(Assented to _____, 1954)

HER 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. (1) Section 5 is amended by striking out clause (f) Section 5
amended
and by substituting the following:

“(f) amounts received by the corporation in the year as Premium on
redemption
of shares
premiums paid by a corporation on the redemption
before April 30, 1953 of any of its shares;”.

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

3. (1) Section 10, subsection (1) is amended by striking Section 10
amended
out clause (fa) and by substituting the following:

“(fa) where an approved superannuation fund or plan con- Employer's
contribution
to pension
funds
tains a provision under which the corporation may
provide superannuation or pension benefits for an
employee, officer or director of the corporation by
making a lump sum payment to or under the fund or
plan in the year in which the employee, officer or
director becomes eligible to retire or retires from
the employment or office, an amount paid by the
corporation in the year or within sixty days from
the end of the year pursuant thereto as the lump
sum in respect of an employee, officer or director
who so became eligible to retire or retired in the
year (except to the extent that it is deductible under
clause (f)) ;”.

(2) This section is applicable to the 1952 taxation year.

4. (1) The following new section is added immediately New
section 18a
after section 18:

“18a. Where, by virtue of an assignment or other trans- Interest
on bonds
fer of a bond, debenture or similar security (other than an
income bond or an income debenture), the transferee has
become entitled to interest in respect of a period commencing

before the time of transfer and ending after that time that is not payable until after the time of transfer, an amount equal to that proportion of the interest that the number of days in the portion of the period that preceded the day of transfer is of the number of days in the whole period

“(a) shall be included in computing the transferor’s income for the taxation year in which the transfer was made, and

“(b) may be deducted in computing the transferee’s income for a taxation year in the computation of which there has been included

“(i) the full amount of the interest under section 5, or

“(ii) a portion of the interest under clause (a) of this section.”.

(2) This section is applicable to the 1952 taxation year.

Section 39
amended

5. (1) Section 39 is amended by adding immediately after subsection (3) the following new subsection:

Interest on
overpayment

“(3a) Where, by a decision of the Provincial Treasurer under section 40 or by a decision of a judge of the Trial Division of the Supreme Court, it is finally determined that the tax payable by a corporation for a taxation year under this Act is less than the amount assessed by the assessment under section 32 to which the objection was made or from which the appeal was taken and the decision makes it appear that there has been an overpayment for the taxation year, the interest payable under subsection (3) on that overpayment shall be computed at six per cent instead of at two per cent.”.

(2) This section is applicable to the 1952 taxation year.

Section 43
amended

6. (1) Section 43 is amended by adding immediately after subsection (4) the following new subsection:

Election by
new charit-
able trust or
corporation

“(5) For the purpose of determining whether a corporation has complied with the requirements of subclause (iii) of clause (cb) of subsection (1) for its first taxation year after its incorporation, the whole or any part of amounts expended by it in the immediately subsequent taxation year shall, if it so elects, be deemed to have been expended by it in the first taxation year and not in the subsequent taxation year.”.

(2) Subsection (1) is applicable to the 1952 taxation year.

Section 58
amended

7. (1) Section 58 is amended by striking out subsection (1) and by substituting the following:

Certificates

“**58.** (1) An amount payable under this Act that has not been paid or such part of an amount payable under this Act as has not been paid may be certified by the Provincial Treasurer

- “(a) where there has been a direction by the Provincial Treasurer under subsection (2) of section 35, forthwith after such direction, and
- “(b) otherwise, upon the expiration of thirty days after the default.”.

(2) This section is applicable from the coming into force of this Act to all amounts payable under *The Alberta Corporation Income Tax Act, 1949*.

8. This Act comes into force on the day upon which it is ^{Coming into} assented to. _{force}

No. 62

SECOND SESSION
TWELFTH LEGISLATURE
3 ELIZABETH II

1954

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
