

1985 BILL 265

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Third Session, 20th Legislature, 34 Elizabeth II

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 265**

**AN ACT TO AMEND THE ALBERTA INCOME TAX ACT (NO. 2)**

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MR. JONSON

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First Reading .....

Second Reading .....

Committee of the Whole .....

Third Reading .....

Royal Assent .....

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*Bill 265*  
*Mr. Jonson*

## **BILL 265**

1985

### **AN ACT TO AMEND THE ALBERTA INCOME ACT (NO. 2)**

*(Assented to , 1985)*

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 The following is added after section 10:*

#### **Farm Business Investment Tax Credit**

**10.1(1)** This section applies only to an individual whose principal source of income is from the farming of land in Alberta.

(2) An individual who

(a) resided in Alberta on the last day of the taxation year,

(b) attained the full age of 18 years on the last day of the taxation year,

(c) was actively engaged in farming in Alberta for no less than 183 days in the taxation year

is entitled to a farm business investment tax credit for that year in accordance with this section, the regulations made hereunder, the federal Act and the federal regulations.

(3) A farm business investment tax credit under this section for the 1985 and subsequent taxation years shall be an amount equal to that part of any business investment tax credit to

## **Explanatory Notes**

**1** This Bill will amend chapter A-31 of the Revised Statutes of Alberta 1980.

**2** New section provides for a business investment tax credit of 5% of farm capital investment. The credit is not to exceed \$15 000 in any one taxation year. Credits may be based on expenditure in the taxation year or any of the 5 preceding taxation years.

which the individual is entitled under the provisions of the federal Act, for the taxation year in question, that relates to the cost of

- (a) qualified farm property,
- (b) qualified farming equipment,
- (c) qualified transportation equipment,
- (d) qualified farm storage equipment.

(4) An individual is entitled to a credit under this section in respect of the taxation year only if he files and application for the period 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 and application for the credit within one year from the end of that taxation year.

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

(6) When an individual is entitled to a credit under this section for any taxation year and has applied for the credit in accordance with this section, the Provincial Treasurer

- (a) may deduct the credit from any tax, interest or penalty otherwise owing by the individual for that or any preceding taxation year under this Act, the income tax statute of any agreeing province or the federal Act,
- (b) may deduct the credit from any contribution, interest or penalty otherwise owing by the individual for that or any preceding taxation year under the *Canada Pension Plan* (Canada),



(c) may deduct the credit from any premium interest or penalty otherwise owing by the individual for that or any preceding taxation year under the *Unemployment Insurance Act*, 1971 (Canada), or

(d) if the credit exceeds any deductions under this section shall pay the amount of the excess to the individual from taxes, interests and penalties collected under this Act.

(7) The Lieutenant Governor in Council may make regulations defining any expression used in this section that is not otherwise defined.

(8) The Provincial Treasurer may prescribe the form of returns for the purposes of this section.

(9) An individual entitled to a farm business investment tax credit under this section becomes entitled to the credit on the date that he applies for it in accordance with this section.

3 *This Act comes into force on Proclamation.*

### **3** Coming into force.