

1980 BILL 41

Second Session, 19th Legislature, 29 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 41

THE ALBERTA CORPORATE INCOME TAX ACT

THE PROVINCIAL TREASURER

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

THE ALBERTA CORPORATE INCOME TAX ACT

TABLE OF CONTENTS

	Section No.
Definitions	1
Application of federal Act	2
Income tax conventions	3
Application of federal Act	4

PART 1

LIABILITY FOR INCOME TAX

Liability for income tax	5
--------------------------	---

PART 2

COMPUTATION OF INCOME

Income for taxation year	6
Income or loss from a source or sources in a place	7

Division 1

Income or Loss from a Business or Property

Income or loss from business or property	8
--	---

Division 2

Taxable Capital Gains and Allowable Capital Losses

Capital gains and capital losses	9
----------------------------------	---

Division 3

Other Sources of Income

Other sources of income	10
-------------------------	----

Division 4

Deductions in Computing Income

Deductions	11
------------	----

Division 5

Rules Relating to Computation of Income

Computation of income rules	12
Computation of income rules	13

Division 6

Corporations and Corporate Shareholders

Computation of income of a corporation	14
Shareholders of a non-resident corporation	15

Division 7

Partnerships

Partnerships	16
--------------	----

Division 8

Trusts

Trusts	17
--------	----

PART 3

COMPUTATION OF TAXABLE INCOME

Taxable income of corporation	18
-------------------------------	----

PART 4

COMPUTATION OF AMOUNT TAXABLE IN ALBERTA

Division 1

Alberta Allocation Factor

Alberta allocation factor	19
---------------------------	----

Division 2

Amount Taxable in Alberta

Amount taxable	20
----------------	----

PART 5

COMPUTATION OF INCOME TAX PAYABLE

Tax payable by corporation	21
----------------------------	----

Division 1

Small Business Deduction

Small business deduction	22
--------------------------	----

Division 2

Foreign Investment Income

Foreign investment income	23
---------------------------	----

Division 3

Political Contributions Tax Credit

Political contributions tax credit	24
------------------------------------	----

Division 4

Alberta Rental Investment Tax Credit

Rental investment tax credit	25
------------------------------	----

PART 6

ROYALTY TAX CREDIT

Royalty tax credit	26
--------------------	----

PART 7

SPECIAL RULES APPLICABLE IN CERTAIN CIRCUMSTANCES

Bankrupt corporations	27
Investment corporations	28
Mortgage investment corporations	29
Mutual fund corporations	30
Patronage	31
Credit unions	32
Deposit insurance corporations	33
Insurance corporations	34
Exemptions	35

PART 8

GENERAL

Division 1

Returns

Return to be filed	36
Penalty payable for failure to file return	37
Payment on account of tax payable	38
Payment on account of tax payable	39
Burden of proof respecting penalty	40

Division 2

Assessment

Assessment of tax by Treasurer	41
Notice of assessment	42
Assessment, reassessment and	

additional assessment	43
Reassessment respecting loss carry-backs	44
Assessment deemed valid and binding	45
Payment of assessed tax	46
Overpayment of tax	47
Notice of objection to assessment	48
Certificate of Treasurer	49

Division 3

Appeals

Appeal for vacation or variance of assessment	50
Reply to notice of appeal	51
Powers of court respecting appeal	52
Practice and procedure of court apply	53
Assessment not to be vacated or varied in certain circumstances	54

Division 4

Administration and Enforcement

Treasurer administers Act	55
Regulations	56
Taxes etc. debt due to the Crown	57
Certification of amount payable by Treasurer	58
Treasurer may apply to court for warrant	59
Powers of Treasurer to require payment to be made to him and not creditor	60
Records and books of account to be kept	61
Audit and examination of books of corporation liable to pay tax	62
Treasurer may retain documents and books	63
Treasurer may apply to court for search warrant	64
Inspection of seized documents by the owner	65
Treasurer may authorize inquiry	66
Copies of seized document may be made	67
Offence to hinder person performing duties under sections 62 to 67	68
Person may be represented by counsel	69
Application of section 232 of	

federal Act	70
Information return	71
Return etc. to be signed by officer	72

Division 5

Offences and Penalties

False statement or omission in return	73
Evasion of tax by corporation	74
Evasion of tax by individual	75
Certain offences	76
Communication of information	77
Penalty	78
General offence and penalty	79
Liability of officers of corporation guilty of offence	80

Division 6

Procedures and Evidence

Procedure re information and complaint	81
Procedures	82
Documents deemed signed by Treasurer	83
Notices of assessment and forms	84

Division 7

Transitional and Consequential

Transitional	85
Consequential	86
Commencement	87

BILL 41

1980

THE ALBERTA CORPORATE INCOME TAX ACT

(Assented to , 1980)

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

1(1) In this Act and in the application of the provisions of the federal Act and the regulations made under that Act that are by this Act made applicable, each of the interpretations contained in Part XVII of the federal Act apply for the purposes of this Act, except for those defined in subsection (2) (f), (g), (h) and (i) of this Act.

(2) In this Act and in the application of the provisions of the federal Act and regulations made under that Act that are by this Act made applicable for the purposes of this Act,

(a) “Alberta allocation factor” means the Alberta allocation factor determined in accordance with Division 1 of Part 4;

(b) “amount taxable in Alberta” means the amount taxable determined in accordance with Part 4;

(c) “court” means the Court of Queen’s Bench;

(d) “deputy Treasurer” means the Deputy Provincial Treasurer;

(e) “federal Act” means the *Income Tax Act* (Canada), as amended from time to time and includes any rules of application that are contained in any Act of the Parliament of Canada that amends the *Income Tax Act* (Canada);

(f) “jurisdiction” means a province of Canada or a country or political subdivision of a country;

(g) “permanent establishment” means a fixed place of business of the corporation, including an office, a branch, a mine, an oil well, a farm, a timber land, a factory, a workshop or a warehouse, and

Explanatory Notes

1 Definitions.

- (i) where the corporation does not have any fixed place of business it means the principal place in which the corporation's business is conducted,
- (ii) where a corporation carries on business through an employee or agent, established in a particular place, who has general authority to contract for his employer or principal or who has a stock of merchandise owned by his employer or principal from which he regularly fills orders which he receives, the corporation shall be deemed to have a permanent establishment in that place,
- (iii) an insurance corporation is deemed to have a permanent establishment in each province and country in which the corporation is registered or licensed to do business,
- (iv) where a corporation, otherwise having a permanent establishment in Canada, owns land in a province, such land shall be deemed to be a permanent establishment,
- (v) where a corporation uses substantial machinery or equipment in a particular place at any time in a taxation year it shall be deemed to have a permanent establishment in that place,
- (vi) the fact that a corporation has business dealings through a commission agent, broker or other independent agent or maintains an office solely for the purchase of merchandise shall not of itself be held to mean that the corporation has a permanent establishment, and
- (vii) the fact that a corporation has a subsidiary controlled corporation in a place or a subsidiary controlled corporation engaged in trade or business in a place shall not of itself be held to mean that the corporation is operating a permanent establishment in that place;
- (h) "prescribed" means
 - (i) with respect to a form or the information to be given on a form, prescribed by the Treasurer, or
 - (ii) in any other case, prescribed by regulation;
- (i) "royalty tax deduction" means the royalty tax deduction determined in accordance with section 20(3);
- (j) "tax payable" with respect to a corporation, means the tax payable by that corporation as fixed by assessment or reassessment and subject to variation or objection or on appeal;

(k) “taxable income” means the income of a corporation calculated in accordance with Part 3;

(l) “Treasurer” means the Provincial Treasurer.

2(1) Where a section of the federal Act or a regulation made under the federal Act has, by this Act, been made applicable for the purposes of this Act and reference is made in that section to another provision of the federal Act and that other provision has been made inapplicable for the purposes of this Act, then that section shall be read as if the reference to the other provision had been struck out.

(2) Where a section of the federal Act or a regulation made under the federal Act has, by this Act, been made applicable for the purposes of this Act and reference is made in that section to another provision of the federal Act and that other provision does not apply for the purposes of this Act because a provision of this Act applies in lieu of it, then the reference to the other provision shall be deemed to be a reference to the provision of this Act that applies in lieu of it.

(3) Where a section of the federal Act or a regulation made under the federal Act has, by this Act, been made applicable for the purposes of this Act and reference is made in that section to another provision of the federal Act and that other provision applies in a different manner for the purposes of the federal Act than it does for the purposes of this Act, then the reference shall be deemed to be a reference to the other provision as it applies for the purposes of this Act.

(4) A regulation made pursuant to a provision of the federal Act that is by this Act made applicable for the purposes of this Act shall apply with any necessary modifications for the purposes of this Act, unless otherwise provided by this Act or the regulations under this Act.

(5) In the application of a section of the federal Act that, by this Act, is made applicable for the purposes of this Act, a reference to

(a) a return required to be filed under section 150 of that Act shall be deemed to be a reference to a return required to be filed under section 36 of this Act, and

(b) an assessment required to be made under section 152 of that Act shall be deemed to be a reference to an assessment required to be made under section 41 of this Act.

(6) An election or designation by a corporation that may be made under the federal Act may be filed with the Treasurer and if so filed the rules respecting that election or designation in the federal Act apply but, in the event that the election or designation is not filed with the Treasurer, the Treasurer shall accept an election or designation made under the federal Act

2 Application of federal Act.

and the provisions of the federal Act imposing penalties for late filing of elections are not applicable for the purposes of this Act.

(7) A registered pension fund or plan that has been accepted for registration by the Minister shall be deemed to have been accepted for registration by the Treasurer.

(8) If a provision of the federal Act is made applicable for the purposes of this Act that provision shall apply only insofar as it applies to corporations.

3 If Canada has entered into an Income Tax Convention or Treaty with another jurisdiction and that Convention or Treaty is inconsistent with the federal Act and if by reason of any other Act of the Parliament of Canada that Convention or Treaty prevails to the extent of that inconsistency, that Convention or Treaty shall, to the extent of the inconsistency, be deemed to apply for the purposes of this Act in the same manner as it applies for the purposes of the federal Act.

4 The sections of the federal Act and the regulations made under it that are by this Act made applicable for the purposes of this Act, shall, unless otherwise provided in this Act, be deemed to apply as amended or re-enacted from time to time and those amendments or re-enactments shall apply for the purposes of this Act in the same manner as they apply for the purposes of the federal Act.

3 Income Tax Convention or Treaty.

4 Application of federal Act.

PART 1
LIABILITY FOR INCOME TAX

- 5**(1) A corporation that has a permanent establishment in Alberta at any time in a taxation year shall pay an income tax as required by Part 5 of this Act on its amount taxable in Alberta, computed in accordance with Part 4, for that taxation year.
- (2) The income of a corporation for a taxation year shall be determined in accordance with Part 2.
- (3) The taxable income of a corporation for a taxation year shall be determined in accordance with Part 3.
- (4) The amount taxable in Alberta of a corporation for a taxation year shall be determined in accordance with Part 4.

5 Liability for income tax.

PART 2
COMPUTATION OF INCOME

6 The income of a corporation for a taxation year is its income for the year determined by the following rules:

(a) determine the aggregate of amounts each of which is the corporation's income for the year (other than a taxable capital gain from the disposition of a property) from a source inside or outside Canada, including, without restricting the generality of the foregoing, its income for the year from each business and property;

(b) determine the amount, if any, by which

(i) the aggregate of its taxable capital gains for the year from dispositions of property other than listed personal property, and its taxable net gain for the year from dispositions of listed personal property,

exceeds

(ii) the amount, if any, by which its allowable capital losses for the year from dispositions of property other than listed personal property exceed its allowable business investment losses for the year;

(c) determine the amount, if any, by which the aggregate determined under clause (a) plus the amount determined under clause (b) exceeds the aggregate of the deductions permitted by Division 4 of this Part in computing the corporation's income for the year (except such of or such part of those deductions, if any, as have been taken into account in determining the aggregate referred to in clause (a));

(d) determine the amount, if any, by which the remainder determined under clause (c) exceeds the aggregate of amounts each of which is its loss for the year from a business or property or its allowable business investment loss for the year;

and the remainder, if any, obtained under clause (d) is the corporation's income for the year.

7(1) For the purposes of this Act,

(a) a corporation's income or loss for a taxation year from a business, property or other source, or from sources in a particular place, is the corporation's income or loss, as the case may be, computed in accordance with this Act on the

6 Income for taxation year.

7 Income or loss from a source or from sources in a place.

assumption that it had during the taxation year no income or loss except from that source or no income or loss except from those sources, as the case may be, and was allowed no deductions in computing its income for the taxation year except such deductions as may reasonably be regarded as wholly applicable to that source or to those sources, as the case may be, and except such part of any other deductions as may reasonably be regarded as applicable thereto, and

(b) where the business carried on by a corporation was carried on partly in one place and partly in another place, the corporation's income or loss for the taxation year from the business carried on by it in a particular place is the corporation's income or loss, as the case may be, computed in accordance with this Act on the assumption that it had during the taxation year no income or loss except from the part of the business that was carried on in that particular place and was allowed no deductions in computing its income for the taxation year except such deductions as may reasonably be regarded as wholly applicable to that part of the business and except such part of any other deductions as may reasonably be regarded as applicable thereto.

(2) Subject to subsection (3), in applying subsection (1) no deductions permitted by section 60 of the federal Act, as made applicable by section 11 of this Act, are applicable either wholly or in part to a particular source or to sources in a particular place, as the case may be.

(3) In applying subsection (1) for the purposes of section 23, all deductions allowed in computing the income of a corporation for a taxation year shall be deemed to be applicable either wholly or in part to a particular source or to sources in a particular place, as the case may be.

(4) Unless a contrary intention is evident, no provision of this Act shall be read or construed to require the inclusion or to permit the deduction, in computing the income of a corporation for a taxation year or its income or loss for a taxation year from a particular source or from sources in a particular place, of any amount to the extent that that amount has been included or deducted, as the case may be, in computing such income or loss under, in accordance with or by virtue of any other provision of this Part.

Division 1

Income or Loss from a Business or Property

8(1) Subject to subsections (2) and (3), subdivision b of Division B of Part I of the federal Act applies in determining the income or loss of a corporation from a business or property for a taxation year.

(2) Subdivision b of Division B of Part I of the federal Act shall be deemed to include subsection 7(3) of the federal Act.

(3) In the application of subsection 22(2) of the federal Act, the reference to “Minister” shall be deemed to be a reference to the Treasurer.

Division 2

Taxable Capital Gains and Allowable Capital Losses

9 Subdivision c of Division B of Part I of the federal Act applies to determine the taxable capital gains and allowable capital losses of a corporation from the disposition of any property.

Division 3

Other Sources of Income

10(1) Subject to subsection (2), subdivision d of Division B of Part I of the federal Act applies to other sources of income.

(2) In the application of subparagraph 56(1)(l)(i) of the federal Act, the reference to “this Act” shall be deemed to be a reference to both the federal Act and this Act.

Division 4

Deductions in Computing Income

11(1) Subject to subsection (2), subdivision e of Division B of Part I of the federal Act applies to deductions in computing income.

8 Income or loss from business or property.

9 Capital gains and capital losses.

10 Other sources of income.

11 Deductions.

(2) In the application of subparagraph 60(o)(i) of the federal Act, the reference to “this Act” shall be deemed to be a reference to both the federal Act and this Act.

Division 5

Rules Relating to Computation of Income

12 Subdivisions f and g of Division B of Part I of the federal Act apply with respect to rules relating to computation of income.

13(1) Subject to subsection (2), section 245 of the federal Act applies in computing income except that the reference to Part I of that Act shall be deemed to be a reference to this Act.

(2) Paragraph 245(2)(b) of the federal Act does not apply.

(3) An amount included in computing income of a corporation pursuant to section 247 of the federal Act shall be deemed to be included in the income of that corporation for that taxation year for the purposes of this Act.

Division 6

Corporations and Corporate Shareholders

14(1) Subject to subsections (2), (3) and (4), subdivision h of Division B of Part I of the federal Act applies for the purpose of computing the income of a corporation.

(2) Paragraph 83(3)(b) of the federal Act shall be read as though “penalty” was struck out and “penalty under subsection (4) of the federal Act” was substituted.

(3) Subsections 83(3.1), (4) and (5) of the federal Act do not apply.

(4) Subparagraph 89(1)(i)(ii) of the federal Act shall be read as though “under this Part” was struck out and “under Part I of the federal Act and under this Act” was substituted.

15(1) Subject to subsection (2), subdivision i of Division B of Part I of the federal Act applies for the purpose of computing the income of a corporation.

12 Computation of income rules.

13 Computation of income rules.

14 Computation of income of corporations.

15 Shareholders of non-resident corporations.

(2) Paragraphs 95(6)(a) and (b) of the federal Act shall be read as though “under this Act” was struck out and “under the federal Act and under this Act” was substituted.

Division 7

Partnerships

16 Subdivision j of Division B of Part I of the federal Act applies for the purposes of computing the income of a corporation.

Division 8

Trusts

17 Subdivision k of Division B of Part I of the federal Act applies for the purposes of computing the income of a corporation.

16 Partnerships.

17 Trusts.

PART 3

COMPUTATION OF TAXABLE INCOME

18 Taxable income for the taxation year shall be income as determined under Part 2 of this Act less any deductions allowed under sections 110, 111, 112 and 113 of the federal Act.

18 Taxable income of corporation.

PART 4

COMPUTATION OF AMOUNT TAXABLE IN ALBERTA

Division 1

Alberta Allocation Factor

19(1) For the purposes of this Act, the Alberta allocation factor is the quotient obtained when taxable income earned in Alberta, as determined in accordance with Part IV of the regulations made under the federal Act, is divided by taxable income.

(2) In this section “taxable income” has the meaning assigned to it by subsection 2(2) of the federal Act.

Division 2

Amount Taxable in Alberta

20(1) In this section, “attributed Canadian royalty income” of a corporation for a taxation year in which it had a permanent establishment in Alberta means the aggregate of

(a) the amounts required to be included in computing the corporation’s income for the year by virtue of paragraph 12(1)(o) of the federal Act, where those amounts relate to the production from oil or gas wells or bituminous sands deposits, oil sands deposits or coal deposits or to any right, licence or privilege to explore for, drill for or recover petroleum or natural gas or to explore for, mine, quarry, remove, treat or process bituminous sands or oil sands or to win or work mines, seams or beds of coal,

(b) the amounts in respect of which no deduction is allowed in computing the corporation’s income for the year by virtue of paragraph 18(1)(m) of the federal Act, other than an amount described in paragraph 66.2(5)(a) of the federal Act, where those amounts relate to the production from oil or gas wells or bituminous sands deposits, oil sands deposits or coal deposits or to any right, licence or privilege to explore for, drill for or recover petroleum or natural gas or to explore for, mine, quarry, remove, treat or process bituminous sands or oil sands or to win or work mines, seams or beds of coal,

(c) any amounts by which the fair market value, as determined under subsection 69(8) of the federal Act, of petroleum, natural gas or coal disposed of under dispositions

19 Alberta allocation factor.

20 Amount taxable in Alberta.

referred to in subsection 69(6) of the federal Act, exceeds the proceeds of disposition, if any, actually received by him in respect of the petroleum, natural gas or coal so disposed of, and

(d) any amounts by which the amount referred to in subsection 69(7) of the federal Act in respect of acquisitions of petroleum, natural gas or coal referred to in that subsection exceeds the fair market value, as determined under subsection 69(9) of the federal Act, of the petroleum, natural gas or coal so acquired,

less the aggregate of

(e) the amount allowed to the corporation for the year under paragraph 20(1)(v.1) of the federal Act in respect of oil or gas wells or bituminous sands deposits, oil sands deposits or coal deposits, and

(f) the amount of any reimbursement received by the corporation under the terms of a contract, where the reimbursement was for an amount paid or payable by the taxpayer that is required to be included in computing his income or denied as a deduction in computing his income by virtue of paragraph 12(1)(o) or paragraph 18(1)(m) of the federal Act in respect of oil or gas wells or bituminous sands deposits, oil sands deposits or coal deposits.

(2) Subject to subsection (3), “amount taxable in Alberta” means the product obtained when taxable income less the royalty tax deduction is multiplied by the Alberta allocation factor.

(3) The corporation’s royalty tax deduction for the year is the lesser of

(a) the aggregate of

(i) its attributed Canadian royalty income for the year, and

(ii) its attributed royalty income carry forward from the immediately preceding taxation year,

and

(b) its taxable income for the year.

(4) The attributed royalty income carry forward for a taxation year is the amount, if any, by which subsection (3)(a) for that year exceeds subsection (3)(b) for that year and this amount shall be deemed to be zero if the corporation did not have a permanent establishment in Alberta at some time during that year.

(5) Where a corporation (in this subsection referred to as the "successor corporation") has, at any time after May 6, 1974, acquired, by purchase or otherwise, including an acquisition as a result of an amalgamation of 2 or more corporations from another corporation, (in this subsection referred to as the "predecessor corporation") all or substantially all of the property of the predecessor corporation used by it in carrying on in Canada any of the businesses mentioned in subparagraphs 66(15)(h)(i) to (vii) of the federal Act the successor corporation shall, in determining its royalty tax deduction for a taxation year, be entitled to include in the calculation of its attributed Canadian royalty income for the year the lesser of

(a) the amount that, but for this subsection, the predecessor corporation would have been entitled to carry forward and use under subsection (4) in respect of its taxation year in which the property so acquired was acquired by the successor corporation, to the extent that such amount has not been included in the attributed Canadian royalty income of the successor corporation for a previous taxation year, and

(b) an amount equal to such part of its income for the year if no deduction were allowed under section 65, 66, 66.1 or 66.2 of the federal Act as may reasonably be regarded as attributable to the production of petroleum, natural gas or coal from the property so acquired from the predecessor corporation,

and in respect of any such attributed Canadian royalty income included in the amount referred to in clause (a), no amount may be used by the predecessor corporation in determining its royalty tax deduction for a taxation year subsequent to its taxation year in which the property so acquired was acquired by the successor corporation.

(6) Where a corporation (in this subsection referred to as the "second successor corporation") has, at any time after May 6, 1974, acquired, by purchase or otherwise, including an acquisition as a result of an amalgamation of 2 or more corporations, from another corporation, (in this subsection referred to as the "first successor corporation") that was a successor corporation within the meaning of subsection (5), all or substantially all of the property of the first successor corporation used by it in Canada in carrying on any of the businesses mentioned in subparagraphs 66(15)(h)(i) to (vii) of the federal Act, the second successor corporation shall, in determining its royalty tax deduction for a taxation year, be entitled to include in the calculation of its attributed Canadian royalty income for the year the lesser of

(a) the amount determined under subsection (5)(a) in respect of the first successor corporation to the extent that the amount has not been included in the attributed Canadian royalty income of the first successor corporation for its

previous taxation year in which the property so acquired was acquired by the second successor corporation and has not been included in the attributed Canadian royalty income of the second successor corporation for a taxation year, and

(b) an amount equal to such part of its income for the year if no deduction were allowed under section 65, 66, 66.1 or 66.2 of the federal Act as may reasonably be regarded as attributable to the production of petroleum, natural gas or coal from the property acquired from the first successor corporation's predecessor corporation within the meaning of subsection (5),

and in respect of any such attributed Canadian royalty income included in the amount referred to in clause (a), no amount may be used by the first successor corporation in determining its royalty tax deduction for a taxation year subsequent to its taxation year in which the property so acquired was acquired by the second successor corporation.

PART 5
COMPUTATION OF INCOME TAX PAYABLE

21 Except where otherwise provided in this Part, the tax payable by a corporation under this Act for a taxation year is 11% of the amount taxable in Alberta for the year.

Division 1

Small Business Deduction

22(1) In this section,

(a) “attributed Canadian royalty income used by a corporation in the calculation of its royalty tax deduction” means the amount deducted under section 20(3);

(b) “royalty deduction account” of a corporation at the end of a taxation year means

(i) the corporation’s royalty deduction account at the end of the immediately preceding taxation year, and

(ii) the attributed Canadian royalty income used by the corporation in the calculation of its royalty tax deduction for the taxation year.

(2) For the purposes of this section, subparagraph 125(6)(f)(i) of the federal Act does not apply.

(3) There may be deducted from the tax payable under section 21 by a corporation that was, throughout the year, a Canadian-controlled private corporation, an amount equal to the product obtained when 6% of the least of

(a) the amount, if any, by which

(i) the aggregate of all amounts each of which is the income of the corporation for the year from an active business carried on in Canada, as determined for the purposes of section 125 of the federal Act,

exceeds

(ii) the aggregate of

(A) the attributed Canadian royalty income used by the corporation in the calculation of its royalty tax deduction for the taxation year, and

(B) the aggregate of all amounts each of which is a loss of the corporation for the year from an active

21 Tax payable by corporation.

22 Small business deduction.

business carried on in Canada, as determined for the purposes of section 125 of the federal Act,

(b) the amount, if any, by which the corporation's taxable income for the year exceeds the aggregate of

(i) 2.5 times the aggregate of amounts deducted under subsection 126(1) of the federal Act from the tax otherwise payable by it for the year under Part I of the federal Act,

(ii) 2 times the aggregate of the amounts deducted under subsection 126(2) of the federal Act from the tax otherwise payable by it for the year under Part I of the federal Act, and

(iii) the attributed Canadian royalty income used by the corporation in the calculation of its royalty tax deduction for the taxation year,

(c) the corporation's business limit for the year as determined under section 125 of the federal Act, and

(d) the amount, if any, by which

(i) the aggregate of the corporation's total business limit for the year, as determined under section 125 of the federal Act, and the corporation's royalty deduction account at the end of the immediately preceding taxation year,

exceeds

(ii) the corporation's cumulative deduction account, as determined under section 125 of the federal Act, at the end of the immediately preceding taxation year,

is multiplied by the Alberta allocation factor.

(4) In the application of subsection 125(3) of the federal Act paragraph (b) shall be read as though "that corporation's cumulative deduction account" was struck out and "the amount, if any, by which that corporation's cumulative deduction account exceeds its royalty deduction account" was substituted.

Division 2

Foreign Investment Income

23(1) For the purposes of this section, an amount referred to in subparagraph 126(1)(b)(i) of the federal Act from sources in a country other than Canada shall be referred to as “foreign investment income.”

(2) If a corporation has a permanent establishment in Alberta, has included foreign investment income in computing its income and is entitled to a deduction under subsection 126(1) of the federal Act in respect of income or profits tax paid to a country outside Canada on that foreign investment income, it may deduct from the tax payable remaining after it has claimed the deduction under section 22 an amount equal to the lesser of

(a) 11% of the foreign investment income for the year from sources in that country multiplied by the Alberta allocation factor,

(b) the amount, if any, by which

(i) the income or profits tax paid by the corporation to a country or political subdivision of a country, in respect of that foreign investment income, except any amount that may be regarded as having been paid in respect of income from a share of the capital stock of a foreign affiliate of the corporation,

exceeds

(ii) the amount deductible under subsection 126(1) of the federal Act in respect thereof

and multiplied by the Alberta allocation factor, and

(c) the amount of the tax remaining after it has claimed the deduction under section 22.

(2) If the income of a corporation for a taxation year includes income from sources in more than one country other than Canada, subsection (1) shall be deemed to provide for a separate deduction in respect of each of the countries other than Canada.

23 Foreign Investment Income.

Division 3

Political Contributions Tax Credit

24(1) In this section,

(a) “registered candidate” means a person who is a registered candidate under *The Election Finances and Contributions Disclosure Act*;

(b) “registered constituency association” means a registered constituency association under *The Election Finances and Contributions Disclosure Act*;

(c) “registered party” means a political party that is a registered party under *The Election Finances and Contributions Disclosure Act*.

(2) In respect of the aggregate amount of contributions under *The Election Finances and Contributions Disclosure Act* contributed by a corporation during the taxation year to a registered party, registered constituency association or registered candidate, that corporation may reduce the amount of tax that it would be required to pay under this Part after claiming the deductions under sections 22 and 23 by an amount equal to

(a) 75% of the amount contributed if the aggregate amount of contributions by the corporation does not exceed \$100,

(b) \$75 plus 50% of the amount contributed in excess of \$100 if the aggregate amount of contributions by the corporation exceeds \$100 but does not exceed \$550, or

(c) the lesser of

(i) \$500, and

(ii) \$300 plus 33-1/3% of the amount contributed in excess of \$550,

if the aggregate amount of contributions by the corporation exceeds \$550,

or the amount of the tax payable after claiming the deductions under sections 22 and 23, whichever is the lesser.

(3) Payment of each amount that is included in the aggregate amount of contributions in respect of which a deduction is claimed under subsection (2) shall be proved by filing with the Treasurer receipts for them signed on behalf of the registered party, registered constituency association or registered candidate, as the case may be.

24 Political contributions tax credit.

Division 4

Alberta Rental Investment Tax Credit

25(1) In this section,

(a) “amount invested” means the capital cost to the corporation of a qualifying Alberta multiple unit residential building;

(b) “qualifying Alberta multiple unit residential building” means a property that is a multiple unit residential building in Alberta that is or would, but for the operation of Classes 31 or 32 of Schedule II of the federal regulations, be included in Classes 3 or 6 of Schedule II of the federal regulations and in respect of which

(i) a certificate of eligibility has been issued by the Alberta Home Mortgage Corporation certifying that the installation of footings or any other base support of the building was commenced after December 31, 1979 and before January 1, 1982, and that, according to plans and specifications for the building, not less than 80% of the floor space will be used in providing self-contained domestic establishments and related parking, recreation, service and storage areas,

(ii) a certificate of completion has been issued by the Alberta Home Mortgage Corporation to the corporation, and

(iii) immediately after the certificate of completion has been issued, not more than 20% of the floor space is used for any purposes other than those referred to in subclause (i)

but does not include property

(iv) the cost of which is deductible in computing the corporation’s income,

(v) that is described in the corporation’s inventory, or

(vi) that was not acquired by the corporation for the purpose of gaining or producing income.

(2) Where a corporation was, at the end of a taxation year of a partnership, a member of the partnership, its share of any amount that would be an amount invested by the partnership in that taxation year, if the partnership were a taxpayer corporation, shall, for the purposes of this section, be deemed to be an

25 Rental investment tax credit.

amount invested by the corporation in its taxation year in which the taxation year of the partnership ended.

(3) A corporation may reduce the amount of tax that it would be required to pay under this Part after complying with sections 21, 22, 23 and 24 by an amount equal to the lesser of

(a) the amount, if any, by which 5% of the amount invested exceeds the aggregate of amounts deducted by the corporation under this section in a previous taxation year or under section 8.8 of *The Alberta Income Tax Act*, as it was on December 31, 1980, and

(b) the tax payable under this Act after claiming the deductions under sections 22, 23 and 24.

(4) A corporation is not entitled to an Alberta rental investment tax credit in respect of a taxation year unless a certificate of completion issued by the Alberta Home Mortgage Corporation accompanies an application made under this section.

(5) A certificate issued under subsection (1)(b)(i) or (ii) may be revoked by the Alberta Home Mortgage Corporation where

(a) an incorrect statement was made in the furnishing of information, or

(b) the corporation does not comply with subsection (1)(b)

and a certificate that has been revoked shall be deemed to have been void from the time of its issue.

PART 6

ROYALTY TAX CREDIT

26(1) In this section,

(a) “associated corporations” includes corporations that are deemed to be associated with each other by virtue of a direction made by the Treasurer under subsection (13) or (14);

(b) “attributed Alberta royalty income” of a corporation for a taxation year means the aggregate of all amounts each of which is

(i) an amount required to be included in computing the corporation’s income for the year by virtue of paragraph 12(1)(o) of the federal Act, or

(ii) an amount in respect of which no deduction is allowed in computing the corporation’s income for the year by virtue of paragraph 18(1)(m) of the federal Act,

less all amounts each of which is

(iii) a reimbursement received by the corporation under the terms of a contract, where the reimbursement was for an amount paid or payable by the corporation that is required to be included in computing its income or denied as a deduction in computing its income by virtue of paragraph 12(1)(o) or paragraph 18(1)(m) of the federal Act,

and each of which is or is in respect of a royalty receivable by the Crown in right of Alberta under a lease, licence, reservation or permit granting petroleum rights, natural gas rights or petroleum and natural gas rights;

(c) “royalty tax credit” means a credit to which a corporation is entitled under this section.

(2) Subject to this section and the regulations, a corporation that has attributed Alberta royalty income in a taxation year is entitled to a royalty tax credit for the taxation year in an amount equal to 25% of the corporation’s attributed Alberta royalty income, but that credit shall not exceed the maximum allowable credit for the taxation year.

(3) For the purposes of subsections (2), (4) and (5), the maximum allowable credit for a taxation year is the lesser of

26 Royalty tax credit.

(a) \$1 000 000, and

(b) that proportion of \$1 000 000 that the number of days in the taxation year bears to 365.

(4) Where each of 2 or more associated corporations are entitled to a royalty tax credit for the same taxation year and the aggregate amount of the royalty tax credits of those corporations for the taxation year exceeds the maximum allowable credit for the year, the royalty tax credit for each of those corporations for that taxation year shall be that proportion of the maximum allowable credit allocated to each corporation by an agreement made between those corporations setting out the proportions in which the maximum allowable credit is to be divided among them.

(5) An agreement referred to in subsection (4) shall be filed with the Treasurer, but if no agreement is filed within 30 days after notice in writing by the Treasurer has been forwarded to any of the associated corporations that an agreement is required for the purposes of this section, the Treasurer shall for the purpose of this section allocate an amount to one or more of them for the taxation year and that amount or the aggregate of those amounts, as the case may be, shall be equal to the maximum allowable credit for the taxation year and in that case, notwithstanding subsection (4), the maximum allowable credit for the taxation year for each of the associated corporations shall be the amount allocated to it under this subsection.

(6) Subsections (4) and (5) do not apply to a corporation (referred to in this subsection as the “taxpayer corporation”) for a taxation year in relation to another corporation with which it is associated in the year if throughout the year

(a) the taxpayer corporation was resident in Canada and was not controlled directly or indirectly in any manner by one or more persons who are not resident in Canada, and

(b) the other corporation

(i) was a Canadian-controlled public corporation, other than a corporation that controlled the taxpayer corporation, or

(ii) was controlled by a Canadian-controlled public corporation that is a corporation other than the taxpayer corporation or a corporation that controlled the taxpayer corporation.

(7) In subsection (8),

(a) “equity share” has the meaning assigned to it by section 257(2) of the federal Act;

(b) “prescribed stock exchange in Canada” means a stock exchange in Canada that is prescribed for the purposes of the federal Act pursuant to the regulations under that Act.

(8) For the purposes of subsection (6), a corporation is a Canadian controlled public corporation if

(a) it is resident in Canada,

(b) it is a corporation other than a corporation controlled directly or indirectly in any manner by one or more persons who are not resident in Canada,

(c) a class or classes of equity shares of a corporation having full voting rights under all circumstances are listed on a prescribed stock exchange in Canada and the class or classes represent in the aggregate not less than 50% of that part of the paid-up capital of the corporation that was represented by all its issued and outstanding equity shares, and

(d) no person either alone or in combination with any person related to him within that year owned equity shares representing in the aggregate more than 90% of that part of the paid-up capital of the corporation that was represented by all its issued and outstanding equity shares.

(9) If, throughout the taxation year of a corporation that is associated with a taxpayer corporation referred to in subsection (6)(a), the corporation and the taxpayer corporation complied with the conditions contained in subsection (6), the provisions of subsections (4) and (5) shall be deemed not to apply to the corporation for the year in relation to the taxpayer corporation.

(10) In computing the attributed Alberta royalty income of a corporation for the purpose of this Part, no amount shall be included that would, if included, artificially increase the attributed Alberta royalty income of that corporation.

(11) In order to qualify for a royalty tax credit under this section a corporation shall retain and produce on demand by the Treasurer a true and complete copy of all documents relating to its share of its attributed Alberta royalty income and its royalty tax credit, including any partnership agreements and the legal description of the property in respect of which the royalty tax credit is claimed.

(12) Where a corporation is entitled to a royalty tax credit for a taxation year the Treasurer

(a) may deduct the credit from any tax, interest or penalty otherwise owing by the taxpayer for that or any preceding taxation year under this Act, or

(b) if the credit exceeds any tax, interest or penalty owing, shall pay the amount of such excess to the taxpayer.

(13) Where, in the case of 2 or more corporations, the Treasurer is satisfied that

(a) the separate existence of those corporations in a taxation year is not solely for the purpose of carrying out the business of those corporations in the most effective manner, and

(b) one of the main reasons for that separate existence in that year is to increase the amount of royalty tax credit that would otherwise be determined under this Act

the 2 or more corporations shall, if the Treasurer so directs, be deemed to be associated with each other in the year.

(14) Where, in the opinion of the Treasurer, 2 or more corporations have at any time entered into one or more sales, exchanges, declarations of trust or other transactions that

(a) lack any substantial business purpose, other than increasing the aggregate amount of the royalty tax credit that may be claimed under this section, or

(b) artificially increase the royalty tax credit that may be claimed under this section,

the Treasurer may direct that all of those corporations shall be deemed to be associated with each other.

(15) A direction made under subsection (13) or (14)

(a) shall not apply to a taxation year of any corporation prior to the taxation year in which the direction is made, and

(b) may be revoked by the Treasurer and, if revoked, shall not apply to the taxation year in which the revocation occurs or to any subsequent taxation year.

PART 7

SPECIAL RULES APPLICABLE IN CERTAIN CIRCUMSTANCES

27 If a corporation has become bankrupt as defined in subsection 128(3) of the federal Act, the rules provided in section 128 of that Act apply for the purposes of this Act.

28(1) If a corporation is throughout a taxation year an investment corporation, other than a mutual fund corporation, subsections 131(1), (2) and (3) of the federal Act, as made applicable by section 30 of this Act, apply as if

(a) the corporation had been a mutual fund corporation throughout that and all previous taxation years ending after 1971 throughout which it was an investment corporation, and

(b) its capital gains redemption for that and all previous taxation years ending after 1971, throughout which it would but for the assumption made by clause (a) not have been a mutual fund corporation, were nil.

(2) Section 30 applies to a corporation to which this section applies.

29 If a corporation was throughout a taxation year a mortgage investment corporation as defined in subsection 130.1(6) of the federal Act, the rules provided in section 130.1 of that Act apply for the purposes of this Act insofar as those rules apply to corporations.

30(1) Subject to subsections (2) to (7), if a corporation is a mutual fund corporation, section 131 of the federal Act applies for the purposes of this Act.

(2) In the application of subparagraph 131(2)(a)(i) of the federal Act for the purposes of this Act, the reference to “18%” shall be read as a reference to “5.5%”.

(3) In the application of subsection 131(3) of the federal Act for the purposes of this Act, the reference to “this Act” shall be deemed to be a reference to this Act.

(4) In the application of clause 131(6)(a)(i)(A) and clause 131(6)(b)(ii)(C) of the federal Act for the purposes of this Act, the references to “50/9 times” shall be read as references to “200/11 times”.

(5) In the application of paragraph 131(6)(d) of the federal Act for the purposes of this Act, subparagraph (i) shall be read

27 Bankrupt corporations.

28 Investment corporations.

29 Mortgage investment corporations.

30 Mutual fund corporations.

without reference to clause (C) and the reference to “36%” in clauses (A) and (B) of that subparagraph shall be read as references to “11%”.

(6) Where a corporation had a permanent establishment in a jurisdiction outside Alberta during a taxation year in respect of which this section applies, the capital gains refund under this section shall be the capital gains refund otherwise determined under this section multiplied by the Alberta allocation factor.

(7) Subsections 131(5) and (9) and paragraph 131(6)(c) of the federal Act do not apply for the purposes of this Act.

31(1) Subject to subsection (2), the provisions of section 135 of the federal Act with respect to the deduction from income of payments made pursuant to allocations in proportion to patronage and the inclusion in income of payments received pursuant to allocations in proportion to patronage are, insofar as they apply to corporations, applicable in computing income for the purposes of this Act.

(2) Subsection 135(3) of the federal Act does not apply for the purposes of this Act.

32(1) Subject to subsection (2), section 137 of the federal Act applies for the purposes of this Act insofar as it applies to corporations.

(2) Subsections 137(3) and (4) and paragraph 137(6)(c) of the federal Act do not apply for the purposes of this Act.

33 Section 137.1 of the federal Act, except subsection (9), applies in computing the income of deposit insurance corporations and member institutions for the purposes of this Act.

34(1) Subject to subsections (2) and (3), the rules provided in sections 130, 138, 138.1, 140, 141, 141.1 and 142 of the federal Act apply in computing the taxable income of insurance corporations for the purposes of this Act.

(2) In the application of subsection 138(7) for the purposes of this Act the reference in paragraph (a) to “this Part” shall be deemed to be a reference to “Part I of the federal Act”.

(3) The rules provided in section 139 with respect to the conversion of provincially incorporated life insurance corporations into a mutual corporation apply for the purposes of this Act.

31 Patronage.

32 Credit unions.

33 Deposit insurance corporations.

34 Insurance corporations.

35 No tax is payable under this Act

(a) on the taxable income of a corporation when that corporation was, notwithstanding section 27(2) of the federal Act, a corporation referred to in section 149 of the federal Act,

(b) on the taxable income of a corporation when that corporation was a non-resident owned investment corporation within the meaning of paragraph 133(8)(d) of the federal Act, or

(c) by a corporation in respect of which an election has been made for the taxation year pursuant to subsection 143(2) of the federal Act and the Minister has accepted the election pursuant to subsection 143(3) of the federal Act.

35 Exemptions.

PART 8

GENERAL

Division 1

Returns

36(1) A return for each taxation year of a corporation shall be filed by or on behalf of the corporation with the Treasurer in the prescribed form and containing the prescribed information within 6 months from the end of the taxation year.

(2) Whether or not a corporation is liable to pay tax under this Act for a taxation year and whether or not a return has been filed under subsection (1) or (4), a corporation shall, on demand by certified mail or registered letter from the Treasurer, file with the Treasurer within any reasonable time stipulated by the Treasurer in the demand a return for the taxation year designated in the demand in the prescribed form and containing the prescribed information.

(3) A corporation required to file a return under this section shall include an estimate of the amount of tax payable and the amount of the royalty tax credit under Part 6, if any, in the return and that return shall be signed by a person duly authorized by the board of directors or other governing body of the corporation.

(4) A trustee in bankruptcy, assignee, liquidator, curator, receiver, trustee or committee and an agent or other person administering, managing, winding-up, controlling or otherwise dealing with the property, business, estate or income of a corporation that has not filed a return for a taxation year as required by this section shall file the return required by subsection (1) for that corporation for that year.

37 A corporation that has failed to file a return as and when required by this Act is liable to a penalty of an amount equal to 5% of the tax that was unpaid when the return was required to be filed.

38(1) Subject to subsection (2), a corporation shall, during the 15-month period ending 3 months after the close of each taxation year, pay to the Treasurer

(a) either

(i) on or before the last day of each of the first 12 months in that period an amount equal to 1/12 of its tax payable under Part 5 for that year as estimated by it,

36 Return to be filed.

37 Penalty for failure to file return.

38 Payment on account of tax payable.

(ii) on or before the last day of each of the first 2 months in that period an amount equal to 1/12 of its tax payable under Part 5 for the 2nd taxation year preceding the year and on or before the last day of each of the next following 10 months in that period an amount equal to 10% of the amount remaining after deducting the amount computed pursuant to this sub-clause in respect of the first 2 months in the period from its tax payable under Part 5 for the immediately preceding year, or

(iii) on or before the last day of each of the first 12 months in that period an amount equal to 1/12 of its tax payable under Part 5 for the immediately preceding year,

and

(b) the amount of the tax payable estimated by it under section 36(3) less the amount paid under clause (a)

(i) on or before the last day of the period, where an amount was deducted under section 22 in computing the tax payable under Part 5 by the corporation for the year or for its immediately preceding taxation year, or

(ii) on or before the last day of the 14th month of the period in any other case.

(2) Notwithstanding subsection (1)(a), the amount payable by a mutual fund corporation to the Treasurer on or before the relevant day for payment specified in subsection (1)(a) shall be deemed to be the amount if any by which the amount so payable otherwise determined under that subsection exceeds 1/12 of the corporation's capital gains refund for the year as determined under section 30.

(3) Where a corporation

(a) has held forth the prospect that it will make allocations in proportion to patronage to its customers of a taxation year as described by section 135 of the federal Act, as made applicable by section 31 of this Act, or

(b) is a credit union

and its taxable income for the year is estimated by it to be not more than \$10 000, it may, instead of paying the instalments required by subsection (1), pay to the Treasurer, at the end of the period referred to in subsection (1), the whole of the tax as estimated by it under section 36(3).

39(1) If the amount paid on account of tax payable by a corporation for a taxation year before the expiration of the time

39 Payment on account of tax payable.

allowed for filing of the return of the corporation under section 36 is less than the amount of tax payable for the year, the corporation liable to pay the tax shall pay interest at the prescribed rate per year on the difference between those 2 amounts from the expiration of the time for filing the return to the day of payment.

(2) In addition to the interest payable under subsection (1)

(a) where a corporation required by this Act to pay all or a part or instalment of tax has failed to pay all or any part or instalment, the corporation shall, on payment of the amount that it failed to pay, pay interest at the prescribed rate per year from the day on or before which the corporation was required to make the payment to the day of payment or the beginning of the period in respect of which it becomes liable to pay interest under subsection (1), whichever is earlier, and

(b) where a corporation that paid tax under section 38(3) had a taxable income for a taxation year of more than \$10 000, it shall in addition forthwith after assessment pay a penalty equal to 3% of the tax payable by it under this Act for the taxation year.

(3) If a corporation in computing its taxable income for the taxation year is entitled to deduct under section 111 of the federal Act an amount in respect of a loss sustained in the immediately following taxation year (in this section referred to as “the loss year”) for the purpose of computing interest and penalty or interest under subsection (1) or (2) on tax or a part or instalment of tax for the taxation year for any portion of the period in respect of which the interest is payable on or before the last day of the loss year, the tax payable for the taxation year shall be deemed to be the amount that it would have been if the corporation were not entitled to deduct any amount under section 111 of the federal Act in respect of that loss.

(4) For the purposes of subsection (2), where a corporation is required to pay a part or instalment of tax for a taxation year as estimated by it with reference to a preceding taxation year, or with reference to the taxation year, it shall be deemed to have been liable to pay a part or instalment computed by reference to its tax for

(a) the preceding taxation year,

(b) the taxation year, or

(c) the 2nd taxation year preceding the year and the immediately preceding taxation year

whichever method gives rise to the least amount to be paid by the corporation.

40 Where in any appeal under this Act a penalty assessed by the Treasurer under section 37 or 39(2)(b) is in issue, the burden of establishing the facts justifying the assessment of a penalty is on the Treasurer.

Division 2

Assessment

41(1) The Treasurer shall, as soon as possible after receipt of a return, examine the return and assess the tax under Part 5 and the royalty tax credit under Part 6 for the taxation year and the interest and penalties payable and shall determine the amount of the refund, if any, to which the corporation is entitled pursuant to section 47 for the taxation year.

(2) Where the Treasurer ascertains the amount of a corporation's non-capital loss, net capital loss or restricted farm loss for a taxation year and that amount is different from the amount reported by the corporation in its return filed for the taxation year, the Treasurer shall, at the request of the corporation, determine as soon as possible, the amount of the taxpayer's non-capital loss, net capital loss or restricted farm loss, as the case may be, and shall send a notice of determination to the person who filed the return.

42(1) After examination of a return the Treasurer shall send a notice of assessment to the corporation that filed the return or notify the corporation in writing that no tax is payable for the taxation year.

(2) Liability for tax imposed by this Act is not affected by an incorrect assessment or by the fact that no assessment has been made.

43(1) The Treasurer may, at any time, assess tax, interest or penalties under this Act or notify in writing any corporation that filed a return for a taxation year that no tax is payable for a taxation year and may determine the entitlement to and the amount, if any, of the royalty tax credit and may reassess or make additional assessments

(a) at any time, if the corporation filing the return,

(i) has made a misrepresentation that is attributable to neglect, carelessness or wilful default or has committed any fraud in filing the return or in supplying any information under this Act, or

40 Burden of proof respecting penalty.

41 Assessment of tax by Treasurer.

42 Notice of assessment.

43 Assessment, reassessment and additional assessment.

(ii) has filed with the Treasurer a waiver in the prescribed form within 4 years from the day of mailing of a notice of an original assessment or of a notification that no tax is payable for a taxation year,

and

(b) in any other case, within the later of

(i) 4 years from the day of mailing of a notice of an original assessment or of a notification that no tax is payable for a taxation year under this Act, or

(ii) 6 months after a federal reassessment or additional assessment unless that reassessment or additional assessment was permitted under the federal Act because of a waiver filed under that Act.

(2) Notwithstanding subsection (1), there shall not be included in computing the income of a corporation for the purposes of any reassessment, additional assessment or assessment of tax, interest or penalties that is made after the expiration of the period referred to in subsection (1)(b) any amount that was not included in computing its income for the purposes of an assessment of tax made before the expiration of the period referred to in subsection (1)(b), and

(a) in respect of which the corporation establishes that the failure to include it did not result from a misrepresentation attributable to neglect, carelessness or wilful default or from fraud in filing a return of its income or in supplying information under this Act, and

(b) that the corporation establishes cannot be reasonably regarded as relating to a matter specified in a waiver filed by the corporation with the Treasurer in the form and within the time referred to in subsection (1) with respect to a taxation year to which the reassessment, additional assessment or assessment of tax, interest or penalties, as the case may be, relates.

44 If a corporation has filed the return required by section 36 for a taxation year and, within 1 year from the day on or before which it was required by section 36 to file the return for that year, has filed an amended return for the year claiming a deduction from income under section 111 of the federal Act in respect of non-capital losses, net capital losses or restricted farm losses sustained in the taxation year immediately following that year, the Treasurer shall reassess the corporation's tax for the year.

45(1) The Treasurer is not bound by a return or information supplied by or on behalf of a corporation, and in making an

44 Reassessment respecting loss carry-backs.

45 Assessment deemed valid and binding.

assessment may, notwithstanding the contents of a return or information so supplied, or notwithstanding that no return or information has been supplied, assess the tax payable under this Act.

(2) An assessment shall, subject to being varied or vacated on an objection or appeal under this Act and subject to a reassessment, be deemed to be valid and binding notwithstanding any error, defect or omission in the assessment or in any proceeding under this Act relating to the assessment.

46(1) A corporation shall, within 30 days from the day of mailing of the notice of assessment, pay to the Treasurer any part of the assessed tax, interest and penalties then remaining unpaid, whether or not an objection or an appeal from the assessment is outstanding.

(2) If, in the opinion of the Treasurer, a corporation is attempting to avoid payment of taxes, the Treasurer may direct that all taxes, penalties and interest be paid forthwith upon assessment.

47(1) For the purposes of this section “overpayment” means the amount by which the aggregate of the royalty tax credit payable to the corporation under Part 6 plus all amounts paid on account of tax under Part 5 exceeds all amounts payable under Part 5.

(2) If the return required to be filed by a corporation under section 36 for a taxation year has been filed within 4 years from the end of that year, the Treasurer

(a) may, upon mailing the notice of assessment for the taxation year, refund without application for the refund any overpayment made on account of the tax payable for the year, and

(b) shall, if an application for the refund has been made in writing by the corporation within 4 years from the end of the taxation year, make that refund after mailing the notice of assessment.

(3) Instead of making a refund that might otherwise be made under this section, the Treasurer may, if the corporation is liable or about to become liable to make another payment under this Act, apply the amount of the overpayment to that other liability and notify the corporation of that action.

(4) If an amount in respect of an overpayment is refunded or applied under this section to another liability, interest at the prescribed rate shall be paid or applied to the amount for the period commencing

46 Payment of assessed tax.

47 Overpayment of tax.

(a) the day when the overpayment arose,

(b) the day on or before which the return in respect of which the tax was paid was required to be filed, or

(c) the day when the return of the corporation was actually filed,

whichever day is latest and ending with the day of refund or application of overpayment under subsection (3) unless the amount of the interest so calculated is less than \$1 in which case no interest shall be paid or applied under this subsection.

(5) If by a decision of the Treasurer under section 48 or by a decision of the court, the Court of Appeal or the Supreme Court of Canada it is finally determined that the tax payable under this Act by a corporation for a taxation year is less than the amount assessed by the assessment under sections 41 to 46 to which objection was made or from which the appeal was taken and the decision is that there has been an overpayment for the taxation year, the interest payable under subsection (4) on that overpayment shall be computed in accordance with that subsection.

(6) If a corporation is entitled to deduct under section 111 of the federal Act in computing its taxable income for a taxation year an amount in respect of a loss sustained in the taxation year immediately following that taxation year (in this subsection referred to as the "loss year") and the amount of the tax payable for the taxation year is relevant in determining an overpayment for the purpose of computing interest under subsection (4) for any portion of a period ending on or before the last day of the loss year, the tax payable for the taxation year shall be deemed to be the amount that it would have been if the corporation were not entitled to deduct an amount under section 111 of the federal Act in respect of that loss.

48(1) A corporation that objects to an assessment under sections 41 to 46 may within 90 days from the day of mailing of the notice of assessment, serve on the Treasurer a notice of objection in duplicate in the prescribed form setting out the reasons for the objection and all relevant facts.

(2) A notice of objection under this section shall be served by being sent by certified mail or registered letter addressed to the Treasurer.

(3) The Treasurer may accept a notice of objection under this section notwithstanding that it was not served in duplicate or in the manner required by subsection (2).

(4) Upon receipt of a notice of objection, the Treasurer shall

48 Notice of objection to assessment.

(a) if the corporation indicates in the notice of objection that it wishes to appeal immediately to the court and that it waives reconsideration of the assessment and the Treasurer consents, file a copy of the notice of objection with the clerk of the court of a judicial district in which the corporation has a permanent establishment, or

(b) as soon as possible reconsider the assessment and vacate, confirm or vary the assessment or reassess the tax

and he shall notify the corporation of his action by certified mail or registered letter.

(5) If the Treasurer files a copy of a notice of objection pursuant to subsection (4)(a), the Treasurer shall be deemed for the purpose of section 50 to have confirmed the assessment to which the notice relates and the corporation that served the notice shall be deemed to have instituted an appeal in accordance with that section.

(6) No reassessment made by the Treasurer pursuant to subsection (4)(b) is invalid by reason only of having been made more than 4 years after the day of mailing of a notice of an original assessment or of a notification of taxes payable.

(7) If a corporation has served a notice of objection to an assessment in accordance with this section and the Treasurer then reassesses the corporation's tax for the taxation year in respect of which the notice of objection was served or issues an additional assessment in respect of that year and notifies the corporation of his action by certified mail or registered letter, the corporation may without serving a notice of objection to the reassessment or the additional assessment,

(a) appeal to the court in accordance with section 50, or

(b) if an appeal to the court has been instituted with respect to the assessment, amend that appeal by joining to it an appeal in respect of the reassessment or additional assessment in the manner and on the terms, if any, that the court may direct.

49(1) Every assignee, liquidator, administrator, executor or other similar person, other than a trustee in bankruptcy, shall, before distributing any property under its or his control, obtain a certificate from the Treasurer certifying that taxes, interest or penalties that have been assessed under this Act and that are chargeable against or payable out of the property have been paid or that security for their payment has been accepted by the Treasurer in accordance with section 55(3).

(2) Distribution of property without a certificate required by subsection (1) renders the person required to obtain the certifi-

49 Certificate of Treasurer.

cate personally liable for the unpaid taxes, interest and penalties.

Division 3

Appeals

50(1) A corporation that has served notice of objection to an assessment under section 48(1) may appeal to the court to have the assessment vacated or varied after

(a) the Treasurer has confirmed the assessment or reassessed, or

(b) 180 days have elapsed after service of the notice of objection and the Treasurer has not notified the corporation that he has vacated or confirmed the assessment or reassessed,

but no appeal under this section may be executed after the expiration of 90 days from the day notice that the Treasurer has confirmed the assessment or reassessed was mailed to the corporation under section 48.

(2) An appeal to the court shall be instituted by serving upon the Treasurer a notice of appeal in duplicate in the prescribed form and by filing a copy of the notice of appeal with the clerk of the court of a judicial district in which the corporation appealing has a permanent establishment.

(3) A notice of appeal shall be served upon the Treasurer by being sent by certified mail or registered letter addressed to the deputy Treasurer.

(4) The notice of appeal shall be attached to the notice of objection and, for the purposes of section 53, shall be deemed to be a statement of claim.

51(1) The Treasurer shall, within 60 days from the day the notice of appeal is received or within any further time that the court may either before or after the expiration of that time allow, serve on the appellant and file in the court a reply to the notice of appeal admitting or denying the facts alleged and containing a statement of any further allegations of fact and of any applicable statutory provisions and any reasons he intends to rely on.

(2) The court may strike out a notice of appeal or any part of the notice for failure to comply with section 50 and may permit an amendment to be made to a notice of appeal or a new notice of appeal to be substituted for the one struck out.

50 Appeal for vacation or variance of assessment.

51 Reply to notice of appeal.

(3) The court may strike out

(a) any part of a reply for failure to comply with this section or permit the amendment of a reply, or

(b) a reply for failure to comply with this section and order a new reply to be filed within a time that it considers appropriate.

(4) Where a notice of appeal is struck out for failure to comply with section 50 and a new notice of appeal is not filed as and when permitted by the court, the court may dismiss the appeal.

(5) If a reply is not filed as required by this section or is struck out under this section and a new reply is not filed as ordered by the court within the time ordered, the court may dispose of the appeal ex parte or after a hearing on the basis that the allegations of fact contained in the notice of appeal are true.

52(1) Upon the filing of the material referred to in sections 50 and 51(1), (2) and (3) the matter shall be deemed to be an action in the court.

(2) A fact or statutory provision not set out in the notice of appeal or reply may be pleaded or referred to in any manner and upon any terms that the court may direct.

(3) The court may

(a) dismiss the appeal, or

(b) allow the appeal, and

(i) vacate the assessment,

(ii) vary the assessment,

(iii) restore the assessment, or

(iv) refer the assessment back to the Treasurer for reconsideration and reassessment.

(4) The court may, in delivering judgment on an appeal, order payment or repayment of tax, royalty tax credit, interest and penalties or costs by the taxpayer or the Treasurer.

53 Except as provided in the regulations, the practice and procedure of the court, including the right of appeal and the practice and procedure relating to appeals to the Court of Appeal or the Supreme Court of Canada, apply to every matter deemed to be an action under section 52, and every judgment and order given or made in each such action may be enforced

52 Powers of court respecting appeal.

53 Practice and procedure of court apply.

in the same manner and by like process as a judgment or order given or made in an action commenced in the court.

54 An assessment shall not be vacated or varied on appeal by reason only of an irregularity, informality, omission or error on the part of a person in the observation of a directory provision of this Act or of the federal Act where the provisions of that Act apply in respect of an action under this Act.

Division 4

Administration and Enforcement

55(1) The Treasurer shall administer and enforce this Act and control and supervise all persons employed to carry out or enforce this Act.

(2) The Treasurer may extend the time for making a return under this Act.

(3) The Treasurer may, if he considers it advisable in a particular case, accept security for payment of taxes by way of mortgage or other charge of any kind on property of the taxpayer or any other person or by way of guarantee from other persons.

(4) A person employed in connection with the administration or enforcement of this Act may in the course of his employment, if he is designated by the Treasurer for the purpose, administer oaths and take and receive affidavits, declarations and affirmations for the purposes of or incidental to the administration or enforcement of this Act or the regulations and every person so designated has for those purposes all the powers of a commissioner for oaths.

(5) Notwithstanding sections 48(1) and 50(1), the time within which a notice of objection under section 48(1) or a notice of appeal under section 50(1) is to be served may be extended by the Treasurer.

56(1) The Lieutenant Governor in Council may make regulations

(a) prescribing anything that by this Act is to be prescribed or is to be determined or regulated by regulation;

(b) providing in any case of doubt the circumstances in which and the extent to which the federal regulations apply;

54 Assessment not to be vacated or varied in certain circumstances.

55 Treasurer administers Act.

56 Regulations.

(c) prescribing the evidence required to establish facts relevant to assessments under this Act;

(d) requiring any class of corporations to make information returns respecting any class of information required in connection with assessments under this Act;

(e) prescribing any duties, powers or functions of the Treasurer under this Act that the Treasurer may in writing delegate to the deputy Treasurer.

(2) Except to the extent that they are inconsistent with any regulation made under subsection (1) or are expressed by any regulation made under subsection (1) to be inapplicable, the regulations made under section 221 of the federal Act apply with all necessary modifications for the purposes of this Act with respect to all matters provided for in that section.

(3) If a regulation made under the federal Act is applicable with all necessary modifications it has, subject to subsection (4), no effect for the purposes of this Act unless it has been published in the Canada Gazette.

(4) A regulation made under this Act or a regulation made under the federal Act and that is applicable with all necessary modifications shall, if it so provides, be effective with reference to a period before it was made.

57 All taxes, interest, penalties, costs and other amounts payable under this Act are debts due to Her Majesty in right of Alberta and are recoverable as such in any court of competent jurisdiction or in any other manner provided by this Act.

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

(a) if there has been a direction by the Treasurer under section 46(2), forthwith after that direction, and

(b) otherwise upon the expiration of 30 days after default.

(2) A certificate made under this section shall, on production to the court or any other court of competent jurisdiction, be registered in the court and when registered has the same force and effect and all proceedings may be taken as if the certificate were a judgment obtained in that court for a debt of the amount specified in the certificate together with interest to the day of payment as provided for in this Act.

(3) All reasonable costs and charges attendant upon the registration of the certificate are recoverable as if they had been

57 Taxes etc. debt due to the Crown.

58 Certification of amount payable by Treasurer.

certified and the certificate had been registered under this section.

59 The Treasurer may apply ex parte to the court for the issuance of a warrant directed to the sheriff of any judicial district in which property of the corporation is located or situated for the amount of the tax, interest at the prescribed rate and penalty or any of them owing by the corporation together with interest from the date of the issue of the warrant and the costs and expenses of the sheriff and that warrant shall have the same force and effect as a writ of execution issued out of the court and shall be subject to any terms and conditions that the court considers proper.

60(1) If the Treasurer has knowledge or suspects that a person is or is about to become indebted or liable to make any payment to a corporation liable to make a payment under this Act, he may, by notice served personally or by certified mail or registered letter, require him to pay the money otherwise payable to that corporation in whole or in part to the Treasurer on account of the liability under this Act.

(2) The receipt of the Treasurer for money paid under this section is a good and sufficient discharge of the original liability to the extent of that payment.

(3) A person who, after receiving notice pursuant to subsection (1), has discharged any liability to a corporation liable to make a payment under this Act without complying with a requirement under this section is liable to pay to Her Majesty in right of Alberta an amount equal to the liability discharged or the amount that he was required under this section to pay to the Treasurer whichever is the lesser.

(4) If the person who is or is about to become indebted or liable carries on business under a name or style other than his own name, the notice or letter under subsection (1) may be addressed to the name or style under which he carries on business and, in the case of personal service, shall be deemed to have been validly served if it has been left with an adult person employed at the place of business of the addressee.

(5) If the persons who are or are about to become indebted or liable carry on business in partnership, the notice or letter under subsection (1) may be addressed to the partnership name and, in the case of personal service, shall be deemed to have been validly served if it has been served on one of the partners or left with an adult person employed at the place of business of the partnership.

61(1) A corporation that is required by or pursuant to this Act to pay taxes or other amounts shall keep records and books of

59 Treasurer may apply to court for warrant.

60 Powers of Treasurer to require payment to be made to him and not creditor.

61 Records and books of account to be kept.

account including an annual inventory kept in the prescribed manner at its place of business or residence in Alberta or any other place that may be designated by the Treasurer and the records and books of account shall be in the form and shall contain the information that will enable taxes payable under this Act or taxes and other amounts that are to be collected to be determined.

(2) Where a corporation has failed to keep adequate records and books of account for the purposes of this Act, the Treasurer may require it to keep those records and books of account that he may specify and that corporation shall then keep the records and books of account so required.

(3) A corporation required by this section to keep records and books of account shall, until written permission for their disposal is obtained from the Treasurer, retain every record or book of account and every account or voucher necessary to verify the information in any record or books of account.

62 A person authorized by the Treasurer for any purpose related to the administration or enforcement of this Act may at all reasonable times enter any premises or place where any business is carried on in Alberta or any property is kept or anything is done in connection with any business or any books or records are or should be kept pursuant to this Act and may

(a) audit or examine the books and records and any account, voucher, letter, telegram or other document that relates or may relate to the information that is or should be in the books or records or the amount of tax payable under this Act,

(b) examine property described by an inventory or any property, process or matter an examination of which may in his opinion assist him in determining the accuracy of an inventory or in ascertaining the information that is or should be in the books or records or the amount of any tax payable under this Act,

(c) require the president, manager, secretary or any director, agent or representative of the corporation liable to pay taxes or claiming a royalty tax credit or considered possibly liable to pay taxes or claim a royalty tax credit under this Act and any other person on the premises or place of that corporation to give him all reasonable assistance with his audit or examination and to answer all proper questions relating to the audit or examination either orally or if he so requires in writing on oath or by statutory declaration and for that purpose require that person to attend at the premises or place with him, and

(d) if during the course of an audit or examination it appears to him that there has been a contravention of this

62 Audit and examination of books of corporation liable to pay tax.

Act or the regulations, seize and take away any of the documents, books, records, papers or things that may be required as evidence of the violation of any provision of this Act or a regulation.

63(1) Unless a judge of the court on application made by or on behalf of the Treasurer orders that the documents, books, records, papers or things that were seized pursuant to section 62(d) be retained by the Treasurer until they are produced in court proceedings, the Treasurer shall

- (a) within 120 days from the date of seizure, or
- (b) if within the period mentioned in clause (a) an application is made under this subsection that is after the expiry of that time rejected, then forthwith upon disposition of the application

return the documents, books, records, papers or things to the person from whom they were seized.

(2) The Treasurer may apply ex parte to retain the documents, books, records, papers or things seized and that application may be supported by evidence on oath establishing that the Treasurer has reasonable and probable grounds to believe that there has been a violation of this Act or a regulation and that the seized documents, books, records, papers or things are or may be required as evidence.

(3) The Treasurer may, for any purpose related to the administration or enforcement of this Act, require, by certified mail, registered letter or by a demand served personally, from any corporation or from the president, manager, secretary or any director, agent or representative

- (a) any information or additional information, including a return of income or a supplementary return, or
- (b) production, or production on oath, of any books, letters, accounts, invoices, statement, financial or otherwise, or other documents

within any reasonable time stipulated in the letter or demand.

64(1) Where the Treasurer has reasonable and probable grounds to believe that a violation of this Act or a regulation has been committed or is likely to be committed, he may make an ex parte application to a judge of the court and with the approval of the judge authorize in writing any officer of the Treasury Department together with any members of the Royal Canadian Mounted Police or other peace officers as he calls on to assist him and any other persons that may be named in the application to enter, if necessary by force, and search any

63 Treasurer may retain documents and books.

64 Treasurer may apply to court for search warrant.

building, receptacle or place in Alberta for documents, books, records, papers or things that may afford evidence as to the violation of any provision of this Act or a regulation and to seize and take away any documents, books, records, papers or things and retain them until they are produced in any court proceedings.

(2) An application under subsection (1) shall be supported by evidence on oath establishing the facts upon which the application is based.

65 Any person whose documents, books, records, papers or things are seized pursuant to section 62(d) or 64(1) or that person's authorized representative may, at all reasonable times and subject to any reasonable conditions that may be determined by the Treasurer, inspect the seized documents, books, records, papers or things and to obtain copies at his own expense.

66(1) The Treasurer may for any purpose related to the administration or enforcement of this Act authorize any person whether or not he is an officer of the Treasury Department to make any inquiry he considers necessary with reference to anything relating to the administration or enforcement of this Act.

(2) Where the Treasurer pursuant to subsection (1) authorizes a person to make an inquiry the Treasurer shall forthwith apply to the court for an order appointing a hearing officer before whom the inquiry will be held.

67 Where any document, book, record, paper or other document has been seized, examined or produced under sections 62, 63 and 64, the person by whom it is seized or examined or to whom it is produced or any officer of the Treasury Department may make, or cause to be made, one or more copies and a document purporting to be certified by the Treasurer or a person authorized by the Treasurer to be a copy made pursuant to this section is admissible in evidence and has the same probative force as the original document would have had if it had been proven in the ordinary way.

68 No person shall hinder, molest or interfere with any person doing any thing that he is authorized by or pursuant to sections 62 to 67 to do or prevent or attempt to prevent any person doing that thing and, notwithstanding any other law to the contrary, a person shall, unless he is unable to do so, do everything he is required by or pursuant to sections 62 to 67 to do.

65 Inspection of seized documents by the owner.

66 Treasurer may authorize inquiry.

67 Copies of seized document may be made.

68 Offence to hinder person performing duties under sections 62 to 67.

69(1) A person authorized by the Treasurer may administer or receive an oath, affirmation or statutory declaration required to be given by or pursuant to sections 62 to 67.

(2) Subject to subsection (3), for the purposes of an inquiry authorized under section 66(1), a hearing officer appointed under section 66(2) has all the powers and authorities with respect to that inquiry conferred on a commissioner appointed under *The Public Inquiries Act*.

(3) A hearing officer appointed under section 66(2) shall not exercise the powers to punish any person unless on application by the hearing officer, a judge of the court certifies that the power may be exercised in the matter disclosed in the application and the applicant has given the person in respect of whom he proposes to exercise that power 24 hours notice of the hearing of the application or any shorter notice that the judge considers reasonable.

(4) A person who gives evidence in an inquiry authorized under section 66(1) may be represented by counsel and, upon request made by him to the Treasurer, may receive a transcript of the evidence given by him.

(5) A person whose affairs are investigated in the course of an inquiry authorized under section 66(1) may be present and be represented by counsel.

70 Section 232 of the federal Act applies with any necessary modifications for the purposes of this Act where in the same or similar circumstances that section is or would be applicable for the purposes of the federal Act.

71 Whether or not he has filed an information return as required by a regulation made under paragraph 221(1)(d) of the federal Act as it applies by virtue of section 56(2) of this Act, a person shall, on demand by certified mail or registered letter from the Treasurer, file within any reasonable time that may be stipulated in the certified mail or registered letter with the Treasurer any prescribed information or return designated in the letter.

72 A return, certificate or other document made by a corporation under this Act or the regulations shall be signed on its behalf by a person duly authorized by the board of directors or other governing body of the corporation.

69 Person may be represented by counsel.

70 Application of section 232 of federal Act.

71 Information return.

72 Return etc. to be signed by officer.

Division 5
Offences and Penalties

73(1) If a person acting or purporting to act on behalf of a corporation knowingly or under circumstances amounting to gross negligence in the carrying out of any duty or obligation imposed by or under this Act, makes or participates in, assents to or acquiesces in the making of a false statement or omission in a return, certificate, statement or answer filed or made as required by or under this Act or a regulation as a result of which the tax that would have been payable by the corporation for a taxation year, if the tax had been assessed on the basis of the information provided in the return, certificate, statement or answer, is less than the tax payable by the corporation for the taxation year, the corporation is guilty of an offence.

(2) Where a corporation is guilty of an offence under this section it is liable on summary conviction to a fine of not less than 25% and not more than 200% of the amount by which the tax payable under this Act by the corporation exceeds the amount declared as tax payable by the corporation.

74(1) A corporation that wilfully attempts to evade payment of the tax payable by it is guilty of an offence.

(2) Where a corporation is guilty of an offence under this section it is liable on summary conviction to a fine of not less than 50% and not more than 200% of the amount of tax sought to be evaded.

75 An individual who

(a) makes or participates in, assents to or acquiesces in the making of false or deceptive statements in a return, certificate, statement or answer filed or made as required by or under this Act or a regulation,

(b) to evade payment of a tax imposed by this Act, destroys, alters, mutilates, secretes or otherwise disposes of the records or books of account of a corporation,

(c) makes or assents to or acquiesces in the making of false or deceptive entries or omits or assents or acquiesces in the omitting to enter a material particular in records or books of account of a corporation,

(d) wilfully in any manner evades or attempts to evade compliance with this Act or payment of taxes imposed by this Act, or

73 False statement or omission in return.

74 Evasion of tax by corporation.

75 Evasion of tax by individual.

(e) conspires with any person to commit an offence described in clauses (a) to (d)

is guilty of an offence and liable on summary conviction to a fine of not less than 25% and not more than 200% of the tax sought to be evaded or such fine and imprisonment for a term not exceeding 2 years.

76(1) A person or corporation that fails to file a return or furnish information as and when required by this Act or the regulations is guilty of an offence.

(2) A person or corporation that fails to comply with a regulation made under subsection 221(1) of the federal Act, as it applies by virtue of section 56(2) of this Act, is guilty of an offence.

77(1) Subject to subsection (2), a person who communicates or allows to be communicated any information obtained under this Act by a person while employed in the administration of this Act to a person not legally entitled to that information or allows any person to inspect or have access to any written statement furnished under this Act, is guilty of an offence.

(2) Subsection (1) does not apply to the communication of

(a) statistical information that is provided to the Alberta Bureau of Statistics by the Treasurer to be used by the Bureau in accordance with section 4 of *The Statistics Bureau Act*,

(b) income tax information to employees of the Treasury Department solely for the purposes of evaluating and formulating tax policy, and

(c) information between the Treasurer and a corporation respecting the tax cost of property acquired by the corporation in any case where, by reason of any provision of this Act or the federal Act, that cost is other than its actual cost.

(3) A person who knowingly receives information obtained under this Act holds that information subject to the same restrictions, if any, respecting disclosure of the information that applied to the person from whom the information was obtained.

(4) The Treasurer may, under prescribed conditions, communicate or allow to be communicated information obtained under this Act, or allow inspection of or access to any written statement furnished under this Act to the government of any province or of Canada in respect of which information and written statements obtained by the government of the province or of Canada, for the purpose of a law of the province or of Canada that imposes a tax similar to the tax imposed under this

76 Offences.

77 Communication of information.

Act, is communicated or furnished on a reciprocal basis to the Treasurer.

78 Where a person or corporation is guilty of an offence under section 76 or 77, he or it is liable on summary conviction to a fine of not less than \$50 and not more than \$10 000.

79 A person or corporation who contravenes or fails to comply with any of the provisions of this Act or the regulations for which a penalty is not otherwise provided is guilty of an offence and liable on summary conviction to a fine of not less than \$50 and not more than \$10 000.

80 Where a corporation is guilty of an offence under this Act or the regulations, an officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is guilty of the offence and is liable on summary conviction to the punishment provided for the offence, whether or not the corporation has been prosecuted or convicted.

Division 6

Procedure and Evidence

81(1) An information or complaint under this Act may be laid or made by an officer of the Treasury Department, by a member of the Royal Canadian Mounted Police or by a person authorized by the Treasurer and where an information or complaint purports to have been laid or made under this Act it shall be deemed to have been laid or made by a person authorized by the Treasurer and shall not be called in question for lack of authority of the informant or complainant except by the Treasurer or by some person acting for him or Her Majesty.

(2) An information or complaint in respect of an offence under this Act may be for one or more offences and no information, complaint, warrant, conviction or other proceeding in a prosecution under this Act is objectionable or insufficient by reason of the fact that it relates to 2 or more offences.

(3) An information or complaint in respect of an offence under this Act may be laid or made on or before a day 5 years from the time when the matter of the information or complaint arose.

82(1) Where by this Act or a regulation, provision is made for sending by mail a request for information, notice or demand,

78 Penalty.

79 General offence and penalty.

80 Liability of officers of corporation guilty of offence.

81 Procedure re information and complaint.

82 Procedures.

an affidavit of an officer of the Treasury Department sworn before a commissioner or other person authorized to take affidavits setting out that

- (a) he has charge of the appropriate records,
- (b) he has knowledge of the facts in the particular case,
- (c) a request notice or demand was sent by registered letter on a named day to the person to whom it was addressed indicating that address, and
- (d) he identifies as exhibits attached to the affidavit the post office certificate of registration of the letter or a true copy

and a true copy of the request notice ordered is admissible in evidence as prima facie proof of the sending and of the request notice or demand.

(2) If by this Act or a regulation a person is required to make a return, statement, answer or certificate, an affidavit of an officer of the Treasury Department sworn before a commissioner or other person authorized to take affidavits setting out that he has charge of the appropriate records and that after a careful examination and search of the records he has been unable to find in a given case that the return, statement, answer or certificate, as the case may be, has been made by the person is admissible in evidence as prima facie proof that the person did not make the return, statement, answer or certificate as the case may be.

(3) If by this Act or a regulation a corporation is required to make a return, statement, answer or certificate, an affidavit of an officer of the Treasury Department sworn before a commissioner for oaths or other person authorized to take affidavits setting out that he has charge of the appropriate records and that after careful examination of the records he has found that the return, statement, answer or certificate was filed or made on a particular day is admissible in evidence as prima facie proof that it was filed or made on that day and not prior to that day.

(4) An affidavit of an officer of the Treasury Department sworn before a commissioner for oaths or other person authorized to take affidavits setting out that he has charge of the appropriate records and that a document annexed to the affidavit is a document or true copy of a document made by or on behalf of the Treasurer or some person exercising the powers of the Treasurer or by or on behalf of a taxpayer shall be received as prima facie proof of the nature and contents of the document and is admissible in evidence and has the same probative force as the original document would have if it had been proven in the ordinary way.

(5) An affidavit of an officer of the Treasury Department sworn before a commissioner for oaths or other person authorized to take affidavits setting out that he has charge of the appropriate records and has knowledge of the practice of the Department and that an examination of the records shows that a notice of assessment for a particular taxation year was mailed or otherwise communicated to a taxpayer on a particular day pursuant to this Act and that after careful examination and search of the records he has been unable to find that a notice of objection or of appeal from the assessment was received within the time allowed is admissible in evidence as prima facie proof of the statements contained in the notice.

(6) Where evidence is offered under this section by an affidavit from which it appears that the person making the affidavit is an officer of the Treasury Department it is not necessary to prove his signature or that he is such an officer nor is it necessary to prove the signature or official character of the person before whom the affidavit was sworn.

83 A document purporting to be an order, direction, demand notice, certificate, enquiry, decision, assessment or discharge of mortgage and to have been executed under or in the course of administration or enforcement of this Act over the name in writing of the Treasurer or an officer authorized by regulation to exercise powers or perform duties of the Treasurer under this Act shall be deemed to be a document signed, made and issued by the Treasurer or the officer unless called in question by the Treasurer or by some person acting for him or Her Majesty.

84(1) For the purposes of this Act the day of mailing of any notice of assessment or notification described in section 43(1) shall, in the absence of any evidence to the contrary, be deemed to be the day appearing from that notice or notification to be the date thereof.

(2) Where a notice of an assessment has been sent by the Treasurer as required by this Act, the assessment shall be deemed to have been made on the day of mailing of the notice of the assessment.

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

(4) In a prosecution for an offence under this Act the production of a return, certificate, statement or answer required by or under this Act or a regulation purporting to have been filed or delivered by or on behalf of the person charged with the offence or to have been made or signed by him or on his

83 Documents deemed signed by Treasurer.

84 Notices of assessment and forms.

behalf is admissible in evidence as prima facie proof that the return, certificate, statement or answer was filed or delivered by or on behalf of that person or was made or signed by him or on his behalf.

(5) Every certificate issued by the Treasurer as to the taxable income of a corporation is admissible in evidence as prima facie proof that the taxable income of a corporation is in the amount set out in the certificate.

Division 7

Transitional and Consequential

85(1) For the purposes of this section,

(a) “incorporated provision” means a provision of the federal Act that is made applicable or referred to by a provision of this Act;

(b) “old Act” means *The Alberta Income Tax Act* as it was on December 31, 1980.

(2) This Act applies to taxation years beginning after December 31, 1980.

(3) Where there is a reference in this Act to an incorporated provision and that incorporated provision refers to an amount that is required to be calculated under the federal Act with respect to a taxation year to which the old Act applies, that amount shall be deemed to have been determined under this Act as if this Act applied to that taxation year.

(4) Where this Act refers to any act, matter or thing done or existing in a taxation year to which this Act does not apply, the reference shall be deemed to include that act, matter or thing even though it was done or existed in a taxation year to which this Act does not apply.

(5) The amount of a corporation’s attributed royalty income carry forward, if any, under section 20(3)(a)(ii) from its taxation year immediately preceding the first taxation year to which this Act applies shall be deemed to be the amount which that corporation would have been able to carry forward under section 8.4(5) of the old Act if the old Act had continued to apply to the first taxation year to which the new Act applies.

(6) The amount of a corporation’s royalty deduction account, if any, under section 22(1)(b)(i) at the end of its taxation year immediately preceding the first taxation year to which the new Act applies shall be deemed to be the amount of the corpora-

85 Transitional.

tion's royalty deduction account at the end of that preceding taxation year calculated under section 8.7(1)(c) of the old Act.

(7) In the application of section 38(1)(a)(ii) the reference to "its tax payable under Part 5 for the 2nd taxation year" in that section shall be read as "its tax payable under *The Alberta Income Tax Act* for the 2nd taxation year" where the 2nd taxation year preceding the year in that section would refer to a taxation year of a corporation beginning on or before December 31, 1980.

(8) In the application of section 38(1)(a)(ii) and (iii), the reference to "its tax payable under Part 5 for the immediately preceding year" in that section shall be read as "its tax payable under *The Alberta Income Tax Act* for the immediately preceding year" where the immediately preceding year in that section would refer to a taxation year of a corporation beginning on or before December 31, 1980.

86(1) *The Credit and Loan Agreements Act* is amended in section 15.6(1)(a) by adding "*The Alberta Corporate Income Tax Act*" after "*The Alberta Income Tax Act*".

(2) *The Alberta Insurance Act* is amended in section 211(9) by striking out "section 5 of *The Alberta Income Tax Act*" and substituting "*The Alberta Income Tax Act* or *The Alberta Corporate Income Tax Act*".

(3) *The Proceedings Against the Crown Act* is amended in section 3(1) by adding "*The Alberta Corporate Income Tax Act*" after "*The Alberta Income Tax Act*".

(4) *The Utility Companies Income Tax Rebates Act, 1977* is amended in section 1(c) by adding "or under *The Alberta Corporate Income Tax Act*" after "*The Alberta Income Tax Act*".

87 This Act comes into force on January 1, 1981.

86 Consequential amendments.