

1983 BILL 100

First Session, 20th Legislature, 32 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 100

ALBERTA INCOME TAX AMENDMENT ACT, 1983 (NO. 2)

THE PROVINCIAL TREASURER

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 100

1983

ALBERTA INCOME TAX AMENDMENT ACT, 1983 (NO. 2)

(Assented to _____, 1983)

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

1 *The Alberta Income Tax Act is amended by this Act.*

2(1) *Section 3 is amended*

(a) *in subsection (2) by striking out "year by" and substituting "year, except the 1982 taxation year, by";*

(b) *by adding the following after subsection (2):*

(2.1) For the 1982 taxation year, the tax payable by an individual referred to in subsection (2)(a) for the year is the amount equal to the aggregate of

(a) the amount that would be determined under subsection (2) for the year if subsection (2) applied to the 1982 taxation year, and

(b) an amount that bears the same relation to the product of the amount added under subsection 120.1(2) of the federal Act for the year multiplied by the percentage specified in subsection (3) for the year that his income earned in the taxation year outside Alberta bears to his income for the year.

(2.2) For the 1982 taxation year, the tax payable by an individual referred to in subsection (2)(b) for the year is the amount by which

(a) the amount that would be determined under subsection (2) for the year if subsection (2) applied to the 1982 taxation year

exceeds

(b) an amount that bears the same relation to the product of the amount added under subsection 120.1(2) of the federal Act for the year multiplied by the percentage specified in subsection (3) for the year that his income earned in the taxation year in Alberta bears to his income for the year.

Explanatory Notes

1 This Bill amends chapter A-31 of the Revised Statutes of Alberta 1980.

2 Section 3(2), (3) and (6) presently read:

(2) *The tax payable under this Act for a taxation year by an individual*

(a) *who resided in Alberta on the last day of the taxation year but had income earned in the taxation year outside Alberta, or*

(b) *who did not reside in Alberta on the last day of the taxation year but had income earned in the taxation year in Alberta,*

is the amount that bears the same relation to the percentage of the tax payable under the federal Act for that year specified in subsection (3) that his income earned in the taxation year in Alberta bears to his income for the year.

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

(a) *33% in respect of the 1970 and the 1971 taxation years;*

(b) *36% in respect of the 1972, 1973 and 1974 taxation years;*

(c) *26% in respect of the 1975 and 1976 taxation years;*

(d) *38.5% in respect of the 1977 and subsequent taxation years.*

(6) *If an individual resided in Alberta on the last day of a taxation year and had income for the year that included income earned in a country other than Canada in respect of which any non-business-income tax was paid by him to the government of a country other than Canada, he may deduct from the tax payable by him under this Act for that taxation year an amount equal to the lesser of*

(a) *the amount, if any, by which any non-business-income tax paid by him for the year to the government of that other country exceeds the amount claimed under the federal Act as a deduction for that taxation year by virtue of subsection 126(1) of that Act, and*

(b) *that proportion of the tax otherwise payable under this Act for that taxation year that*

(c) in subsection (3)

(i) in clause (d) by striking out “and subsequent” and substituting “, 1978, 1979, 1980, 1981, 1982 and 1983”;

(ii) by adding the following after clause (d):

(e) 43.5% in respect of the 1984 and subsequent taxation years.

(d) in subsection (6)(b)

(i) in subclause (i) by striking out “sources in that country” and substituting “sources in that country, excluding any portion thereof that was deductible by him for the year under subparagraph 110(1)(f)(i) of the federal Act”;

(ii) by striking out “under section 110.1” and substituting “by him under paragraph 110(1)(f), section 110.1”;

(e) by adding the following after subsection (6):

(6.1) For the purposes of subsection (6), “tax payable” and “tax otherwise payable” mean the amount that would, but for section 120.1 of the federal Act, be the tax otherwise payable under this Act.

(2) Subsection (1)(a) and (b) apply to the 1982 taxation year.

(3) Subsection (1)(d) and (e) apply to the 1982 and subsequent taxation years.

3(1) The following is added after section 3:

3.1 An individual to whom section 2 is applicable for a taxation year is deemed to have paid on account of his tax for the year an amount equal to the product of

(a) an amount that bears the same relation to the excess determined under subsection 120.1(4) of the federal Act for the year that his income earned in the taxation year in Alberta bears to his income for the year

multiplied by

(b) the percentage specified in section 3(3) for the year.

(2) Subsection (1) applies to the 1983 and subsequent taxation years.

4(1) Section 4 is amended

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

4(1) In this section, “tax otherwise payable” means the amount that would, but for section 120.1 of the federal Act, be the tax otherwise payable under section 3(1), (2), (2.1) or (2.2) less any royalty tax rebate claimed by an individual under section 11 for the taxation year.

(b) in subsection (2)

(i) by striking out “or (2)” wherever it occurs and substituting “, (2), (2.1) or (2.2)”;

(i) the aggregate of the taxpayer's incomes from sources in that country

(A) for that year, if section 114 of the federal Act is not applicable, or

(B) if section 114 of the federal Act is applicable, for the period or periods in the year referred to in paragraph (a) of that section

on the assumption that

(C) no businesses were carried on by him in that country, and

(D) no amount was deducted under subsection 91(5) of the federal Act in computing his income for the year,

is of

(ii) the taxpayer's income earned in Alberta

(A) in the year, if section 114 of the federal Act is not applicable, or

(B) if section 114 of the federal Act is applicable, in the period or periods of the year referred to in paragraph (a) of that section,

minus any amounts deductible under section 110.1, paragraph 111(1)(b) or section 112 of the federal Act for the year or that period or periods, as the case may be.

3 Amount deemed paid on account of tax.

4 Section 4(1) and (2) presently read:

4(1) In this section "tax otherwise payable" means the tax payable under section 3(1) or (2) less any royalty tax rebate claimed by an individual under section 11 for the taxation year.

(2) The tax payable by an individual under section 3(1) or (2) shall be reduced

(a) for the 1975 and 1976 taxation years, by an amount equal to the lesser of

(i) the tax payable under section 3(1) or (2) for the taxation year, and

(ii) \$80 minus 2% of the individual's taxable income for that year,

(ii) in clause (d) by striking out “and subsequent” and substituting “, 1980, 1981, 1982 and 1983”;

(iii) by adding the following after clause (d):

(e) for the 1984 and subsequent taxation years, by an amount equal to the lesser of

(i) the tax otherwise payable for the taxation year, and

(ii) the amount, if any, by which \$340 exceeds $\frac{1}{2}$ of the tax otherwise payable for the taxation year.

(2) Subsection (1)(a) and (b)(i) apply to the 1982 and subsequent taxation years.

5(1) Section 10 is amended

(a) by repealing subsection (13) and substituting the following:

(13) An individual is entitled to a credit under this section in respect of the taxation year only if he files an application for the credit in the prescribed form

(a) with his return for that taxation year, or

(b) on a day after the return has been filed, but no later than 90 days from the date of mailing of the notice of assessment, reassessment, determination or redetermination, as the case may be

but in no case shall an individual be entitled to a credit under this section unless he files an application for the credit within 1 year from the end of that taxation year.

(13.1) If as a result of an assessment or reassessment of his tax payable for the taxation year an individual has not claimed

- (b) for the 1977 taxation year, by an amount equal to the lesser of
- (i) the tax payable under section 3(1) or (2) for the taxation year, and
 - (ii) the amount, if any, by which the aggregate of
 - (A) \$116, and
 - (B) the lesser of
 - (I) \$300, and
 - (II) the product of \$50 and the number of children under 18 years of age resident in Canada and claimed by the taxpayer as dependants with respect to that taxation yearexceeds $\frac{1}{2}$ of the tax payable under section 3(1) or (2) for the taxation year;
- (c) for the 1978 taxation year, by an amount equal to the lesser of
- (i) the tax otherwise payable for the taxation year, and
 - (ii) the amount, if any, by which the aggregate of
 - (A) \$231, and
 - (B) the lesser of
 - (I) \$300, and
 - (II) the product of \$50 and the number of children under 18 years of age resident in Canada and claimed by the taxpayer as dependants with respect to that taxation yearexceeds the tax otherwise payable for the taxation year;
- (d) for the 1979 and subsequent taxation years, by an amount equal to the lesser of
- (i) the tax otherwise payable for the taxation year, and
 - (ii) the amount, if any, by which \$300 exceeds $\frac{1}{2}$ of the tax otherwise payable for the taxation year.

5 Section 10(13) presently reads:

(13) No individual is entitled to a credit under this section unless he applies for the credit in accordance with the prescribed form of return within 4 years from the end of that taxation year.

the maximum credit under this section to which he is entitled, he may file a revised application for the credit in the prescribed form within 90 days from the date of mailing of the notice of assessment or reassessment in respect of the individual for that taxation year, but not afterwards.

(b) *by adding the following after subsection (15.1):*

(15.2) An individual entitled to a renter assistance credit under this section becomes entitled to that credit on the date that he applies for the credit in accordance with subsection (13) or (13.1).

(2) *Subsection (1) applies to the 1984 and subsequent taxation years.*

6(1) *Section 11 is amended*

(a) *in subsection (1)*

(i) *in clause (f)(i) by striking out “tax payable under section 3(1) or (2)” and substituting “amount that would, but for section 120.1 of the federal Act, be the tax payable under section 3(1), (2), (2.1) or (2.2)”;*

(ii) *by striking out clause (g) and substituting the following:*

(g) “tax payable under the federal Act” means the amount that would, but for section 120.1 of the federal Act, be the tax otherwise payable by an individual in respect of a taxation year determined under section 3(4)(d) for the year in respect of that individual;

(b) *in subsection (3) by striking out “and subsequent” and substituting “, 1979, 1980, 1981, 1982 and 1983”;*

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

(3.1) For the 1984 and subsequent taxation years, an individual is entitled, subject to this section and the regulations, to a royalty tax rebate in respect of a taxation year in an amount equal to the lesser of

(a) the product obtained when the proportion of the sum of his attributed Canadian royalty income for the year and his attributed Canadian royalty income carry forward from the immediately preceding taxation year that

(i) his resource income earned in Alberta for the year as determined in accordance with Part XXVI of the federal regulations

is of

(ii) his total resource income for the year

is multiplied by 43.5% of his federal basic tax rate for the year, and

(b) his tax otherwise payable under this Act for the year.

6 Section 11(1)(f) and (g), (3) and (11) presently read:

11(1) In this section,

(f) "tax otherwise payable under this Act", or any similar expression, means, with respect to the 1978 and subsequent taxation years,

(i) in the case of an individual, the tax payable under section 3(1) or (2) for that taxation year, and

(ii) in the case of a corporation, the tax payable under section 5(1) for that taxation year;

(g) "tax payable under the federal Act" has the meaning assigned thereto by section 3(4)(d).

(3) For the 1978 and subsequent taxation years, an individual is entitled, subject to this section and the regulations, to a royalty tax rebate in respect of a taxation year in an amount equal to the lesser of

(a) the product obtained when

(i) the proportion of the sum of his attributed Canadian royalty income for the year and his attributed Canadian royalty income carry forward from the immediately preceding taxation year that

(A) his resource income earned in Alberta for the year as determined in accordance with Part XXVI of the federal regulations

is of

(B) his total resource income for the year

is multiplied by 38.5% of his federal basic tax rate for the year, and

(b) his tax otherwise payable under this Act for the year.

(11) A taxpayer is entitled to a royalty rebate in respect of a taxation year only if application is made for it by the taxpayer to the Provincial Treasurer in the prescribed form and within the prescribed period.

7 Section 12(7) presently reads:

(7) If 2 or more associated corporations are entitled to a royalty tax credit for taxation years ending in the same calendar year and with respect to the royalty tax credits to which those corporations would be entitled for the taxation year, but for this subsection, either the aggregate of the amounts determined under subsection (4.1)(a)(i) exceeds the aggregate of the maximum allowable credits for the year or the aggregate of the amounts determined under subsection (4.1)(b)(i) exceeds the aggregate of the additional maximum allowable credits for the year, the royalty tax credit for each of those corporations for that taxation year shall be the aggregate of

- (d) *in subsection (7)(a)*
- (i) *by striking out “or” at the end of subclause (iv) and by adding “or” at the end of subclause (v);*
 - (ii) *in subclause (v) by striking out “and subsequent” and substituting “, 1979, 1980, 1981, 1982 and 1983”;*
 - (iii) *by adding the following after subclause (v):*
 - (vi) *in the case of the 1984 and subsequent taxation years, the product of*
 - (A) *43.5% of his basic federal tax rate, and*
 - (B) *the quotient obtained when his resource income earned in Alberta in the taxation year (as determined in accordance with Part XXVI of the federal regulations) is divided by his resource income for that taxation year;*
- (e) *by repealing subsection (11) and substituting the following:*
- (11) *An individual is entitled to a royalty tax rebate in respect of the taxation year only if he files an application for the rebate in the prescribed form*
- (a) *with his return for that taxation year, or*
 - (b) *within 90 days from the date of mailing of the notice of assessment or reassessment.*
- (11.1) *If as a result of an assessment or reassessment of his tax payable for the taxation year an individual has not claimed the maximum royalty tax rebate to which he is entitled, he may file a revised application for the rebate in the prescribed form within 90 days from the date of mailing of the notice of assessment or reassessment in respect of the individual for that taxation year, but not afterwards.*
- (f) *by adding the following after subsection (12):*
- (12.1) *Notwithstanding subsections (11) and (11.1), no application for a royalty rebate in respect of the 1974, 1975, 1976, 1977 or 1978 taxation years shall be made after December 31, 1984.*
- (2) *Subsection (1)(a) applies to the 1982 and subsequent taxation years.*
- (3) *Subsection (1)(e) applies to the 1984 and subsequent taxation years.*
- 7(1) *Section 12 is amended*
- (a) *in subsection (7)*
- (i) *by striking out “aggregate of the maximum allowable credits” and substituting “maximum allowable credit of the group of associated corporations”;*
 - (ii) *by striking out “aggregate of the additional maximum allowable credits” and substituting “additional maximum allowable credit of the group of associated corporations”;*

(b) by adding the following after subsection (18):

(18.1) Notwithstanding subsection (18), no application for a royalty tax credit in respect of the 1974, 1975, 1976, 1977 or 1978 taxation years shall be made after December 31, 1984.

(2) Subsection (1)(a) applies to the 1981 taxation year.

8(1) Section 12.1(12) and (13) are repealed and the following is substituted:

(12) An individual is entitled to a royalty tax credit in respect of the taxation year only if he files an application for the credit in the prescribed form

(a) with his return for that taxation year, or

(b) on a day after the return has been filed, but no later than 90 days from the date of mailing of the notice of assessment, reassessment, determination or redetermination, as the case may be

but in no case shall an individual be entitled to a royalty tax credit unless he files an application for the credit within 1 year from the end of that taxation year.

(13) If as a result of an assessment or reassessment of his tax payable for the taxation year an individual has not claimed the maximum royalty tax credit to which he is entitled, he may file a revised application for the credit in the prescribed form within 90 days from the date of mailing of the notice of assessment or reassessment in respect of the individual for that taxation year, but not afterwards.

(13.1) An individual becomes entitled to receive the amount of the royalty tax credit at the date the application is filed under subsection (12) or (13).

(2) Subsection (1) applies to the 1984 and subsequent taxation years.

9(1) Section 13 is amended

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

(2.1) The amount of tax referred to in subsection (2) shall be computed without any addition or deduction being made under section 120.1 of the federal Act.

(b) by repealing subsection (4) and substituting the following:

(4) An individual is entitled to a deduction under subsection (2) in respect of the taxation year only if he files an application for the deduction in the prescribed form

(a) with his return for that taxation year, or

(b) within 90 days from the date of mailing of the notice of assessment or reassessment.

(5) If as a result of an assessment or reassessment of his tax payable for the taxation year an individual has not claimed

that proportion of the maximum allowable credit of the group of associated corporations determined under subsection (6.1) and that proportion of the additional maximum allowable credit of the group of associated corporations determined under subsection (6.3) allocated to the corporation by an agreement made among those corporations that sets out the proportions in which the maximum allowable credit and the additional maximum allowable credit are to be allocated among them.

8 Section 12.1(12) and (13) presently read:

(12) An individual 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 15(1) or on a date after that return has been filed.

(13) No individual is entitled to a royalty tax credit until he has filed an application in accordance with subsection (12).

9 Section 13(4) presently reads:

(4) A taxpayer is not entitled to a deduction under subsection (2) in respect of a taxation year unless application is made in accordance with the prescribed form of return within 4 years from the end of that taxation year.

the maximum deduction under subsection (2) to which he is entitled, he may file a revised application for the deduction in the prescribed form within 90 days from the date of mailing of the notice of assessment or reassessment in respect of the individual for that taxation year, but not afterwards.

(2) *Subsection (1)(a) applies to the 1982 and subsequent taxation years.*

(3) *Subsection (1)(b) applies to the 1984 and subsequent taxation years.*

10 *Section 17 is amended*

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

(1.1) Where the Provincial Treasurer ascertains the amount of a taxpayer'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 taxpayer in his return of income for that year, the Provincial Treasurer shall, at the request of the taxpayer, determine, with all due dispatch, 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 by whom the return was filed.

(1.2) The provisions of paragraphs 56(1)(l) and 60(o), Division I and Division J of the federal Act, as they relate to an assessment or reassessment and to assessing tax and reassessing tax, are applicable with all necessary modifications to a determination or redetermination and to determining and redetermining amounts under this Division, except that subsections (1) and (2) of this section are not applicable to determinations made under subsection (1.1) and, for greater certainty, an original determination of a taxpayer's non-capital loss, net capital loss or restricted farm loss for a taxation year may be made by the Provincial Treasurer only at the request of the taxpayer.

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

(b) *by repealing subsection (5) and substituting the following:*

(5) Notwithstanding subsection (4), there shall not be included in computing the income of a taxpayer, for the purpose of any reassessment, additional assessment or assessment of tax, interest or penalties under this Act that is made after the expiration of 4 years from the day referred to in subsection (4)(a)(ii), any amount

(a) that was not included in computing his income for the purposes of an assessment of tax made before the expiration of 4 years from that day,

10 Section 17(5) presently reads:

(5) Notwithstanding subsection (4), there shall not be included in computing the income of a taxpayer, for the purposes of any reassessment, additional assessment or assessment of tax, interest or penalties that is made after the expiration of 4 years from the day referred to in subsection (4)(a)(ii), any amount that was not included in computing his income for the purposes of an assessment of tax made before the expiration of 4 years from that day and

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

(b) that the taxpayer establishes cannot reasonably be regarded as relating to a matter specified in a waiver filed by the taxpayer with the Provincial Treasurer, in the form and within the time referred to in subsection (4), with respect to a taxation year to which the reassessment, additional assessment or assessment of tax, interest or penalties, as the case may be, relates.

(b) in respect of which the taxpayer establishes that the failure so to include it did not result from any misrepresentation that is attributable to negligence, carelessness or wilful default or from any fraud in filing a return of his income or supplying any information under this Act, and

(c) where any waiver has been filed by the taxpayer with the Provincial Treasurer, in the form and within the time referred to in subsection (4), with respect to a taxation year to which the reassessment, additional assessment or assessment of tax, interest or penalties, as the case may be, relates, that the taxpayer establishes cannot reasonably be regarded as relating to a matter specified in the waiver.

11(1) Section 18 is amended

(a) in subsection (1)

(i) by striking out “paying” and substituting “paying at any time in a taxation year”;

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

(a) salary or wages or other remuneration,

(iii) by repealing clause (k) and substituting the following:

*(k) a training allowance under the *National Training Act* (Canada),*

(iv) by repealing clauses (m) and (n) and substituting the following:

(m) an amount as, on account or in lieu of payment of, or in satisfaction of, proceeds of the surrender, cancellation or redemption of an income-averaging annuity contract,

*(n) an amount as a benefit under the *Labour Adjustment Benefits Act* (Canada), or*

(o) one or more amounts to an individual who has elected for the year in prescribed form in respect of all such amounts,

(v) by striking out all the words after clause (o) and substituting “shall deduct or withhold therefrom any amount that may be determined in accordance with prescribed rules and shall, at any time that may be prescribed, remit that amount to the Provincial Treasurer on account of the payee’s tax for the year under this Act.”

(b) by repealing subsection (2) and substituting the following:

(2) Where amounts have been deducted or withheld under this section or subsection 153(1) of the federal Act from the remuneration or other payments received by an individual in a taxation year, if the aggregate of the remuneration and other payments from which such amounts have been deducted or

11 Section 18(1) and (2) presently read:

18(1) Every person paying

- (a) salary or wages or other remuneration to an officer or employee,*
- (b) a superannuation or pension benefit,*
- (c) a retiring allowance,*
- (d) an amount on or after the death of an officer or employee, in recognition of his service, to his legal representative or widow or to any other person whatsoever,*
- (e) an amount as a benefit under the Unemployment Insurance Act, 1971 (Canada),*
- (f) an amount as a benefit under a supplementary unemployment benefit plan,*
- (g) an annuity payment,*
- (h) fees, commissions or other amounts for services,*
- (i) a payment under a deferred profit sharing plan or a plan referred to in section 147 of the federal Act as a revoked plan,*
- (j) a payment out of or under a registered retirement income fund,*
- (k) an adult training allowance under the Adult Occupational Training Act (Canada),*
- (l) a payment out of or under a registered retirement savings plan or a plan referred to in subsection 146(12) of the federal Act as an "amended plan";*
- (m) an amount as, on account or in lieu of payment of, or in satisfaction of, proceeds of the surrender, cancellation or redemption of an income-averaging annuity contract, or*
- (n) a termination payment,*

at any time in a taxation year shall deduct or withhold therefrom such amount as may be determined in accordance with regulations and shall, at such time as may be prescribed, remit that amount to the Provincial Treasurer on account of the payee's tax for the year under this Act.

(2) When amounts have been deducted or withheld under this section from the remuneration received by an individual in a taxation year, if the total of those amounts is equal to or greater than 75% of the tax payable for

withheld and which he received in the year is equal to or greater than 75% of his income for the year, he shall, on or before April 30 in the next year, pay to the Provincial Treasurer the remainder of his tax for the year as estimated under section 16.

(2) Subsection (1)(a)(iv) applies on and after March 30, 1983, except that in its application to payments made after November 12, 1981 in respect of a termination of an office or employment that occurred on or before that date, section 18(1)(n), as enacted by subsection (1)(a)(iv) of this section, shall be read as follows:

(n) a termination payment.

12 Section 19(1) is amended by striking out "individual" and substituting "individual, except an individual to whom section 18(2) applies,".

13(1) Section 25 is amended by adding the following after subsection (8):

(8.1) Notwithstanding anything in this section, if the tax payable under this Act by a taxpayer for a taxation year is increased by reason of an adjustment of an income or profits tax payable by him to the government of a country other than Canada or to the government of a state, province or other political subdivision of a country other than Canada, no interest is payable in respect of that increase in tax payable for the period ending 90 days after the day on which the taxpayer is first notified of the amount of the adjustment.

(2) Subsection (1) applies to notifications made on or after January 1, 1981.

14(1) Section 28(6) is repealed and the following is substituted:

(6) For the purposes of this section, "overpayment" means

(a) the amount by which all amounts paid on account of tax, interest and penalties exceed all amounts payable on account of tax, interest and penalties,

(b) the amount of the renter assistance credit to which an individual is entitled less any amounts deducted under section 10(14), or

(c) the amount of the royalty tax credit to which an individual is entitled less any amounts applied under section 12(17).

the year, he shall, on or before April 30 in the next year, pay to the Provincial Treasurer the remainder of his tax for the year as estimated under section 16.

12 Section 19(1) presently reads:

19(1) Every individual whose chief source of income is farming or fishing shall pay to the Provincial Treasurer

(a) on or before December 31 in each taxation year, 2/3 of

(i) the amount estimated by him to be his tax payable under this Act for the year, or

(ii) his tax payable under this Act for the immediately preceding year,

and

(b) on or before April 30 in the next year, the remainder of the tax as estimated under section 16.

13 Interest.

14 Section 28(6) presently reads:

(6) For the purpose of this section "overpayment" means the aggregate of all amounts paid on account of tax minus all amounts payable under this Act or an amount so paid when no amount is so payable.

(2) *Subsection (1) applies to the 1984 and subsequent taxation years.*

15 *Section 41 is amended*

(a) *in subsection (1.1) by striking out “is about to become” and substituting “will be, within 90 days,”;*

(b) *by repealing subsection (1.2) and substituting the following:*

(1.2) Notwithstanding subsection (1), if the Provincial Treasurer knows or suspects that within 90 days

(a) an institution will loan or advance money to, make a payment on behalf of or make a payment in respect of a negotiable instrument issued by a tax debtor who is indebted to the institution and who has granted security in respect of the indebtedness, or

(b) a person, other than an institution, will loan or advance money to or make a payment on behalf of a tax debtor who the Provincial Treasurer knows or suspects

(i) is employed by or is engaged in providing services or property to that person or was or will be, within 90 days, so employed or engaged, or

(ii) is not dealing at arm’s length with that person, where that person is a corporation,

he may, by notice served personally or by certified mail or registered letter, require the institution or person, as the case may be, to pay to the Provincial Treasurer on account of the liability under this Act of the tax debtor the money, in whole or in part, that would otherwise be so loaned, advanced or paid, and any money so paid to the Provincial Treasurer shall be deemed to have been loaned, advanced or paid, as the case may be, to the tax debtor.

(c) *by repealing subsection (4.1) and substituting the following:*

(4.1) A person or institution who fails to comply with a requirement under subsection (1.2) with respect to money to be loaned, advanced or paid is liable to pay to Her Majesty in right of Alberta an amount equal to the lesser of

(a) the aggregate of money so loaned, advanced or paid, and

(b) the amount that the institution or person was required under that subsection to pay to the Provincial Treasurer.

16 *The following is added after section 41:*

41.1 For the purpose of collecting debts owed by a person to Her Majesty under this Act, the Provincial Treasurer may purchase or otherwise acquire any interest in that person’s property that the Provincial Treasurer is given a right to acquire in legal proceedings or under a court order or that is offered for sale or

15 Section 41 presently reads in part:

41(1) In this section,

(a) "tax debtor" means a person who is or is about to become indebted or liable to make a payment under this Act;

(b) "institution" means a bank, credit union, trust company, treasury branch or other similar person.

(1.1) Where the Provincial Treasurer has knowledge or suspects that a person is or is about to become indebted or liable to make any payment to a tax debtor, he may, by registered letter or by a letter served personally, require that person to pay the money otherwise payable to the tax debtor in whole or in part to the Provincial Treasurer on account of the tax debtor's liability under this Act.

(1.2) Without limiting the generality of subsection (1), where the Provincial Treasurer has knowledge or suspects that an institution is about to advance money to, or make a payment on behalf of, or make a payment in respect of a negotiable instrument issued by, a tax debtor who is indebted to the institution and who has granted security to the institution in respect of the indebtedness, he may, by registered letter or by a letter served personally, require the institution to pay to the Provincial Treasurer on account of the tax debtor's liability under this Act the money that would otherwise be so advanced or paid.

(4.1) Every institution that fails to comply with a requirement under subsection (1.2) is liable to pay to Her Majesty in right of Alberta an amount equal to the lesser of

(a) the aggregate of the money advanced or paid, or

(b) the amount that it was required under subsection (1.2) to pay to the Provincial Treasurer.

16 Collection of debts owing under Act.

redemption and he may dispose of any interest so acquired in any manner that he considers reasonable.

41.2(1) If the Provincial Treasurer knows or suspects that a person is holding money that was seized from a tax debtor by a peace officer in the course of administering or enforcing the criminal law of Canada and that the money is required to be restored to the tax debtor, he may, by a letter served personally or by registered letter, require that person to turn over the money otherwise required to be restored to the tax debtor, in whole or in part, to the Provincial Treasurer on account of the tax debtor's liability under this Act.

(2) The receipt of the Provincial Treasurer for money turned over as required by this section is a good and sufficient discharge of the requirement to restore the money to the tax debtor to the extent of the amount so turned over.

(3) In this section "tax debtor" means a person liable to make a payment under this Act.

17(1) The following is added after section 44:

44.1(1) If a corporation has failed to deduct or withhold an amount as required by section 18 or has failed to remit that amount, the directors of the corporation at the time the corporation was required to deduct or withhold the amount, or remit the amount, are jointly and severally liable, together with the corporation, to pay any amount that the corporation is liable to pay under this Act in respect of that amount, including any interest or penalties related to it.

(2) A director is not liable under subsection (1), unless

(a) a certificate for the amount of the corporation's liability referred to in that subsection has been registered in the court under section 39(2) and execution for that amount has been returned unsatisfied in whole or in part,

(b) the corporation has commenced liquidation or dissolution proceedings or has been dissolved and a claim for the amount of the corporation's liability referred to in that subsection has been proved within 6 months after the earlier of the date of commencement of the proceedings and the date of dissolution, or

(c) the corporation has made an assignment or a receiving order has been made against it under the *Bankruptcy Act* (Canada) and a claim for the amount of the corporation's liability referred to in that subsection has been proved within 6 months after the date of the assignment or receiving order.

(3) A director is not liable for a failure under subsection (1) where he exercised the degree of care, diligence and skill to prevent the failure that a reasonably prudent person would have exercised in comparable circumstances.

(4) No action or proceedings to recover any amount payable by

17 Liability of directors of a corporation.

a director under subsection (1) shall be commenced more than 2 years after he last ceased to be a director of that corporation.

(5) If execution referred to in subsection (2)(a) has issued, the amount recoverable from a director is the amount remaining unsatisfied after execution.

(6) If a director pays an amount in respect of a corporation's liability referred to in subsection (1) that is proved in liquidation, dissolution or bankruptcy proceedings, he is entitled to any preference that Her Majesty would have been entitled to had that amount not been so paid and, where a certificate that relates to such amount has been registered, he is entitled to an assignment of the certificate to the extent of his payment, which assignment the Provincial Treasurer is hereby empowered to make.

(7) A director who has satisfied a claim under this section is entitled to contribution from the other directors who were liable for the claim.

(2) Subsection (1) applies with respect to amounts required to be deducted and remitted or withheld and remitted on or after November 13, 1981.

18 Section 54 is amended by adding the following after subsection (2):

(2.1) Subsection (1) does not apply to the communication of information obtained under this Act as to the name, address, occupation or type of business of a taxpayer by the Provincial Treasurer to a person employed by a department or agency of the Government of Alberta solely for the purpose of enabling that department to obtain statistical data for research and analysis.

19(1) Section 11(1)(a)(iii) shall be deemed to have come into force on August 2, 1982.

(2) Sections 11(1)(a)(i), (ii) and (v), 11(1)(b), 12, 15 and 16 shall be deemed to have come into force on March 30, 1983.

In accordance with section 4(1) of the Interpretation Act, this Bill, except sections 11(1)(a)(i),(ii), (iii) and (v), 11(1)(b), 12, 15 and 16, comes into force on the date it receives Royal Assent.

18 Section 54(2) presently reads:

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

(a) the Minister and the Provincial Treasurer, or

(b) the Minister, acting on behalf of Alberta, and the provincial treasurer, the provincial secretary-treasurer or the minister of finance of the government of

(i) an agreeing province, or

(ii) a non-agreeing province to which an adjusting payment may be made under section 62(2).