

1982 BILL 36

Fourth Session, 19th Legislature, 31 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 36

ALBERTA CORPORATE INCOME TAX
AMENDMENT ACT, 1982

THE PROVINCIAL TREASURER

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 36

1982

ALBERTA CORPORATE INCOME TAX AMENDMENT ACT, 1982

(Assented to _____, 1982)

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

- 1 *The Alberta Corporate Income Tax Act is amended by this Act.*
- 2 *Section 1(2) is amended by adding the following after clause (g):*
 - (g.1) "refundable tax credit" means a tax credit to which a corporation is entitled under Part 6;
 - (g.2) "royalty tax credit" means a tax credit to which a corporation is entitled under Part 6, Division 1;
- 3 *Section 2 is amended by adding the following after subsection (8):*
 - (9) A direction under subsection 247(2) of the federal Act applies for the purposes of this Act.
- 4 *Section 7(4) is amended by striking out "Part" and substituting "Act".*

5 Section 10(2) presently reads:

(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.

6 Section 11(2) presently reads:

(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.

7 Section 14(3.1), (3.2) and (3.3) presently read:

(3.1) In the application of subsections 87(2) and 88(1) of the federal Act for the purposes of this Act and for the purpose of determining the royalty deduction account of the new corporation for section 22(2)(d)(i) where a predecessor corporation had a royalty deduction account, the new corporation shall be deemed to have a taxation year immediately preceding the first taxation year and to have a royalty deduction account at the end of that preceding year equal to the aggregate of amounts each of which was a predecessor corporation's royalty deduction account immediately before the amalgamation.

(3.2) In the application of subsections 87(2) and 88(1) of the federal Act for the purposes of this Act and for the purpose of determining the Alberta rental investment tax credit of the new corporation, the amount, if any, by which the aggregate of the maximum eligible incentive for all qualifying Alberta multiple unit residential buildings of a predecessor corporation exceeds the aggregate of all tax credits allowed in a previous taxation year to the predecessor corporation under section 25 may be added to the amount determined under section 25(3)(a) for a new corporation.

(3.3) Paragraph 88(1)(e.2) of the federal Act shall be read as though "section 14(3.1) and (3.2) of the Alberta Corporate Income Tax Act and" was added after "the provisions of".

5 *Section 10(2) is repealed and the following is substituted:*

(2) In the application of paragraph 56(1)(l) of the federal Act, a determination made by the Provincial Treasurer under section 41(2) shall be deemed to be an assessment or reassessment by the Provincial Treasurer.

6 *Section 11(2) is repealed and the following is substituted:*

(2) In the application of paragraph 60(o) of the federal Act, a determination made by the Provincial Treasurer under section 41(2) shall be deemed to be an assessment or reassessment by the Provincial Treasurer.

7 *Section 14 is amended*

(a) *in subsection (1) by striking out “,(3.3)”;*

(b) *by repealing subsections (3.1), (3.2) and (3.3) and substituting the following:*

(3.1) Where there has been an amalgamation of 2 or more corporations and subsection 87(2) of the federal Act, as made applicable for the purposes of this Act, applies, the following rules also apply:

(a) in order to determine the new corporation's royalty deduction account as defined in section 22(1)(l) at the end of the immediately preceding taxation year, the new corporation shall be deemed to have a taxation year immediately preceding its first taxation year and to have a royalty deduction account at the end of that preceding year equal to the aggregate of amounts each of which was a predecessor corporation's royalty deduction account immediately before the amalgamation;

(b) in order to determine the amount referred to in section 25(3)(a) for the new corporation at any time, there shall be added to the amount otherwise determined under that section the aggregate of the amounts that would have been determined under section 25(3)(a) for each predecessor corporation immediately before the amalgamation.

(3.2) If a taxable Canadian corporation has been wound up and subsection 88(1) of the federal Act, as made applicable for the purposes of this Act, applies, the following rules also apply:

(a) in order to determine the royalty deduction account of the parent at the end of its taxation year during which the subsidiary was wound up, there shall be added to the royalty deduction account of the parent as defined in section 22(1)(l) the amount of the subsidiary's royalty deduction account at

8 Deemed year end adopted for non-resident resource corporations.

9 Section 19 presently reads:

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.

10 Section 20(1) and (5) presently read:

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 amount, if any, by which 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 outlay or expense made or incurred prior to December 12, 1979 and described in paragraph 66.2(5)(a) of the federal Act or an outlay or expense made or incurred

the end of the taxation year during which the subsidiary was wound up;

(b) in order to determine the amount referred to in section 25(3)(a) for the parent at any time in a taxation year ending after the commencement of the winding-up, there shall be added to the amount otherwise determined the amount that would have been determined under section 25(3)(a) for the subsidiary immediately before the commencement of the winding-up and section 25(3) shall not apply to the subsidiary for the taxation year in which the winding-up commenced or any subsequent taxation year.

8 *The following is added after section 17:*

Division 9

Non-Residents

17.1 Subsections 115(4) and (5) of the federal Act apply for the purposes of this Act as if the references in subsection 115(4) to “income earned in Canada” were to “income”.

9 *Section 19 is repealed and the following is substituted:*

19(1) The Alberta allocation factor is the quotient obtained when taxable income earned in Alberta is divided by taxable income.

(2) In this section, “taxable income earned in Alberta” means the amount determined by the application of Part IV of the federal regulations to taxable income.

10 *Section 20 is amended*

(a) *in subsection (1)(b) by striking out “an outlay or expense made or incurred prior to December 12, 1979 and described in paragraph 66.2(5)(a) of the federal Act or an outlay or expense made or incurred after December 11, 1979 and described in paragraph 66.4(5)(a)” and substituting “amounts described in paragraph 66.2(5)(a) or 66.4(5)(a)”;*

(b) *by adding the following after subsection (1):*

(1.1) A computation under subsection (1) of attributed Canadian royalty income shall not include an amount referred to in paragraph 83.1(1)(c) of the *Petroleum and Gas Revenue Tax Act* (Canada).

(c) *in subsection (5)*

after December 11, 1979 and described in paragraph 66.4(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 referred to in subsection 69(6) of the federal Act, exceeds the proceeds of disposition, if any, actually received by it 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,

exceeds the aggregate of

(e) the amount allowed to the corporation for the year under section 8 in its adoption of 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 18(1)(m) of the federal Act in respect of oil or gas wells or bituminous sands deposits, oil sands deposits or coal deposits.

(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, 66.2 or 66.4 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

(i) by striking out “corporations” and substituting “corporations,”;

(ii) in clause (a) by striking out “and use”.

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.

11 Definition.

12 Provides for refundable tax credits.

11 Section 25(1) is amended by renumbering clause (a) as clause (a.1) and by adding the following before clause (a.1):

(a) “Alberta rental investment tax credit” means the amount by which a corporation is entitled by this section to reduce the amount of tax that it would otherwise be required to pay under this Part;

12(1) The heading preceding section 26 and section 26 are repealed and the following is substituted:

PART 6

REFUNDABLE TAX CREDITS

Division 1

Royalty Tax Credit

26(1) In this Division, the Alberta crown royalty of a corporation for a taxation year means the aggregate of

(a) any 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, and

(b) any 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 any amount that

(c) is a reimbursement received by the corporation under the terms of a contract if the reimbursement was for an amount paid or payable by the corporation that is

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

(ii) denied as a deduction in computing its income by virtue of paragraph 18(1)(m) of the federal Act,

and each of which is or is in respect of a royalty receivable by or payable to 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.

(2) Subject to subsections (3) and (6), if 2 or more corporations are associated or deemed to be associated with each other under this Act, only those associated corporations that have Alberta crown royalty in the taxation year during which they are associated ending in the same calendar year are the corporations that are associated with each other for the purposes of this Division.

(3) In this Division, if a corporation (referred to in this subsection as the “taxpayer corporation”) was, throughout the year,

(a) resident in Canada, and

(b) not controlled directly or indirectly in any manner by 1 or more persons who are not resident in Canada,

and it and another corporation are associated with each other for a taxation year and that other corporation was, throughout the year,

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

(d) controlled by a Canadian-controlled public corporation that is a corporation other than the taxpayer corporation or a corporation that controlled the taxpayer corporation,

the taxpayer corporation and the other corporation are deemed not to be associated with each other for the year.

(4) In subsection (5),

(a) “equity share” has the meaning assigned to it by subsection 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 in the federal regulations.

(5) For the purposes of subsection (3), 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 1 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.

(6) In this Division, if, throughout the taxation year of a corporation that is associated with a taxpayer corporation referred to in subsection (3)(a), the corporation and the taxpayer corporation complied with the conditions contained in subsection (3), the corporation and the taxpayer corporation are deemed not to be associated with each other for the year.

26.1(1) A corporation that has Alberta crown royalty in a taxation year is entitled to a royalty tax credit for the year in an amount equal to the lesser of

(a) the percentage specified in subsection (2) of the corporation's Alberta crown royalty for the year, and

(b) the corporation's maximum allowable credit for the year calculated in accordance with subsection (3) or (4), as the case may be.

(2) The specified percentage of a corporation's Alberta crown royalty for a taxation year is,

(a) for taxation years beginning after August 31, 1981 and ending before January 1, 1984, 75%, or

(b) for taxation years beginning after December 31, 1983, 50%.

(3) Subject to subsection (4), a corporation's maximum allowable credit for a taxation year is,

(a) for taxation years beginning after August 31, 1981 and ending before January 1, 1984, the lesser of

(i) \$4 000 000, and

(ii) that proportion of \$4 000 000 that the number of days in the taxation year bears to 365, and

(b) for taxation years beginning after December 31, 1983, the lesser of

(i) \$2 000 000, and

(ii) that proportion of \$2 000 000 that the number of days in the year bears to 365.

(4) If in a taxation year the corporation is an associated corporation, the corporation's maximum allowable credit for the year

is the amount allocated to the corporation under subsection (5) or (6).

(5) The Provincial Treasurer shall allocate to each corporation in a group of corporations associated with each other a maximum allowable credit equal to that proportion of the amount determined under subsection (7) that

(a) for taxation years

(i) beginning after August 31, 1981 and ending before December 31, 1983, the lesser of

(A) that corporation's Alberta crown royalty, and

(B) \$5 333 333,

or

(ii) beginning after December 31, 1983, the lesser of

(A) that corporation's Alberta crown royalty, and

(B) \$4 000 000

is of

(b) the aggregate of the amounts determined under clause (a) for each corporation in the group of associated corporations.

(6) Notwithstanding subsection (5), if 2 or more corporations that are associated with each other file an agreement in the prescribed form with the Provincial Treasurer and that agreement

(a) is amongst all of the associated corporations, and

(b) allocates the relevant amount in subsection (7) of maximum allowable credits to any or all of the associated corporations,

the Provincial Treasurer shall allocate the maximum allowable credit amongst the associated corporations in accordance with the agreement.

(7) The aggregate of the maximum allowable credits allocated amongst corporations that are associated with each other shall not exceed,

(a) for taxation years beginning after August 31, 1981 and ending before January 1, 1984, the lesser of

(i) \$4 000 000, and

(ii) that proportion of \$4 000 000 that the number of days in the taxation year of the associated corporation with the longest year bears to 365, and

(b) for taxation years beginning after December 31, 1983, the lesser of

(i) \$2 000 000, and

(ii) that proportion of \$2 000 000 that the number of days in the taxation year of the associated corporation with the longest year bears to 365.

(8) In computing the Alberta crown royalty of a corporation, no amount shall be included that would, if included, artificially increase the Alberta crown royalty of that corporation.

(9) If the Provincial Treasurer is satisfied that

(a) the separate existence of 2 or more 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) 1 of the main reasons for the separate existence of the corporations in that year is to increase the amount of royalty tax credit that would otherwise be determined under this Act,

the Provincial Treasurer may direct that all of the corporations shall be deemed to be associated with each other for the purposes of this Division.

(10) If, in the opinion of the Provincial Treasurer, 2 or more corporations have at any time entered into 1 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, or

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

the Provincial Treasurer may direct that all of those corporations shall be deemed to be associated with each other for the purposes of this Division.

(11) A direction made under subsection (9) or (10)

(a) shall not apply to a taxation year of any corporation prior to the taxation year for which the direction is made or to a taxation year commencing before January 1, 1982, and

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

(12) If a corporation is a member of a partnership, its share of the amount that would be the Alberta crown royalty of that partnership, if the partnership were a corporation, shall be deemed to be the Alberta crown royalty of the corporation.

(13) Notwithstanding subsection (2), if a corporation is a member of a partnership whose fiscal year begins before September 1, 1981 or ends after December 31, 1983 and the corporation is deemed to have Alberta crown royalty under subsection (12), the specified percentage for the part of that deemed Alberta crown royalty that is in respect of royalties that became receivable or payable

(a) before September 1, 1981 shall be determined as if the reference in subsection (2)(a) to "75%" were to "25%", and

(b) before December 31, 1983 shall be determined as if the reference in subsection (2)(b) to "50%" were to "75%".

(14) A corporation may apply for a royalty tax credit in respect of a taxation year by filing an application in the prescribed form with the Provincial Treasurer with the return required under section 36(1) or on a date after that return has been filed.

(15) Notwithstanding subsection (14), an application may be filed within 4 years after the end of the taxation year in respect of which the application is made, but not afterwards.

(16) No corporation is entitled to a royalty tax credit until it has filed an application in accordance with subsection (14).

26.2(1) Notwithstanding section 26.1(1) to (8) and (13), if a corporation has Alberta crown royalty in a taxation year, part of which is before September 1, 1981 and part of which is after August 31, 1981, or has Alberta crown royalty in a taxation year ending before September 1, 1981 when it is associated with another corporation in a taxation year of the other corporation, part or all of which is after August 31, 1981, it is entitled to a royalty tax credit for the year in an amount equal to the aggregate of

(a) the lesser of

(i) 25% of the corporation's Alberta crown royalty for the year, and

(ii) the corporation's maximum allowable credit for the year determined under subsection (2), and

(b) the lesser of

(i) 50% of the corporation's Alberta crown royalty for the period in the year after August 31, 1981, and

(ii) the corporation's additional maximum allowable credit for the year determined under subsection (3).

(2) A corporation's maximum allowable credit for the taxation year is the lesser of

(a) \$1 000 000, and

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

unless in the year the corporation is associated with another corporation, in which case the corporation's maximum allowable credit for the year is

(c) the amount allocated to the corporation under subsection (4) or (5), or

(d) where subsection (4) and (5) do not apply, the lesser of the amounts referred to in clauses (a) and (b).

(3) A corporation's additional maximum allowable credit for a taxation year is the lesser of

(a) \$3 000 000, and

(b) that proportion of \$3 000 000 that the number of days in the year after August 31, 1981 bears to 365,

unless in the year the corporation is associated with another corporation, in which case the corporation's additional maximum allowable credit for the year is the amount allocated to the corporation under subsection (7) or (8).

(4) If 2 or more corporations are associated with each other and the aggregate of the amounts determined for those corporations under subsection (1)(a) for the taxation year would exceed, but for this subsection, the amount determined under subsection (6), the maximum allowable credit for each of the corporations for that taxation year shall be that proportion of the maximum allowable credit determined under subsection (6) allocated to that corporation by an agreement made amongst those corporations setting out the proportions in which the maximum allowable credit under subsection (6) is to be divided amongst them.

(5) An agreement referred to in subsection (4) shall be filed with the Provincial Treasurer but, if no agreement is filed within 60 days of filing an application under section 26.1(14) or within 30 days after notice in writing by the Provincial Treasurer has been forwarded to any of the corporations referred to in subsection

(4) that an agreement is required for the purposes of this section, the Provincial Treasurer shall for the purposes of this section allocate an amount to 1 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) The aggregate of the maximum allowable credits allocated amongst corporations that are associated with each other shall not exceed the lesser of

(a) \$1 000 000, and

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

(7) The Provincial Treasurer shall allocate to each corporation in a group of corporations that are associated with each other an additional maximum allowable credit equal to that proportion of the amount determined under subsection (9) that

(a) the lesser of

(i) that corporation's Alberta crown royalty for the period in the year after August 31, 1981, and

(ii) \$6 000 000

is of

(b) the aggregate of the amounts determined under clause (a) for each corporation in the group of associated corporations.

(8) Notwithstanding subsection (7), if 2 or more corporations that are associated with each other file an agreement in the prescribed form with the Provincial Treasurer and that agreement

(a) is amongst all of the associated corporations, and

(b) allocates the relevant amount in subsection (9) of the additional maximum allowable credit to any or all of the associated corporations,

the Provincial Treasurer shall allocate the additional maximum allowable credit amongst the associated corporations in accordance with the agreement.

(9) The aggregate of the additional maximum allowable credits

allocated amongst corporations that are associated with each other shall not exceed the lesser of

(a) \$3 000 000, and

(b) that proportion of \$3 000 000 that the number of days after August 31, 1981 in the taxation year of the associated corporation whose taxation year contains the greatest number of days after August 31, 1981 bears to 365.

26.3(1) Notwithstanding section 26.1(1) to (8) and (13), if a corporation has Alberta crown royalty in a taxation year, part of which is before January 1, 1984 and part of which is after December 31, 1983, or has Alberta crown royalty in a taxation year beginning after December 31, 1983 when it is associated with another corporation in a taxation year of the other corporation, part or all of which is before January 1, 1984, it is entitled to a royalty tax credit for the year in an amount equal to the aggregate of

(a) the lesser of

(i) 50% of the corporation's Alberta crown royalty for the year, and

(ii) the corporation's maximum allowable credit for the year determined under subsection (2), and

(b) the lesser of

(i) 25% of the corporation's Alberta crown royalty for the period in the year before January 1, 1984, and

(ii) the corporation's additional maximum allowable credit for the year determined under subsection (3).

(2) A corporation's maximum allowable credit for the taxation year is the lesser of

(a) \$2 000 000, and

(b) that proportion of \$2 000 000 that the number of days in the year before January 1, 1984 bears to 365,

unless in the year the corporation is associated with another corporation, in which case the corporation's maximum allowable credit for the year is the amount allocated to the corporation under subsection (4) or (6).

(3) A corporation's additional maximum allowable credit for a taxation year is the lesser of

(a) \$2 000 000, and

(b) that proportion of \$2 000 000 that the number of days in the year bears to 365,

unless in the year the corporation is associated with another corporation, in which case the corporation's additional maximum allowable credit for the year is the amount allocated to the corporation under subsection (5) or (6).

(4) The Provincial Treasurer shall allocate to each corporation in a group of corporations that are associated with each other a maximum allowable credit equal to that proportion of the amount determined under subsection (7) that

(a) the lesser of

(i) that corporation's Alberta crown royalty, and

(ii) \$4 000 000

is of

(b) the aggregate of the amounts determined under clause (a) for each corporation in the group of associated corporations.

(5) The Provincial Treasurer shall allocate to each corporation in a group of corporations that are associated with each other an additional maximum allowable credit equal to that portion of the amount determined under subsection (8) that

(a) the lesser of

(i) that corporation's Alberta crown royalty for the period in the year before January 1, 1984, and

(ii) \$8 000 000

is of

(b) the aggregate of the amounts determined under clause (a) for each corporation in the group of associated corporations.

(6) Notwithstanding subsections (4) and (5), if 2 or more corporations that are associated with each other file an agreement in the prescribed form with the Provincial Treasurer and that agreement

(a) is amongst all of the associated corporations, and

(b) allocates the relevant amounts under subsections (7) and (8) to any or all of the associated corporations,

the Provincial Treasurer shall allocate the maximum allowable

credit and the additional maximum allowable credit amongst the associated corporations in accordance with the agreement.

(7) The aggregate of the maximum allowable credits allocated amongst corporations that are associated with each other shall not exceed the lesser of

(a) \$2 000 000, and

(b) that proportion of \$2 000 000 that the number of days in the taxation year of the associated corporation with the longest year bears to 365.

(8) The aggregate of the additional maximum allowable credits allocated amongst corporations that are associated with each other shall not exceed the lesser of

(a) \$2 000 000, and

(b) that proportion of \$2 000 000 that the number of days before January 1, 1984 in the taxation year of the associated corporation whose taxation year contains the greatest number of days before January 1, 1984 bears to 365.

(2) *The following is added after section 26.3:*

26.4(1) A corporation that has reason to believe it will be entitled to a royalty tax credit in respect of a taxation year if application is made for the credit to the Provincial Treasurer may, in respect of each month of the year, apply to the Provincial Treasurer at any time before the end of the taxation year in the prescribed form for payment of the amount estimated by it to be its royalty tax credit instalment for that month.

(2) If application for payment of the royalty tax credit instalment in respect of a month has been made by a corporation in the prescribed form, the Provincial Treasurer may apply the amount estimated by the corporation to be the royalty tax credit instalment for a month to any amount owing by the corporation under this Act and shall pay any amount not so applied to the corporation on or after the last day of that month.

(3) For the purposes of this section, the amount of a corporation's royalty tax credit instalment for a month in a taxation year is that proportion of the royalty tax credit to which the corporation is entitled for the taxation year that the number of days in the month bears to the number of days in the year.

(4) A corporation shall pay to the Provincial Treasurer interest at a prescribed rate per annum on the amount, if any, by which the amount paid or applied by the Provincial Treasurer in respect of a month in a taxation year by virtue of subsection (2) exceeds the royalty tax credit instalment to which the corpora-

tion is entitled in respect of the month from the day the instalment is applied or paid to the earlier of

- (a) the day on which payment of the excess for that month is made to the Provincial Treasurer,
- (b) the day on which the corporation files its claim under section 26.1(14), and
- (c) the required date of filing the return under section 36(1).

(3) *The following is added after Part 6, Division 1:*

Division 2

Extended Alberta Rental Investment Tax Credit

26.5(1) In this Division,

- (a) “amount invested” means the capital cost of depreciable property of the corporation that is
 - (i) included in Class 3 of Schedule II of the federal regulations, and
 - (ii) a qualifying Alberta multiple unit residential building

determined at the time of issue of the certificate of completion referred to in clause (d)(ii) if the corporation is an owner of the depreciable property at that time, but does not include the cost of depreciable property in respect of which the corporation has received or is entitled to receive prescribed assistance;

(b) “extended Alberta rental investment tax credit” means a credit to which a corporation is entitled under this section;

(c) “maximum eligible incentive” means, for each qualifying Alberta multiple unit residential building of a corporation, an amount determined in accordance with the regulations;

(d) “qualifying Alberta multiple unit residential building” means a property that is a multiple unit residential building in Alberta in respect of which

- (i) a notification of eligibility has been issued by the Department of Housing and Public Works certifying that the installation of footings or any other base support of the building was commenced after December 31, 1981 and before January 1, 1984 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 Department of Housing and Public Works before January 1, 1986, 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).

(2) The Department of Housing and Public Works may issue 1 notification of eligibility and 1 certificate of completion with respect to a qualifying Alberta multiple unit residential building in Alberta for the purposes of this Division.

(3) A corporation that has a permanent establishment in Alberta at any time in the taxation year and has an amount invested is entitled to an extended Alberta rental investment tax credit for the taxation year in an amount equal to the aggregate of the maximum eligible incentives of the corporation that have not been used in the calculation of an extended Alberta rental investment tax credit in a previous taxation year.

(4) If 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 amount invested by the corporation in its taxation year in which the taxation year of the partnership ended.

(5) Application for an extended Alberta rental investment tax credit shall be filed in the prescribed form

(a) within 18 months from the date of issue of the certificate of completion referred to in subsection (1)(d)(ii) but not before the end of the taxation year in which the certificate of completion was issued and, if the qualifying Alberta multiple unit residential building is owned in partnership or is owned by more than 1 person, a copy of an ownership agreement shall be submitted with the corporation's application under this section, and

(b) with the return required under section 36(1) for that taxation year or subsequent to the filing of that return.

(6) No corporation is entitled to an extended Alberta rental investment tax credit until it has filed an application in accordance with subsection (5).

13 Section 30(1) and (2.1) presently read:

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.

(2.1) In the application of subsections 131(2) and (3) of the federal Act for the purposes of this Act, the reference to "Minister" shall be read as a reference to "Provincial Treasurer".

14 Section 35 presently reads:

35 No tax is payable under this Act

(a) on the taxable income of a corporation when that corporation was, notwithstanding subsection 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.

15 Section 36(3) presently reads:

(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

(7) If a certificate has been revoked by the Department of Housing and Public Works it shall be deemed to have been void from the date of its issue.

(4) *Subsection (1) applies to*

(a) *taxation years ending after August 31, 1981, and*

(b) *taxation years ending before September 1, 1981 if the corporation is associated with a corporation that has a taxation year ending after August 31, 1981.*

(5) *Subsection (2) applies to taxation years ending after May 31, 1982.*

13 *Section 30(7) is repealed and the following is substituted:*

(7) **Subsections 131(1.3), (1.4), (5) and (9) and paragraphs 131(1.1)(b) and (6)(c) of the federal Act do not apply for the purposes of this Act.**

14(1) *Section 35 is amended*

(a) *by renumbering it as section 35(1);*

(b) *in subsection (1)(a) by adding “for a period” after “income of a corporation”;*

(c) *in subsection (1)(a) by adding “other than a prescribed corporation” after “section 149 of the federal Act”;*

(d) *by adding the following after subsection (1):*

(2) **If it is necessary for the purposes of this Act to ascertain the taxable income of a corporation for a period that is a part of a taxation year, the taxable income for the period shall be deemed to be the proportion of the taxable income for the taxation year that the number of days in the period bears to the number of days in the taxation year.**

(2) *Subsection (1)(b) and (d) apply to taxation years beginning after it comes into force.*

15 *Section 36(3) is amended by striking out “royalty tax credit under Part 6” and substituting “refundable tax credits”.*

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.

16 Section 37 presently reads:

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.

17 Section 38(1), (4), (5), (6) and (7) presently read:

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 Provincial 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,

(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 subclause 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.

16 *Section 37 is repealed and the following is substituted:*

37 A corporation that has failed to file a return as and when required by this Act is liable to a penalty equal to the aggregate of

(a) an amount equal to 5% of the tax that was unpaid when the return was required to be filed, and

(b) the product obtained when 1% of the tax that was unpaid when the return was required to be filed is multiplied by the number of complete months, not exceeding 12, in the period between the date on which the return was required to be filed and the date on which the return was filed.

17(1) *Section 38 is amended*

(a) *in subsection (1) by striking out “subsection (2)” and substituting “subsections (1.1) and (2)”;*

(b) *in subsection (1)(a) by repealing subclauses (ii) and (iii) and substituting the following:*

(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 2nd instalment base for the year and, on or before the last day of each of the next following 10 months in that period, an amount equal to 1/10 of the amount remaining after deducting the amount computed pursuant to this clause in respect of the first 2 months of the period from its first instalment base for the 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 first instalment base for the year,

(c) *by adding the following after subsection (1):*

(1.1) Notwithstanding subsection (1), if a corporation has deducted an amount under section 22 in computing the tax payable under Part 5 for the year and its taxable income for that year did not exceed \$500 000, it shall pay the amount of the tax payable estimated by it under section 36(3) for the year on or before the last day of the period ending 3 months after the close of that year.

(d) *by repealing subsections (4), (5), (6) and (7) and substituting the following:*

(4) Subject to subsections (5) and (6), where the immediately preceding taxation year or 2nd taxation year preceding the year is not 365 days, for the purposes of subsection (1) the tax payable under Part 5 for that taxation year is the tax payable under Part 5 for that taxation year multiplied by the ratio that 365 is to the number of days in that taxation year.

(5) Where the number of days in the immediately preceding taxation year or 2nd taxation year preceding the year is less than 183, the tax payable under Part 5 for that taxation year for the purposes of subsection (1) is the greater of

(a) the amount determined under subsection (4), and

(b) the amount that would be determined under subsection (4) if the corporation's last taxation year, in which the number of days exceeds 182, preceding the particular year was deemed to be the corporation's immediately preceding taxation year.

(6) Where a taxation year of a new corporation that was formed as a result of an amalgamation, within the meaning assigned by section 14, is its first taxation year, the tax payable under Part 5 for its immediately preceding taxation year shall be deemed to be the aggregate of the tax payable under Part 5 for the last taxation year of each predecessor corporation determined in accordance with subsections (4), (5) and (7) and the tax payable under Part 5 for the new corporation for its 2nd taxation year preceding the year shall be deemed to be the aggregate of the tax payable under Part 5 for the 2nd last taxation year of each predecessor corporation determined in accordance with subsections (4), (5) and (7).

(7) For the purposes of subsection (6), subsections (4) and (5) shall be read

(a) as if the reference to the immediately preceding taxation year was a reference to the predecessor corporation's last taxation year;

(b) as if the reference to the 2nd taxation year preceding the year was a reference to the predecessor corporation's 2nd last taxation year.

(4) Subject to subsection (5), in this section “first instalment base” and “2nd instalment base” of a corporation for a taxation year have the meanings prescribed by federal regulation 5301.

(5) In the application of federal regulation 5301 for the purposes of this section a reference to “under Part I of the Act” shall be deemed to be a reference to “under Part 5 of this Act”.

(e) *by adding the following after subsection (5):*

(6) If a corporation has applied for a refundable tax credit for a taxation year on or before the date on which the corporation is required to file a return under section 36(1), the Provincial Treasurer shall determine the amount of the credit, and may apply the amount of the credit so determined as payment of any tax, interest, penalty or other amount otherwise owing by the corporation for that or any preceding taxation year under this Act as of the date on which the credit was applied for.

(7) If a corporation has applied for a royalty tax credit for a taxation year and for royalty tax credit instalments under section 26.4 in respect of that year, the amount of the royalty tax credit that is applied under subsection (6) shall equal the amount by which

(a) the amount of the royalty tax credit as determined

exceeds

(b) the aggregate of the amounts of the royalty tax credit instalments payable to the corporation under section 26.4 in respect of the year less any amounts paid by the corporation in respect of the year under subsection (8).

(8) A corporation shall pay to the Provincial Treasurer on or before

(a) the last day of the period referred to in subsection (1), if 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

(b) the last day of the 14th month of the period referred to in subsection (1) in any other case,

the amount, if any, by which the aggregate of the amounts of the royalty tax credit instalments payable under section 26.4 in respect of the year exceeds the amount of the royalty tax credit for the year for which application is made.

18 Consequential to sections 26 to 26.2 dealing with royalty tax credits.

19 Section 41 presently reads:

41(1) The Provincial 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) When the Provincial 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 Provincial 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.

(2) Subsection (1)(a), (b) and (d) apply to taxation years beginning on or after June 2, 1981.

(3) Subsection (1)(c) applies to instalments payable after March 31, 1982.

18 The following is added after section 39(1):

(1.1) If the amounts paid to a corporation with respect to a refundable tax credit exceed the amount of the refundable tax credit to which the corporation is entitled, the corporation shall pay interest at the prescribed rate per year on the amount of the excess payment from

(a) in the case of a royalty tax credit, the later of

(i) the date on which the excess payment was made, and

(ii) the earlier of the date on which the return required under section 36(1) is filed or is required to be filed, or

(b) in the case of any other refundable tax credit, the date on which the excess payment was made

to the date of payment.

19 Section 41 is amended

(a) by repealing subsection (1) and substituting the following:

(1) The Provincial Treasurer shall, as soon as possible after receipt of a return, examine the return and assess the tax under Part 5 for the year and the interest and penalties payable and shall determine

(a) the amounts of the refundable tax credits, if any, for the taxation year, and

(b) the amount of the refund, if any, to which a corporation is entitled pursuant to section 30 for the taxation year.

(b) in subsection (2) by adding "only" after "Treasurer shall,";

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

(3) Subsection (1) and section 42(1) do not apply to a determination made under subsection (2).

(4) The provisions of this Part relating to an assessment or reassessment and to assessing or reassessing tax apply to a determination or redetermination under this Division.

20 Section 43(1) presently reads:

43(1) The Provincial 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

(ii) has filed with the Provincial 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.

21 Section 46 presently reads:

46(1) A corporation shall, within 30 days from the day of mailing of the notice of assessment, pay to the Provincial 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 Provincial Treasurer, a corporation is attempting to avoid payment of taxes, the Provincial Treasurer may direct that all taxes, penalties and interest be paid forthwith on assessment.

(5) If the Provincial Treasurer makes a determination of the amount of a corporation's non-capital loss, net capital loss or restricted farm loss for a taxation year, as the case may be, subject to the corporation's rights of objection and appeal in respect of the determination and subject to any re-determination by the Provincial Treasurer, the determination is binding on both the Provincial Treasurer and the corporation for the purposes of calculating the taxable income of the corporation in any other year.

20(1) Section 43(1) is amended

(a) by striking out "royalty tax credit" and substituting "refundable tax credits";

(b) by repealing clause (b)(ii) and substituting the following:

(ii) 6 months after a federal reassessment or additional assessment.

(2) Subsection (1)(b) applies to taxation years ending after the date on which it is assented to.

21 Section 46(1) is repealed and the following is substituted:

46(1) A corporation shall, within 30 days from the day of mailing of the notice of assessment, pay to the Provincial Treasurer

(a) any part of the assessed tax, interest and penalties then remaining unpaid, and

(b) any amount by which the aggregate of amounts paid to the corporation with respect to a refundable tax credit less any payments made by the corporation under section 38(8) exceeds the amount of that refundable tax credit as determined under section 43(1),

22 Section 47(1) presently reads:

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.

whether or not an objection to or appeal from the assessment or determination is outstanding.

22 *Section 47 is amended*

(a) *by repealing subsection (1) and substituting the following:*

47(1) For the purposes of this section, “overpayment” means

(a) the amount by which all amounts paid on account of tax under Part 5 and on account of interest and penalties under Part 8 exceeds all amounts payable under Part 5 and Part 8,

(b) the amount of a refundable tax credit other than a royalty tax credit to which a corporation is entitled less any amounts applied under section 38(6) with respect to that refundable tax credit, or

(c) the amount by which

(i) the amount of the royalty tax credit to which a corporation is entitled

exceeds

(ii) the aggregate of

(A) the aggregate of the amounts of royalty tax credit instalments paid to the corporation by virtue of section 26.4 with respect to that royalty tax credit less any amount payable by the corporation with respect to it under section 38(8), and

(B) any amounts applied under section 38(6) with respect to that royalty tax credit.

(b) *in subsection (2)(a) by striking out “made on account of the tax payable for the year”;*

(c) *by adding the following after subsection (4):*

(4.1) For the purposes of determining when an overpayment with respect to a refundable tax credit for a taxation year arose, a corporation is entitled to receive its refundable tax credit for a year on the later of

(a) the date on which application for the credit is made in prescribed form, and

(b) the date on or before which the return required under section 36(1) for the year is required to be filed.

23 Section 52(4) presently reads:

(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 Provincial Treasurer.

24 Section 55(5) presently reads:

(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 Provincial Treasurer.

25 Section 61(1) presently reads:

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 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 Provincial 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.

23 Section 52(4) is amended by striking out “royalty tax credit” and substituting “a refundable tax credit”.

24 Section 55(5) is repealed and the following is substituted:

(5) Notwithstanding sections 48(1) and 50(1), an application may be made to the court by originating notice for an order extending 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 and the court may make an order extending the time for objecting or appealing, as the case may be, and may impose any terms it considers necessary.

(6) No order shall be made under subsection (5)

(a) unless the application to extend the time for objecting or appealing is made within 1 year after the expiration of the time required by this Act for objecting or appealing from the assessment in respect of which the application is made,

(b) if the court has previously made an order extending the time for objecting to or appealing from the assessment, as the case may be, and

(c) unless the court is satisfied that

(i) but for the circumstances mentioned in the application, an objection would have been made or taken within the time otherwise limited by this Act for so doing,

(ii) the application was brought as soon as circumstances permitted it to be brought, and

(iii) there are reasonable grounds for objecting to or appealing from the assessment.

25 Section 61(1) is repealed and the following is substituted:

61(1) A corporation that is required by or pursuant to this Act to pay taxes or other amounts or is entitled to a refundable tax credit pursuant to this Act shall keep records and books of account including an annual inventory kept in the prescribed manner and the records and books of account shall be in the form and shall contain the information that will enable taxes payable and refundable tax credits receivable under this Act or taxes and other amounts that are to be collected to be determined.

(1.1) Records and books of account required to be kept under subsection (1) shall be kept

26 Section 62 presently reads in part:

62 A person authorized by the Provincial 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 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

27 Section 73(1) presently reads:

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.

(a) at the corporation's place of business or residence in Alberta, or

(b) if it has no place of business or residence in Alberta, at a place in Alberta or elsewhere approved in writing by the Provincial Treasurer under any terms and conditions he may impose.

(1.2) Notwithstanding subsection (1.1)(a), a corporation may keep the records and books of account at a place in Alberta or elsewhere approved in writing by the Provincial Treasurer under any terms and conditions he may impose.

26 *Section 62 is amended*

(a) *in clauses (a) and (b) by adding "or a refundable tax credit" after "payable";*

(b) *in clause (c) by striking out "royalty tax credit or considered possibly liable to pay taxes or claim a royalty" and substituting "refundable tax credit or considered possibly liable to pay taxes or claim a refundable".*

27 *Section 73(1) is repealed and the following is substituted:*

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, application, certificate, statement or answer filed or made as required by or under this Act or a regulation as a result of which the tax or refundable tax credit that would have been payable by or to the corporation for a taxation year, if the tax or

28 Section 74(1) presently reads:

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

29 Section 75(b) presently reads:

75 An individual who

(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,

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

30 Section 85(6), (7) and (8) presently read:

(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 corporation'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" when 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" when the immediately preceding year in that section would refer to a taxation year of a corporation beginning on or before December 31, 1980.

refundable tax credit had been assessed or determined on the basis of the information provided in the return, application, certificate, statement or answer is less or more, as the case may be, than the tax or refundable tax credit payable by or to the corporation for the taxation year, the corporation is guilty of an offence.

28 *Section 74(1) is amended by adding “or to claim a refundable tax credit greater than that to which it is entitled” after “payable by it”.*

29 *Section 75(b) is amended by adding “or to claim a refundable tax credit greater than that to which it is entitled” after “Act”.*

30(1) *Section 85 is amended*

(a) *in subsection (6)*

(i) *by striking out “22(1)(b)(i)” and substituting “22(1)(l)(i)”;*

(ii) *by adding “as if section 14(3.1) and (3.2) applied” after “old Act”;*

(b) *by repealing subsections (7) and (8) and substituting the following:*

(7) *In the application of section 38(5), the reference to “under Part 5 of this Act” shall, with respect to taxation years commencing before January 1, 1981, be read as “under the Alberta Income Tax Act as it applied for the year”.*

(2) *Subsection (1)(b) applies to taxation years beginning on or after June 2, 1981.*

31(1) *Sections 2 to 9, 10(a) and (c), 11, 13, 14(1)(a) and (c), 15, 19, 20(1)(a), 23, 26 and 30(1)(a) shall be deemed to have come into force on January 1, 1981.*

(2) *Section 10(b) comes into force on Proclamation and shall be deemed to have come into force on a date prior to or after the day on which this Act is assented to that is fixed by the Proclamation.*

*In accordance with section 4(1) of the Interpretation Act,
this Bill, except the sections referred to in section 31,
comes into force on the date it receives Royal Assent.*