

1983 BILL 40

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First Session, 20th Legislature, 32 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 40**

**ALBERTA CORPORATE INCOME  
TAX AMENDMENT ACT, 1983**

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THE PROVINCIAL TREASURER

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First Reading .....

Second Reading .....

Committee of the Whole .....

Third Reading .....

Royal Assent .....

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## BILL 40

1983

### ALBERTA CORPORATE INCOME TAX AMENDMENT ACT, 1983

(Assented to \_\_\_\_\_, 1983)

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 22 is amended*

(a) *in subsection (1)(n) by renumbering subclause (i) as subclause (i.1) and by adding the following before subclause (i.1):*

(i) *subparagraph 125(6)(i)(i) shall be read as though “, except that where the corporation carried on a non-qualifying business in the year, the references in this subparagraph to “active business” shall be read as references to “active business or a non-qualifying business” ” were struck out;*

(b) *in subsection (2)(a)(iii)(A)*

(i) *in subparagraph (I) by striking out “of each” and substituting “each”;*

(ii) *in subparagraph (II) by adding “in the group for a fiscal period of the partnership” after “a partnership”;*

(c) *in subsection (11) by renumbering clause (a) as clause (a.1) and by adding the following before clause (a.1):*

(a) *the reference to subsection (1) shall be deemed to be a reference to section 22(2) of this Act;*

(d) *in subsection (12) by adding the following after clause (a):*

(a.1) *the reference to subsection (1) shall be deemed to be a reference to section 22(2) of this Act;*

## Explanatory Notes

1 This Bill will amend chapter A-17 of the Revised Statutes of Alberta 1980.

2 Section 22 presently reads in part:

*(n) "specified limit" of a corporation for a taxation year has the meaning assigned to it by paragraph 125(6)(i) of the federal Act but*

*(i) the reference in clause 125(6)(i)(ii)(A) to clause 125(1)(a)(iii)(A) shall be read as a reference to section 22(2)(a)(iii)(A) of this Act, and*

*(ii) subparagraph 125(6)(i)(ii) shall be read as though "except that where the corporation carried on a non-qualifying business in the year, the references in this subparagraph to "active business" shall be read as references to "active business or a non-qualifying business" and the reference in clause (A) to "clause (1)(a)(iii)(A)" shall be read as a reference to "clause (1.1)(a)(iii)(A)" " were struck out.*

*(11) Subsection 125(14) of the federal Act applies for the purposes of this Act except that*

*(a) the reference to subsection (1.1) shall be struck out;*

*(b) the reference to "Minister" shall be deemed to be a reference to the Provincial Treasurer.*

*(12) Subsection 125(15) of the federal Act applies for the purposes of this Act except that*

*(a) the subsection shall be read as though "the Tax Review Board or the Federal Court" was struck out and "the Provincial Treasurer or the Court" was substituted;*

*(b) the reference to subsection (1.1) shall be struck out;*

*(c) the subsection shall be read as though paragraph (c) was struck out and the following was substituted:*

*(c) in the case of an appeal to the Court, vary the direction and refer the matter back to the Provincial Treasurer for reassessment.*

3 *Section 25 is amended by adding the following after subsection (4):*

(4.1) No application may be made under this section after June 30, 1985.

4 *Section 26 is amended*

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

**26(1)** In this Division,

(a) “above-limit corporation” means a corporation that

(i) would, if its taxation year for the purposes of computing its income under the federal Act and this Act had been the 12 month period ending August 31, 1982, have had Alberta crown royalty for that taxation year in excess of \$5 333 333,

(ii) was associated with one or more corporations on August 24, 1982 pursuant to subsection (1.6) and the corporation and all of the corporations with which it was associated at that time would, if the taxation year of the corporation and each of the corporations with which it was associated at that time for the purposes of computing their income under the federal Act and this Act had been the 12 month period ending August 31, 1982, have had Alberta crown royalty for that taxation year that would in aggregate exceed \$5 333 333, or

(iii) is deemed to be an above-limit corporation by the Provincial Treasurer pursuant to subsection (1.3);

(b) “above-limit partnership” means a partnership in existence on August 24, 1982 each of the members of which, on August 24, 1982, was an above-limit corporation;

(c) “Alberta crown royalty” of a corporation for a taxation year means the aggregate of

(i) 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

(ii) 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

(iii) 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

**3** Application for Alberta rental investment tax credit.

**4** Section 26(1), (3) and (6) presently read:

*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.*

*(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.*

*(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.*

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

(B) 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;

(d) "Alberta resource property" means a property that is

(i) a right, licence or privilege to explore for, drill for or take petroleum, natural gas or petroleum and natural gas in Alberta,

(ii) a petroleum or natural gas well in Alberta,

(iii) a rental or royalty computed by reference to the amount or value of production from a petroleum or natural gas well in Alberta, or

(iv) a right or interest of any nature whatsoever or howsoever described in any property referred to in subclauses (i) to (iii), including a right to receive proceeds of disposition in respect of a disposition of that property;

(e) "exempt corporation" means a corporation that

(i) is an above-limit corporation, or

(ii) is formed at any time after August 24, 1982 on the amalgamation of 2 or more corporations, each of which was an exempt corporation immediately prior to the amalgamation;

(f) "restricted resource property" means any right or interest of any nature whatsoever or howsoever described or part thereof in any production from a petroleum or natural gas well in Alberta with a finished drilling date on or before August 24, 1982 where the right or interest or part thereof was owned by an above-limit corporation or an above-limit partnership on August 24, 1982, and includes a right or interest or part thereof acquired by an above-limit corporation or an above-limit partnership after August 24, 1982 pursuant to the terms of a contract, other than an option, entered into and enforceable on or before that date, but does not include any right or interest or part thereof that is disposed of by an above-limit corporation or by an above-limit partnership after August 24, 1982 pursuant to the terms of a contract, other than an option, entered into and enforceable on or before that date.



(1.1) A corporation, other than an exempt corporation, shall not include in computing its Alberta crown royalty for a taxation year any of the amounts described in subsection (1)(c)(i) to (iii) where those amounts are or are in respect of royalties receivable by or payable to the Crown in right of Alberta after August 31, 1982 in respect of a restricted resource property.

(1.2) For the purposes of subsection (1)(f), a right or interest or part thereof shall be deemed not to be owned by a partnership unless there was in existence on August 24, 1982 a written agreement of partnership together with any other evidence that, in the opinion of the Provincial Treasurer, is sufficient to establish that the right or interest or part thereof was intended by each of the members of the partnership to be owned by the partnership and not by the members.

(1.3) The Provincial Treasurer may deem a corporation to be an above-limit corporation if at any time in the 365 day period ending August 24, 1982, the corporation

- (a) was formed by the amalgamation of 2 or more corporations, or

- (b) acquired an Alberta resource property

and if the corporation, had it had 3 different taxation years for the purposes of computing its income under the federal Act and this Act (with those 3 taxation years being represented separately by the calendar month periods of July, August and September of 1982), would have had Alberta crown royalty for any one of those taxation years in excess of \$444 444.

(1.4) The Provincial Treasurer may deem a corporation that is an above-limit corporation within the meaning of subsection (1)(a) not to be an above-limit corporation if that corporation

- (a) disposed of an Alberta resource property at any time in the 365 day period ending August 24, 1982, and

- (b) had it had 3 different taxation years for the purposes of computing its income under the federal Act and this Act (with the 3 taxation years being represented separately by the calendar month periods of July, August and September of 1982), would have had Alberta crown royalty for any one of those taxation years that was less than \$444 444.

(1.5) Notwithstanding subsections (1)(e), (1.7) and (1.8), when at any time after August 24, 1982, control of an exempt corporation is acquired by a person or group of persons that did not control the corporation at the time when it first became an exempt corporation, the Provincial Treasurer may deem that corporation not to be an exempt corporation for the taxation year in which control was acquired and all subsequent taxation years if, in his opinion, the result of the ac-





quisition of control of the particular exempt corporation is to increase the amount of royalty tax credit that would otherwise be determined under this Act.

(1.6) For the purposes of subsections (1)(a)(ii), (1.7)(b) and (1.8), one corporation is associated with another corporation at a particular time if by reference to that particular time the corporation would have been associated with the other corporation in its taxation year in which the particular time falls pursuant to subsection (2).

(1.7) Notwithstanding subsection (1)(e), if at any time after August 24, 1982 a corporation (in this subsection referred to as the "purchaser") acquires all of the Alberta resource properties of another corporation (in this subsection referred to as the "vendor") and the vendor, but for this subsection, would have been an exempt corporation immediately before the date of acquisition, then

(a) where the purchaser has acquired all of the Alberta resource properties of the vendor on a winding-up to which subsection 88(1) of the federal Act applies, the purchaser shall be deemed to be an exempt corporation as of the first day of its taxation year in which the winding-up commences, or

(b) where clause (a) does not apply, if the vendor and each of the corporations with which it is associated on the date of acquisition jointly elect together with the purchaser in the prescribed form and within the prescribed time, then

(i) the purchaser shall be deemed to be an exempt corporation as of the first day of its taxation year in which the acquisition takes place, and

(ii) the vendor and each of the corporations with which it is associated on the date of acquisition shall be deemed not to be exempt corporations as of the first day of their taxation years in which the acquisition takes place.

(1.8) Notwithstanding subsections (1)(e) and (1.7), if after August 24, 1982 and before March 31, 1983 an exempt corporation has transferred all or substantially all of its Alberta resource properties to another corporation with which it was associated as of the date of the transfer, that other corporation shall be deemed to be an exempt corporation as of the date of the transfer.

*(b) by adding the following after subsection (3):*

(3.1) In its application to the first taxation year in which the taxpayer corporation and that other corporation, within the meaning of subsection (3), become associated, subsection (3) shall be read as if "other corporation was, throughout the



**5** Section 26.1(5), (9), (12) and (13) presently read:

*(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.*

*(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.*

*(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*

year” was struck out and “other corporation was, throughout the period in the year that commences on the day the association arose” was substituted.

(c) *by repealing subsection (6).*

5(1) *Section 26.1 is amended*

(a) *in subsection (5)(a)(i) by striking out “December 31, 1983” and substituting “January 1, 1984”;*

(b) *in subsection (9) by striking out “If” and substituting “Notwithstanding section 26(3), if”;*

(c) *in subsection (10) by striking out “If,” and substituting “Notwithstanding section 26(3), if”;*

(d) *by repealing subsection (12) and substituting the following:*

(12) If a corporation, other than an exempt 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 other than an exempt corporation, shall be deemed to be the Alberta crown royalty of the corporation.

(12.1) If an exempt 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 an exempt corporation, shall be deemed to be the Alberta crown royalty of the corporation.

(e) *in subsection 13(b) by striking out “December 31, 1983” and substituting “January 1, 1984”.*

(2) *Subsection (1)(b) and (c) apply to taxation years commencing on or after the coming into force of this section.*

6 *Section 26.5(5)(a) is repealed and the following is substituted:*

(a) within 36 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 or, in the case of a corporation that is a member of a partnership, not before the end of the taxation year of the corporation in which the fiscal period of the partnership ended during which the certificate of completion was issued,

(a.1) together with, if the qualifying Alberta multiple unit residential building is owned in partnership or is owned by more than 1 person, a copy of the ownership agreement, and

7(1) *Section 27 is amended by striking out “section 26(4) and (5)” and substituting “Part 6, Division 1”.*

(2) *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.*

8 *Section 30(6) is amended by striking out “factor” and substituting “factor, except that this subsection does not apply to the capital gains refund referred to in clause 131(6)(b)(ii)(C) or subparagraph 131(6)(d)(ii) of the federal Act, as made applicable by this section”.*

9 *Section 36(2) is amended by striking out “demand by” and substituting “receipt of a demand served personally or by”.*

10(1) *Section 39(4) is repealed and the following is substituted:*

(4) For the purposes of subsection (2), when a corporation is required to pay a part or instalment of tax for a taxation year computed by reference to a method described in section 38(1), it shall be deemed to have been liable to pay a part or instalment computed by reference to

(a) its tax payable under this Act for the year,

*(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%".*

**6 Section 26.5(5) presently reads:**

*(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.*

**7 Section 27 presently reads:**

*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, except that paragraph 128(1)(f) of the federal Act does not apply for the purposes of section 26(4) and (5) of this Act.*

**8 Section 30(6) presently reads:**

*(6) If 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.*

**9 Section 36(2) presently reads:**

*(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 Provincial Treasurer, file with the Provincial Treasurer within any reasonable time stipulated by the Provincial Treasurer in the demand a return for the taxation year designated in the demand in the prescribed form and containing the prescribed information.*

**10 Section 39(4) presently reads:**

*(4) For the purposes of subsection (2), when a corporation is required to pay a part or instalment of tax for a taxation year computed by reference to a method described in section 38(1), 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) its first instalment base for the year, or

(c) its 2nd instalment base and its first instalment base for the year

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

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

*11 The following is added after section 39:*

**39.1(1)** If a corporation has paid an amount on account of tax payable for a taxation year under section 38(1)(a) and, before the expiration of the taxation year, the corporation declares in the prescribed form that

(a) the amount paid is in excess of the tax payable by it for the taxation year, and

(b) it will suffer great financial hardship because it has paid an amount in excess of tax payable,

the Provincial Treasurer may pay to the corporation all or part of the amount that the corporation has declared to be in excess of the tax payable for the taxation year.

(2) The amount or portion of the amount paid on account of tax payable under section 38(1)(a) by a corporation that equals any amount that is paid by the Provincial Treasurer to the corporation under subsection (1) shall be deemed not to have been paid for the purposes of this Act.

*12 Section 45(1) is amended by striking out "Act" and substituting "Act and may determine the entitlement to and the amount, if any, of any refundable tax credits under this Act".*

*13 Section 46(2) is repealed and the following is substituted:*

(2) If, in the opinion of the Provincial Treasurer, a corporation is attempting to avoid payment of taxes or repayment of any excess payments of refundable tax credits, the Provincial Treasurer may direct that all taxes, penalties, interest and excess payments of refundable tax credits be paid or repaid forthwith on assessment.

*14 Section 50(1) is amended by striking out "executed" and substituting "instituted".*



*(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.*

**11 Refund of excess instalment payments.**

**12 Section 45(1) presently reads:**

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

**13 Section 46(2) presently reads:**

*(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.*

**14 Section 50(1) presently reads:**

*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*

*15 Section 55(3) is amended by striking out “taxes” and substituting “debts due to Her Majesty in right of Alberta, within the meaning of section 57,”.*

*16 Section 56(1)(e) is amended by striking out “taxes” and substituting “taxes, repayments of overpayments of refundable tax credits”.*

*17(1) Section 61(3) is repealed and the following is substituted:*

(3) Every corporation required by this section to keep records and books of account shall retain

(a) the records and books of account in respect of which a period is prescribed, together with every account and voucher necessary to verify the information in any record or book of account, for the prescribed period, and

(b) all records and books of account other than those referred to in clause (a), together with every account and voucher necessary to verify the information contained in any record or book of account, until the expiration of 6 years from the end of the last taxation year to which the records and books of account relate.

(4) Where, in respect of any taxation year, a corporation referred to in subsection (1) has not filed a return with the Provincial Treasurer as and when required by section 36(1), that corporation shall retain every record and book of account that is required to be kept by this section and that relates to that taxation year, together with every account and voucher necessary to verify the information contained in the record and book of account, until the expiration of 6 years from the day the return for that taxation year is filed.

(5) Where a corporation required by this section to keep records and books of account serves a notice of objection or is a party to an appeal under this Act, that corporation shall retain every record, book of account, account and voucher necessary for dealing with the objection or appeal until, in the case of the serving of a

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

*(b) 180 days have elapsed after service of the notice of objection and the Provincial 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 Provincial Treasurer has confirmed the assessment or reassessed was mailed to the corporation under section 48.*

**15** Section 55(3) presently reads:

*(3) The Provincial 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.*

**16** Section 56(1)(e) presently reads:

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

*(e) prescribing the allocation of payments received by the Provincial Treasurer under this Act among taxes, interest and penalties.*

**17** Section 61(3) presently reads:

*(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 Provincial Treasurer, retain every record or book of account and every account or voucher necessary to verify the information in any record or book of account.*

notice of objection, the time provided by section 50 to appeal has elapsed or, in the case of an appeal, until the appeal is disposed of and any further appeal is disposed of or the time for filing any further appeal has expired.

(6) Where the Provincial Treasurer is of the opinion that it is necessary for the administration of this Act, he may, by a demand served personally or by registered letter or certified mail, require any corporation required by this section to keep records and books of account to retain those records and books of account, together with every account and voucher necessary to verify the information contained in the records and books of account, for any period specified in the demand.

(7) A corporation required by this section to keep records and books of account may dispose of the records and books of account referred to in this section, together with every account and voucher necessary to verify the information contained in the records and books of account, before the expiration of the period for which those records and books of account are required to be kept if written permission for their disposal is given by the Provincial Treasurer.

*(2) Subsection (1) applies to taxation years commencing on or after the coming into force of this section.*

*18 Section 63(3) is amended by striking out “corporation or from the president, manager, secretary or any director, agent or representative” and substituting “person”.*

*19 Section 73(2) is repealed and the following is substituted:*

(2) Where a corporation is guilty of an offence under this section it is liable to a fine of not less than 25% and not more than 200% of the amount by which

(a) the tax payable under this Act by the corporation exceeds the amount declared as tax payable by the corporation, and

(b) the refundable tax credit claimed by the corporation exceeds the amount of the refundable tax credit to which the corporation is entitled under this Act.

*20 Section 74(2) is repealed and the following is substituted:*

(2) Where a corporation is guilty of an offence under this section it is liable to a fine of not less than 50% and not more than 200% of the amount

**18** Section 63(3) presently reads:

*(3) The Provincial 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.*

**19** Section 73(2) presently reads:

*(2) Where a corporation is guilty of an offence under this section it is liable 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.*

**20** Section 74(2) presently reads:

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

(a) of tax sought to be evaded, and

(b) that is the difference between the amount of the refundable tax credit claimed and the amount of the refundable tax credit to which it is entitled.

*21 Section 75 is amended by striking out “evaded” and substituting “evaded or the difference between the amount of the refundable tax credit claimed and the amount of the refundable tax credit to which it is entitled”.*

*22 Section 76 is amended by striking out “or corporation that” wherever it occurs and substituting “who”.*

*23 Section 77(2) is amended by adding the following after clause (a):*

(a.1) information to the Department of Consumer and Corporate Affairs that a return under this Act has been filed by any person or an application under section 26.4(1) has been made by any person,

**21** Section 75 presently reads:

*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 or to claim a refundable tax credit greater than that to which it is entitled, 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*
- (e) conspires with any person to commit an offence described in clauses (a) to (d)*

*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.*

**22** Section 76 presently reads:

*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.*

**23** Section 77(2) presently reads:

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

- (a) statistical information that is provided to the Alberta Bureau of Statistics by the Provincial Treasurer to be used by the Bureau in accordance with section 3 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 Provincial 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.*

*24 Section 78 is repealed and the following is substituted:*

**78** A person guilty of an offence under section 76 or 77 is liable to a fine of not less than \$50 and not more than \$10 000.

*25 Section 79 is amended by striking out “or corporation”.*

*26(1) Sections 4(b) and 8 shall be deemed to have come into force on January 1, 1981.*

*(2) Section 5(1)(a) and (e) shall be deemed to have come into force on May 4, 1982.*

*(3) Sections 4(a) and 5(1)(d) shall be deemed to have come into force on August 24, 1982.*

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*In accordance with section 4(1) of the Interpretation Act, this Bill, except sections 4(a) and (b), 5(1)(a), (d) and (e) and 8, comes into force on the date it receives Royal Assent.*



**24** Section 78 presently reads:

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

**25** Section 79 presently reads:

*79 A person or corporation who contravenes 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 to a fine of not less than \$50 and not more than \$10 000.*