

1969 Bill 81

Second Session, 16th Legislature, 18 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 81

An Act to ~~amend~~ amend The Alberta Income Tax Act

THE PROVINCIAL TREASURER

First Reading

Second Reading

Third Reading

Printed by L. S. Wall, Queen's Printer, Edmonton

BILL 81

1969

An Act to amend The Alberta Income Tax Act

(Assented to _____, 1969)

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

1. *The Alberta Income Tax Act* is hereby amended.

2. Section 4, subsection (3) is amended by striking out clause (f) and by substituting the following:

- (f) twenty-eight per cent in respect of the 1967 and 1968 taxation years;
- (g) thirty and one-half per cent in respect of the 1969 taxation year;
- (h) thirty-three per cent in respect of the 1970 and subsequent taxation years.

3. (1) Section 5 is amended

- (a) as to subsection (1) by striking out the words "ten per cent" and by substituting the words "ten and one-half per cent",
- (b) as to subsection (4), clause (a) by striking out the words "ten per cent" and by substituting the words "ten and one-half per cent".

(2) This section is applicable to the 1969 taxation year, but where a corporation has a taxation year part of which is before and part of which is after the commencement of 1969, the tax payable by the corporation under *The Alberta Income Tax Act* for that taxation year is the sum of

- (a) an amount bearing the same ratio to the tax for the whole of that taxation year that would be payable by the corporation under that Act, if subsection (1) had not been enacted, as the number of days of that taxation year which fall in 1968 bears to the number of days in the whole of that taxation year, and

Explanatory Notes

1. This Bill amends chapter 1 of the Statutes of Alberta, 1961 (2nd Sess.)

2. Section 4(3) (f) presently reads:

(3) For the purposes of this section the percentage of the tax payable under the federal Act to be used for computing the tax payable under this section is as follows:

.....

(f) twenty-eight per cent in respect of the 1967 and subsequent taxation years.

3. Section 5(1) and (4)(a) presently read:

5. (1) The tax payable by a corporation under this Act for a taxation year is ten per cent of the corporation's taxable income earned in the year in Alberta.

(4) Where there has been included in computing the income for a taxation year of a corporation that maintained a permanent establishment in Alberta at any time in the taxation year amounts received by the corporation in the year as dividends, interest, rents or royalties that were derived from sources in a country other than Canada (in this section referred to as "foreign investment income") and where the corporation is entitled to a deduction under section 41 of the federal Act in respect of the foreign investment income, the corporation may deduct from the tax for the year otherwise payable under this Act an amount equal to the lesser of,

(a) ten per cent of the product of

(i) the foreign investment income of the corporation for the year minus amounts that are deductible under paragraph (d) of subsection (1) of section 28 of the federal Act that were included in its foreign investment income for that year, and

(ii) that proportion of the taxable income earned in the year by the corporation that is determined to have been earned in the year in Alberta in accordance with regulations made under subsection (2) of section 10 of the federal Act,

or

- (b) an amount bearing the same ratio to the tax for the whole of that taxation year that would be payable by the corporation under that Act, if subsection (1) were applied in respect of the whole of that taxation year, as the number of days of that taxation year which fall in 1969 bears to the number of days in the whole of that taxation year.

4. (1) Section 5 is amended

- (a) as to subsection (1) by striking out the words “ten and one-half per cent” and by substituting the words “eleven per cent”,
- (b) as to subsection (4), clause (a) by striking out the words “ten and one-half per cent” and by substituting the words “eleven per cent”.

(2) This section is applicable to the 1970 and subsequent taxation years, but where a corporation has a taxation year part of which is before and part of which is after the commencement of 1970, the tax payable by the corporation under *The Alberta Income Tax Act* for that taxation year is the sum of

- (a) an amount bearing the same ratio to the tax for the whole of that taxation year that would be payable by the corporation under that Act, if subsection (1) had not been enacted, as the number of days of that taxation year which fall in 1969 bears to the number of days in the whole of that taxation year, and
- (b) an amount bearing the same ratio to the tax for the whole of that taxation year that would be payable by the corporation under that Act, if subsection (1) were applied in respect of the whole of that taxation year, as the number of days of that taxation year which fall in 1969 bears to the number of days in the whole of that taxation year.

5. (1) This Act, except section 4, comes into force on the day upon which it is assented to and upon so coming into force sections 2 and 3 shall be deemed to have been in force at all times on and after January 1, 1969.

(2) Section 4 comes into force on January 1, 1970.

