

1986 BILL 45

First Session, 21st Legislature, 35 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 45

**ALBERTA CORPORATE INCOME TAX
AMENDMENT ACT, 1986**

THE PROVINCIAL TREASURER

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 45

1986

ALBERTA CORPORATE INCOME TAX AMENDMENT ACT, 1986

(Assented to _____, 1986)

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(1) Section 2 is amended

(a) in subsection (6) by adding “or designations” before “are not applicable”;

(b) by adding the following after section 2(9):

(10) Subsection 248(7) of the federal Act does not apply for the purposes of this Act.

(2) Subsection (1)(a) applies to 1985 and subsequent taxation years.

(3) Subsection (1)(b) applies after 1984.

3(1) Section 8 is amended

(a) in subsection (1) by adding “(1.1),” after “subsections”;

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

(1.1) In the application of subdivision b of Division B of Part I of the federal Act, a reference to amounts deducted under subsection 127(5) of the federal Act includes the amounts deemed to have been deducted under that subsection by subsection 127.1(3) or 192(10) of the federal Act.

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

4(1) Section 9 is amended

(a) by renumbering it as section 9(1);

(b) in subsection (1) by striking out “Subdivision” and substituting “Subject to subsection (2), subdivision”;

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

(2) In the application of subdivision c of Division B of Part I of the federal Act, a reference to amounts deducted under subsection 127(5) of the federal Act includes the amounts

Explanatory Notes

- 1** This Bill will amend chapter A-17 of the Revised Statutes of Alberta 1980.
- 2** Subsection 248(7) of the federal Act reads as follows:
(7) For the purposes of this Act, anything sent by mail shall be deemed to have been received by the recipient on the day that it was mailed.
- 3** Section 8(1) presently reads:
8(1) Subject to subsections (2), (2.1) and (3), subdivision b of Division B of Part I of the federal Act applies in determining the income or loss of a corporation from a business or property for a taxation year.
- 4** Section 9 presently reads:
9 Subdivision c of Division B of Part I of the federal Act applies to determine the taxable capital gains and allowable capital losses of a corporation from the disposition of any property.

deemed to have been deducted under that subsection by subsection 127.1(3) or 192(10) of the federal Act.

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

5(1) *Section 18 is amended*

(a) *in subsection (1) by adding “plus any amount added under subsection (1.1) and” after “Act”;*

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

(1.1) There may be added to a corporation’s taxable income otherwise determined for a taxation year any amount up to the amount added by the corporation under section 110.5 of the federal Act to the extent that the addition does not increase an amount deductible by the corporation under section 22 or 22.1 for the year.

(c) *in subsection (3) by striking out “and” at the end of clause (a) and adding the following after clause (a):*

(a.1) clause 111(8)(a)(ii)(B) shall be read as if “or claimed by him under paragraph 186(1)(c) or (d)” were struck out,

(a.2) to determine the non-capital loss of a corporation for a taxation year, the reference to section 110.5 in subparagraph 111(8)(b)(ii) shall be read as a reference to section 18(1.1) of this Act, and

(2) *Subsection (1) applies to 1985 and subsequent taxation years.*

6(1) *Section 20 is amended*

(a) *in subsection (5)*

(i) *by striking out “Where” and substituting “Except with respect to an amalgamation or winding-up to which subsection (6.1) or (6.2) applies, if”;*

(ii) *by striking out “another corporation” and substituting “another person”;*

(iii) *by striking out “used by it” and substituting “used by him”;*

(iv) *in clause (a) by striking out “in respect of its taxation year” and substituting “or under section 11(6) or (7) of the Alberta Income Tax Act in respect of his taxation year”;*

(v) *in clause (b) by striking out “or 66.4” and substituting “, 66.4 or 66.5”;*

(vi) *by striking out “predecessor corporation in determining its royalty” and substituting “predecessor in determining his royalty”;*

(vii) *by striking out “subsequent to its” and substituting “subsequent to his”;*

(viii) *by striking out “predecessor corporation” wherever it occurs and substituting “predecessor”;*

5 Section 18 presently reads:

18(1) Taxable income for the taxation year shall be income as determined under Part 2 of this Act less any deductions allowed by subsection (2).

(2) Subject to subsection (3), sections 110, 111, 112 and 113 of the federal Act apply in the calculation of taxable income for the purposes of this Act.

(3) In the application of section 111 of the federal Act

(a) subparagraph 111(3)(a)(ii) does not apply, and

(b) with respect to the computation of taxable income for taxation years of a corporation to which this Act applies, no deduction shall be allowed for a corporation's non-capital losses, net capital losses, restricted farm losses or farm losses determined under this Act for the 1983 or subsequent taxation years to the extent that those losses have been deducted in computing taxable income for taxation years of the corporation to which the old Act applies.

6 Section 20(5) and (6) presently read:

(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 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 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.

(b) in subsection (6)

(i) by striking out “Where” and substituting “Except with respect to an amalgamation or winding-up to which subsection (6.1) or (6.2) applies, if”;

(ii) in clause (b) by striking out “or 66.4” and substituting “, 66.4 or 66.5”;

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

(6.1) If there has been an amalgamation of corporations described in paragraph 87(1.1)(a) or (b) of the federal Act, the new corporation shall, for the purposes of this section, be deemed to be the same corporation as and a continuation of each predecessor corporation, except that this subsection shall in no respect affect the determination of any predecessor corporation’s fiscal period, taxable income or tax payable.

(6.2) For the purposes of this section, if the rules in subsection 88(1) of the federal Act applied to the winding-up of a subsidiary, its parent shall be deemed to be the same corporation as and a continuation of the subsidiary.

(2) Subsection (1)(a)(i), (b)(i) and (c) apply with respect to amalgamations occurring and windings-up commencing after 1982.

(3) Subsection (1)(a)(v) and (b)(ii) apply to 1985 and subsequent taxation years.

(4) Subsection (1)(a)(ii) to (iv) and (vi) to (viii) apply with respect to acquisitions of property by a successor corporation from a predecessor after April 19, 1983.

7(1) Section 22.1(1)(h) is amended by repealing subclauses (vi) and (vii) and substituting the following:

(vi) processing ore, other than iron ore or tar sands, from a mineral resource to any stage that is not beyond the prime metal stage or its equivalent,

(vii) processing iron ore from a mineral resource to any stage that is not beyond the pellet stage or its equivalent,

(vii.1) processing tar sands to any stage that is not beyond the crude oil stage or its equivalent,

(2) Subsection (1) applies to 1985 and subsequent taxation years.

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

(a) the amount determined under subsection (5)(a) in respect of the first successor corporation to the extent that the amount has not been included in the attributed Canadian royalty income of the first successor corporation for its previous taxation year in which the property so acquired was acquired by the second successor corporation and has not been included in the attributed Canadian royalty income of the second successor corporation for a taxation year, and

(b) an amount equal to such part of its income for the year if no deduction were allowed under section 65, 66, 66.1, 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 acquired from the first successor corporation's predecessor corporation within the meaning of subsection (5),

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

7 Section 22.1(1)(h) presently reads:

22.1(1) In this section, except as otherwise provided in subsections (8) and (9),

(h) "manufacturing or processing" does not include

(i) farming or fishing,

(ii) logging,

(iii) construction,

(iv) operating an oil or gas well or processing heavy crude oil recovered from a natural reservoir in Canada to a stage that is not beyond the crude oil stage or its equivalent,

(v) extracting minerals from a mineral resource,

(vi) processing, to the prime metal stage or its equivalent, ore (other than iron ore) from a mineral resource,

(vii) processing, to the pellet stage or its equivalent, iron ore from a mineral resource,

(viii) producing industrial minerals other than sulphur produced by processing natural gas,

(ix) producing or processing electrical energy or steam, for sale,

(x) processing gas, if such gas is processed as part of the business of selling or distributing gas in the course of operating a public utility, or

8(1) Section 25 is amended

- (a) by repealing subsection (1)(c)(ii) and substituting the following:*
 - (ii) a certificate of completion has been issued to the corporation by the Minister of Housing or the Minister of Municipal Affairs, as the case may be, before July 1, 1987, and*
 - (b) in subsection (4) by striking out "Alberta Mortgage and Housing Corporation" wherever it occurs and substituting "Minister of Housing or the Minister of Municipal Affairs, as the case may be,";*
 - (c) in subsection (4.1) by striking out "1985" and substituting "1990";*
 - (d) in subsection (5) by striking out "Alberta Mortgage and Housing Corporation" and substituting "person who issued it".*
- (2) Subsection (1) applies after June 30, 1985.*

(xi) any manufacturing or processing of goods for sale or lease, if, for any taxation year of a corporation in respect of which the expression is being applied, less than 10% of its gross revenue from all active businesses carried on in Canada was from

(A) the selling or leasing of goods manufactured or processed in Canada by it, and

(B) the manufacturing or processing in Canada of goods for sale or lease, other than goods for sale or lease by it;

8 Section 25(1)(c), (4), (4.1) and (5) presently read:

25(1) In this section,

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

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

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

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

but does not include property

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

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

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

(d) “residential unit” means a self-contained domestic establishment referred to in clause (c)(i) but does not include a property described in clause (c)(iv), (v) or (vi).

(4) A corporation is not entitled to an Alberta rental investment tax credit in respect of a taxation year unless a certificate of completion issued by the Alberta Mortgage and Housing Corporation and, where the qualifying Alberta multiple unit residential building is owned in partnership or is owned by more than one person, a copy of the ownership agreement issued by the Alberta Mortgage and Housing Corporation accompany an application made under this section.

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

(5) A certificate issued under subsection (1)(c)(i) or (ii) may be revoked by the Alberta Mortgage and Housing Corporation if

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

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

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

9(1) Section 26 is amended

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

(f) “restricted corporation” means a corporation described in subsection (1.12);

(g) “restricted partnership” means a partnership described in subsection (1.13);

(h) “restricted resource property” means

(i) 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,

(ii) if subclause (i) does not apply, 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 that was disposed of after its finished drilling date and after April 7, 1986 by a restricted corporation, or

(iii) if subclause (i) does not apply, 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 that was disposed of after its finished drilling date and after April 7, 1986 by a restricted partnership.

(b) by repealing subsection (1.1) and substituting the following:

(1.1) A corporation shall not include in computing its Alberta crown royalty for a taxation year

(a) 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,

(i) after August 31, 1982 in respect of a restricted resource property described in subsection (1)(h)(i), unless the corporation is an exempt corporation, or

(ii) after March 31, 1986 in respect of a restricted resource property described in subsection (1)(h)(ii),

9 Section 26 presently reads in part:

26(1) In this Division,

(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.

(1.5) 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 acquisition 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).

(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,

or

(b) the restricted percentage of 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 March 31, 1986 in respect of a restricted resource property described in subsection (1)(h)(iii).

(1.11) If the restricted resource property is disposed of by only 1 restricted partnership, the restricted percentage of the amounts referred to in subsection (1.1)(b) is the greater of

(a) the aggregate of all percentages, each of which represents the participation in the profits of the restricted partnership of a restricted corporation that was a partner in the restricted partnership during the last fiscal period of the restricted partnership that ends prior to the date of the disposition of the restricted resource property by the restricted partnership, and

(b) the aggregate of all percentages, each of which represents the participation in the profits of the restricted partnership of a restricted corporation that was a partner in the restricted partnership

(i) during the fiscal period of the restricted partnership in which the date of the disposition of the restricted resource property by the restricted partnership occurred, and

(ii) on or before the date of the disposition of the restricted resource property.

(1.111) If the restricted resource property is disposed of by more than 1 restricted partnership, the restricted percentage of the amounts referred to in subsection (1.1)(b) is the largest of the restricted percentages determined under subsection (1.11) for each of the restricted partnerships.

(1.12) A corporation is a restricted corporation at any particular time if, during its last taxation year ending before that time,

(a) it has Alberta crown royalty in excess of \$4 000 000, or

(b) it is associated with 1 or more corporations and the sum of

(i) the Alberta crown royalty of the corporation for that taxation year, and

(ii) the aggregate of all amounts, each of which is the Alberta crown royalty of an associated corporation for its taxation year that ends in that taxation year of the corporation

is in excess of \$4 000 000.

(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.

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

(1.13) A partnership is a restricted partnership at any particular time if, at any time during the period commencing 365 days prior to the particular time, 1 or more restricted corporations are partners in the partnership.

(1.14) For the purposes of subsection (1.12), the Alberta crown royalty of a corporation for a taxation year is an amount equal to the product of

- (a) the Alberta crown royalty of the corporation for the taxation year as otherwise determined, and

- (b) the ratio of 365 to the number of days in the taxation year.

(1.141) For the purposes of subsection (1.12), if the last taxation year of a corporation that is not a new corporation referred to in subsection (1.145) ending before the particular time, referred to in this subsection as the “actual taxation year”,

- (a) is the corporation’s first taxation year, and

- (b) consists of less than 365 days,

the last taxation year of the corporation ending before the particular time is deemed to commence 365 days prior to the first day of the taxation year immediately following the actual taxation year and to end on the last day of the actual taxation year.

(1.142) For the purposes of subsection (1.12)(b), if the last taxation year of a corporation that is not a new corporation referred to in subsection (1.141) or (1.145) ending before the particular time, referred to in this subsection as the “actual taxation year”, consists of less than 365 days, the last taxation year of the corporation ending before the particular time is deemed to commence 365 days prior to the first day of the taxation year immediately following the actual taxation year and to end on the last day of the actual taxation year.

(1.143) If a corporation is a new corporation, other than a corporation referred to in subsection (1.144), and does not have a taxation year ending before the particular time,

- (a) for the purposes of subsection (1.12)(a) and (b)(i), the corporation is deemed to have a taxation year that commences on the date the corporation commences to carry on business and ends on the date immediately prior to the particular time, and

- (b) for the purposes of subsection (1.12)(b)(ii), the corporation is deemed to have a taxation year that commences 365 days prior to the particular time and ends on the date immediately prior to the particular time.

(1.144) For the purposes of subsection (1.12), if a corporation is a new corporation formed by the amalgamation of 2 or more predecessor corporations and the new corporation does

not have a taxation year ending before the particular time, the new corporation is deemed

- (a) to have a taxation year that commences 365 days prior to the particular time and ends on the date immediately prior to the particular time,
- (b) to have Alberta crown royalty in that taxation year in an amount equal to the aggregate of
 - (i) the Alberta crown royalty of each predecessor corporation for the period described in clause (a), and
 - (ii) the Alberta crown royalty of the new corporation for the period described in clause (a),

and

- (c) to be associated with a corporation that is associated with a predecessor corporation of the new corporation during the 365-day period described in clause (a).

(1.145) For the purposes of subsection (1.12), if a corporation is a new corporation formed by the amalgamation of 2 or more predecessor corporations and the last taxation year of the new corporation ending before the particular time, referred to in this subsection as the “actual taxation year”, is the corporation’s first taxation year and consists of less than 365 days,

- (a) the last taxation year of the new corporation ending before the particular time is deemed to commence 365 days prior to the first day of the taxation year immediately following the actual taxation year and to end on the last day of the actual taxation year,
- (b) the new corporation is deemed to have Alberta crown royalty in that last taxation year in an amount equal to the aggregate of
 - (i) the Alberta crown royalty of each predecessor corporation for the 365-day period described in clause (a), and
 - (ii) the Alberta crown royalty of the new corporation for the 365-day period described in clause (a),

and

- (c) the new corporation is deemed to be associated with a corporation that is associated with a predecessor corporation of the new corporation during the 365-day period described in clause (a).

(1.15) Notwithstanding subsection (3), if the Provincial Treasurer is satisfied that

- (a) the separate existence of 2 or more corporations at any time is not solely for the purpose of carrying out the business of those corporations in the most effective manner, and

(b) one of the main reasons for the separate existence of the corporations is to avoid 1 or more of those corporations' remaining or becoming a restricted corporation,

the Provincial Treasurer may direct that all of the corporations are deemed to be associated with each other during a taxation year for the purposes of subsection (1.12).

(c) *in subsection (1.2) by striking out "subsection (1)(f)" and substituting "subsection (1)(h)(i)";*

(d) *by repealing subsection (1.5) and substituting the following:*

(1.5) Notwithstanding subsections (1)(e), (1.7), (1.8) and (1.9), if at any time control of an exempt corporation is acquired by a person, that corporation is deemed not to be an exempt corporation for the taxation year in which control is acquired and for all subsequent taxation years unless the Provincial Treasurer is satisfied that the result of the acquisition of control of the corporation by that person is not to increase the amount of royalty tax credit that would otherwise be determined under this Act.

(1.51) For the purposes of this Division, if at any time after April 7, 1986 control of a restricted corporation is acquired by a person and on the date of the acquisition of control the restricted corporation owns 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, the restricted corporation is deemed to have disposed of and reacquired that right, interest or part immediately prior to the date of the acquisition of control unless the Provincial Treasurer is satisfied that the result of the acquisition of control of the restricted corporation by that person is not to increase the amount of royalty tax credit that would otherwise be determined under this Act.

(1.52) If at any time after April 7, 1986 control of a corporation is acquired by a person and the corporation is associated with a restricted corporation immediately prior to the date of the acquisition of control, the corporation is deemed to have been a restricted corporation immediately prior to the date of the acquisition of control.

(1.53) For the purposes of this Division, if a new corporation is formed by the amalgamation at any time after April 7, 1986 of 2 or more predecessor corporations and as a result of the amalgamation the property owned by a predecessor corporation immediately before the date of the amalgamation that consisted of 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 became the property of the new corporation, the predecessor corporation is deemed to have disposed of that right or interest and the new corporation is deemed to have acquired that right or interest on the date of the amalgamation unless the Provincial Treasurer is satisfied that the result of the amalgamation is not to increase the amount of royalty tax credit that would otherwise be determined under this Act.

(e) in subsection (1.6) by striking out “and (1.8)” and substituting “, (1.8) and (1.92)”;

(f) by adding the following after subsection (1.8):

(1.9) Notwithstanding subsection (1)(e), if at any time after March 31, 1986 a new corporation is formed by the amalgamation of

(a) a corporation and 1 or more of its subsidiary wholly-owned corporations, or

(b) 2 or more corporations, each of which is a subsidiary wholly-owned corporation of the same corporation,

and 1 of the corporations referred to in clause (a) or (b) is an exempt corporation immediately prior to the date of the amalgamation, the new corporation is deemed to be an exempt corporation as of the first day of its first taxation year.

(1.91) If at any time after April 7, 1986 a restricted corporation

(a) amalgamates with

(i) 1 or more of its subsidiary wholly-owned corporations,

(ii) 1 or more corporations, each of which is a subsidiary wholly-owned corporation of the same corporation of which the restricted corporation is a subsidiary wholly-owned corporation; or

(iii) a corporation of which the restricted corporation is a subsidiary wholly-owned corporation,

or

(b) is wound up in circumstances to which subsection 88(1) of the federal Act applies,

and 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 is deemed to have been disposed of to the new corporation pursuant to subsection (1.53) or is disposed of as a result of the winding-up, for the purposes of subsection (1)(h)(ii) that disposition is deemed not to have occurred.

(1.92) If at any particular time after April 7, 1986 a restricted corporation disposes of 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 to a corporation that is associated with it immediately before the date of the disposition, for the purposes of subsection (1)(h)(ii),

(a) that disposition is deemed not to have occurred, and

(b) the corporation acquiring the right, interest or part is deemed to be a restricted corporation with respect to any disposition by it of 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 that takes place within 365 days of that particular time.

(g) *by adding the following after subsection (3.1):*

(3.2) For the purposes of this Division, if all the shares and rights to acquire shares of the capital stock of a corporation are owned directly or indirectly by 1 or more registered pension funds or plans and the corporation is associated with another corporation by reason only that the other corporation is

(a) a trustee under a trust pursuant to which the corporation is controlled, or

(b) associated with the trustee described in paragraph (a),

the corporations are deemed not to be associated with each other in the taxation year unless,

(c) the corporation and the other corporation are otherwise associated in the taxation year, or

(d) at any time in the taxation year, 20% or more of the issued shares of any class of the capital stock of each of the corporation and the other corporation is owned by 1 registered pension fund or plan.

(2) *Subsection (1)(a) to (f) apply after March 31, 1986.*

(3) *Subsection (1)(a) to (f) do not apply to*

(a) *the disposition of property by a restricted corporation or a restricted partnership, or*

(b) *the acquisition of the control of a restricted corporation or a corporation associated with a restricted corporation*

if the property is disposed of or the control is acquired pursuant to the terms of a contract, other than an option, entered into and enforceable on or before April 7, 1986.

(4) *Subsection (1)(g) applies to taxation years ending after this Act comes into force.*

10(1) *Section 26.1 is amended*

(a) *by repealing subsections (2) and (3) and substituting the following:*

(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%,*

(b) *for taxation years beginning after December 31, 1983 and ending before April 1, 1986, 50%, and*

(c) *for taxation years beginning after December 31, 1986, 75%.*

10 Section 26.1 presently reads in part:

(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

(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,

(b) for taxation years beginning after December 31, 1983 and ending before April 1, 1986, the lesser of

(i) \$2 000 000, and

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

and

(c) for taxation years beginning after December 31, 1986, the lesser of

(i) \$3 000 000, and

(ii) that proportion of \$3 000 000 that the number of days in the taxation year bears to 365.

(b) by repealing subsection (7) and substituting the following:

(7) The aggregate of the maximum allowable credits allocated among 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,

(b) for taxation years beginning after December 31, 1983 and ending before April 1, 1986, 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, and

(c) for taxation years beginning after December 31, 1986, the lesser of

(i) \$3 000 000, and

(ii) that proportion of \$3 000 000 that the number of days in the taxation year of the associated corporation with the longest year bears to 365.

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

(13) Notwithstanding subsection (2), if a corporation is a member of a partnership whose fiscal period begins before

- (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.*
- (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.*
- (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 January 1, 1984 shall be determined as if the reference in subsection (2)(b) to "50%" were to "75%".*
- (14) *A corporation is entitled to a royalty tax credit in respect of the taxation year only if it files an application for the credit in the prescribed form*
- (a) *with its 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 a corporation be entitled to a royalty tax credit unless it files an application for the credit within 1 year from the end of that taxation year.*

September 1, 1981 or ends before January 1, 1985 and the corporation is deemed to have Alberta crown royalty under subsection (12) or (12.1), 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 January 1, 1984 shall be determined as if the reference in subsection (2)(b) to "50%" were to "75%".

(13.1) Notwithstanding subsection (2), if a corporation is a member of a partnership whose fiscal period ends after December 31, 1986 and the corporation is deemed to have Alberta crown royalty under subsection (12) or (12.1), 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 January 1, 1987 and after March 31, 1986 shall be determined as if the reference in subsection (2)(c) to "75%" were to "95%", and

(b) before April 1, 1986 shall be determined as if the reference in subsection (2)(c) to "75%" were to "50%";

(d) in subsection (14) by striking out "but in no case shall a corporation be entitled to a royalty tax credit unless it files an application for the credit within 1 year from the end of that taxation year".

(2) Subsection (1)(a) to (c) apply after March 31, 1986.

(3) Subsection (1)(d) applies to taxation years commencing on or after January 1, 1984.

11(1) The following is added after section 26.3:

26.31(1) Notwithstanding section 26.1(1) to (8) and (13.1),

(a) if a corporation has Alberta crown royalty in a taxation year part or all of which is in the period commencing April 1, 1986 and ending December 31, 1986, or

(b) if a corporation has Alberta crown royalty in a taxation year when it is associated with another corporation in a taxation year of the other corporation part or all of which is in the period commencing April 1, 1986 and ending December 31, 1986,

it is entitled to a royalty tax credit for the year in an amount equal to the aggregate of

(c) 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),

11 Transitional provisions.

and

(d) the lesser of

(i) the aggregate of

(A) 45% of the corporation's Alberta crown royalty for the period in the year after March 31, 1986 and before January 1, 1987, and

(B) 25% of the corporation's Alberta crown royalty for the period in the year after December 31, 1986,

and

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

(2) A corporation's 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 taxation 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 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) \$1 000 000, and

(b) that proportion of \$1 000 000 that the number of days in the taxation year after March 31, 1986 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 the 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 proportion 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 after March 31, 1986, 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.

(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 among 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 among the associated corporations in accordance with the agreement.

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

- (a) \$2 000 000, and
- (b) the 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 among 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 after March 31, 1986 in the taxation year of the associated corporation whose taxation year contains the greatest number of days after March 31, 1986 bears to 365.

(2) *Subsection (1) applies after March 31, 1986.*

12 *Section 26.41(b) is amended by striking out "excluded" and substituting "deducted".*

12 Section 26.41 presently reads:

26.41 The aggregate of all royalty tax credits paid under this Act shall

(a) be applied by the Provincial Treasurer to reduce non-renewable resource revenue, as defined in the Alberta Heritage Savings Trust Fund Act, and

(b) be excluded from the total amounts used to determine the transfers required to be made to the Alberta Heritage Savings Trust Fund pursuant to section 5 of the Alberta Heritage Savings Trust Fund Act or any Special Act referred to in that section and enacted before or after the commencement of this section, notwithstanding anything in those Acts.

13(1) Section 26.5(1)(d)(ii) is amended by striking out “January 1, 1986” and substituting “July 1, 1987”.

(2) Subsection (1) applies after 1985.

14(1) Section 30(7) is amended by striking out “paragraphs 131(1.1)(b) and (6)(c)” and substituting “paragraph 131(1.1)(b)”.

(2) Subsection (1) applies to 1985 and subsequent taxation years.

15 Section 32(3) is repealed.

16(1) Section 35(3)(b) is amended by striking out “property described in any of paragraphs 59(2)(a) to (e) of the federal Act” and substituting “a Canadian resource property or foreign resource property”.

(2) Subsection (1) applies to taxation years commencing after 1984.

13 Section 26.5(1)(d) presently reads:

26.5(1) In this Division,

(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 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 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).

14 Section 30(7) presently reads:

(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.

15 Section 32(3) presently reads:

(3) In the application of subsection 137(7) of the federal Act, the references to sections 123.4, 123.5, 127 and 127.1 are struck out and the reference to section 125 shall be deemed to be a reference to section 22 of this Act.

16 Section 35(3) presently reads:

(3) If at any time after November 12, 1981, a corporation ceases to be exempt from tax under this Act on its taxable income, the following rules apply:

(a) the taxation year of the corporation that would otherwise have included that time shall be deemed to have ended at that time and a new taxation year shall be deemed to have commenced immediately thereafter,

(b) the corporation shall be deemed to have disposed, immediately before that time, of each property, other than property described in any of paragraphs 59(2)(a) to (e) of the federal Act, that was owned by it immediately before that time for an amount equal to its fair market value at that time and to have reacquired the property immediately after that time at a cost equal to that fair market value, and

(c) where clause (b) applies in respect of depreciable property of the corporation and the capital cost thereof to the corporation immediately before that time exceeds the fair market value thereof at that time, for the purposes of section 8,

(i) the capital cost of the property to the corporation immediately after that time shall be deemed to be the amount that was its capital cost thereof before that time, and

(ii) the excess shall be deemed to have been allowed to the corporation in respect of the property in computing its income for taxation years ending before that time.

17(1) Section 38 is amended

(a) in subsection (1),

(i) by striking out “during the 14-month period ending 2 months after the close of each taxation year” and substituting “in respect of each of its taxation years”;

(ii) in clause (a)(i) by striking out “of the first 12 months in that period” and substituting “month in the year”;

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

(ii) on or before the last day of each of the first 2 months in the year, 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 following months in the year, an amount equal to 1/10 of the amount remaining after deducting the amount computed pursuant to this subclause in respect of the first 2 months from its first instalment base for the year, or

(iv) in clause (a)(iii) by striking out “of the first 12 months in that period” and substituting “month in the year”;

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

(b) on or before the end of the 2nd month following the year, the remainder of the tax payable by it under this Act for the year.

(b) in subsection (3),

(i) by striking out “is estimated by it to be” and substituting “or the immediately preceding taxation year is”;

(ii) by striking out “the period ending 3 months after the close of the year, the whole of the tax as estimated by it under section 36(3)” and substituting “the 3rd month following the end of the year, the whole of the tax payable by it under this Act for the year”;

(c) by repealing subsections (6) and (7).

(2) Subsection (1)(a) and (b) apply to 1986 and subsequent taxation years.

(3) Subsection (1)(c) applies to taxation years ending after 1986.

17 Section 38(1), (3), (6) and (7) presently read:

38(1) Subject to subsections (1.1) and (2), a corporation shall, during the 14-month period ending 2 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 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,

and

(b) on or before the last day of the period, the amount of the tax payable estimated by it under section 36(3) less the amount paid under clause (a).

(3) When a corporation

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

(b) is a credit union

and its taxable income for the year is estimated by it to be not more than \$10 000, it may, instead of paying the instalments required by subsection (1), pay to the Provincial Treasurer, on or before the last day of the period ending 3 months after the close of the year, the whole of the tax as estimated by it under section 36(3).

(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).

18(1) Section 39 is amended

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

(2) In addition to the interest payable under subsection (1), if a corporation required by this Act to pay tax or an instalment of tax fails to pay all or part of the tax or instalment on or before the day on or before which the tax or instalment, as the case may be, was required to be paid, the corporation shall pay to the Provincial Treasurer interest at the prescribed rate on the amount that it failed to pay computed from the day on or before which the amount was required to be paid to the day of payment or to the beginning of the period in respect of which it is required to pay interest under subsection (1), whichever is earlier.

(b) by repealing subsection (3)(b) and substituting the following:

(b) the amount by which the tax payable by the corporation for the year is reduced by virtue of the exclusion or deduction of an amount described in clause (a) shall be deemed to have been paid by the corporation on account of tax payable for the year on the day that is the latest of

(i) the first day immediately following that subsequent taxation year,

(ii) the day on which the corporation's return under section 36 for that subsequent taxation year was filed,

(iii) if an amended return for the taxation year or a prescribed form amending its return for the year was filed under this Act by virtue of the application of subsection 49(4) of the federal Act or section 44 of this Act, the day on which the amended return or prescribed form was filed, and

(iv) if, as a consequence of a request in writing, the Provincial Treasurer reassessed the corporation's tax for the year to take into account the exclusion or deduction, the day on which the request was made.

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

(5) Notwithstanding any other provision in this section, if the tax payable under this Act by a corporation for a taxation year is increased by virtue of an adjustment of an income or profits tax payable by it to the government of a country other than Canada or to the government of a state, province or other political subdivision of such a country, no interest is payable in respect of that increase in the corporation's tax payable for the period ending 90 days after the day on which the corporation is first notified of the amount of the adjustment.

(2) Subsection (1)(a) applies to 1986 and subsequent taxation years.

(3) Subsection (1)(b) applies with respect to subsequent taxation years referred to in section 39(3)(b) of the Alberta Corporate Income Tax Act as enacted by subsection (1)(b) that end after 1986.

18 Section 39(2) and (3) presently read:

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

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

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

(3) For the purpose of computing interest under subsection (1) or (2) on tax or a part or an instalment of tax for a taxation year,

(a) the tax payable by the corporation for the year shall be deemed to be the amount that it would have been if none of the following amounts, namely,

(i) any amount deducted under this Act by virtue of the application of section 41 of the federal Act in respect of its listed-personal-property loss for a subsequent taxation year,

(ii) any amount excluded from its income for the year under this Act by virtue of the application of section 49 of the federal Act in respect of the exercise of an option in a subsequent taxation year, or

(iii) any amount deducted under this Act by virtue of the application of section 111 of the federal Act in respect of a loss for a subsequent taxation year,

were so excluded or deducted for the year, as the case may be, and

(b) the amount by which the tax payable by the corporation for the year is reduced by virtue of the exclusion or deduction of an amount described in clause (a)(i) to (iii) shall be deemed to have been paid by the corporation on account of tax payable for the year on the day on which the corporation's return under section 36 was filed for that subsequent taxation year.

(4) Subsection (1)(c) applies with respect to notifications made after 1980.

19 Section 41(2) is amended by striking out “and that amount is different from the amount reported by the corporation in its return filed for the taxation year, the Provincial Treasurer shall, only” and substituting “and the corporation has not reported that amount as a non-capital loss, net capital loss, restricted farm loss or farm loss in its return filed for that year, the Provincial Treasurer shall,”.

20 Section 43(1)(c)(ii) is amended by striking out “6 months” and substituting “12 months”.

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

46 If the Provincial Treasurer sends a notice of assessment of any amount payable by a corporation, that part of the amount

19 Section 41(2) presently reads:

(2) When the Provincial Treasurer ascertains the amount of a corporation's non-capital loss, net capital loss, restricted farm loss or 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, only at the request of the corporation, determine with all due dispatch the amount of the corporation's non-capital loss, net capital loss, restricted farm loss or farm loss, as the case may be, and shall send a notice of determination to the person who filed the return.

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 a corporation's refundable tax credit, and may

(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 3 years from the day of mailing of a notice of an original assessment or a notification that no tax is payable for a taxation year,

(b) within 6 years from the day referred to in clause (a)(ii), if

(i) an assessment or reassessment of the tax of the corporation was required pursuant to section 44 or would have been required if the corporation had claimed an amount by filing the prescribed form referred to in that section on or before the day referred to in that section, or

(ii) there is reason, as a consequence of the assessment or reassessment of another corporation's tax pursuant to this clause or section 44, to assess or reassess the corporation's tax for any relevant year, and

(c) in any case other than those described in clauses (a) and (b), within

(i) 3 years from the day referred to in clause (a)(ii), or

(ii) 6 months after an assessment, reassessment or additional assessment under the federal Act or the confirmation of an assessment, reassessment or additional assessment under the federal Act,

reassess or make additional assessments, or assess tax, interest or penalties under this Act and determine the entitlement to and the amount, if any, of the refundable tax credits, as the circumstances require, except that a reassessment, additional assessment or assessment may be made under clause (b) after 3 years from the day referred to in clause (a)(ii) only to the extent that it may reasonably be regarded as relating to the assessment or reassessment referred to in clause (b).

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

then remaining unpaid is payable forthwith by the corporation to the Provincial Treasurer.

(2) Subsection (1) is applicable with respect to notices of assessment sent after this Act comes into force.

22(1) Section 47 is amended

(a) in subsection (2)(a)

(i) by striking out “on mailing” and substituting “on or after mailing”;

(ii) by adding “for the year” after “overpayment”;

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

(2.1) Subject to subsection (2.2), if a corporation

(a) has under section 48 served a notice of objection to an assessment of tax, interest under section 39(1) or (2) or a penalty and the Provincial Treasurer has not within 120 days after the day of service confirmed or varied the assessment or made a reassessment in respect of the assessment, or

(b) has appealed to the court from an assessment of tax, interest under section 39(1) or (2) or a penalty,

and has applied in writing to the Provincial Treasurer for a payment or surrender of security, the Provincial Treasurer shall with all due dispatch repay all amounts paid or applied on account of the amount assessed or surrender security accepted for the amount assessed to the extent that

(c) the lesser of

(i) the aggregate of the amounts so paid or applied and the value of the security, and

(ii) the amount so assessed

exceeds

(d) the amount, if any, so assessed that is not in controversy.

(2.2) If it may reasonably be considered that collection of all or any part of an amount assessed in respect of a corporation would be jeopardized by a repayment of an amount or surrender of security to the corporation under subsection (2.1), the Provincial Treasurer may direct that the repayment of the amount or a part of it not be made or that the security or

(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),

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

(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.

22 Section 47(2), (3), (4), (4.3), (4.4), (5) and (6) presently read:

(2) If the return required to be filed by a corporation under section 36 for a taxation year has been filed within 3 years from the end of that year, the Provincial Treasurer

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

(b) shall, with all due dispatch, make the refund after mailing the notice of assessment if application for the refund has been made in writing by the corporation within

(i) the 6 year period referred to in section 43(1)(b), where that clause applies, and

(ii) in any other case, either of the periods referred to in section 43(1)(c).

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

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

(a) the day when the overpayment arose,

(b) the day on or before which the return for the year was required to be filed, and

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

whichever day is latest and ending with the day of refund or application of overpayment under subsection (3).

(4.3) If, at any particular time, interest has been paid to, or applied to a liability of, a corporation pursuant to subsection (4) in respect of an overpayment and it is determined at a subsequent time that the actual overpayment was less than the overpayment in respect of which interest was paid or applied, the following rules apply:

(a) the amount by which the interest that has been paid or applied exceeds the interest, if any, computed in respect of the amount that is determined at the subsequent time to be the actual overpayment shall be deemed to be an amount, in this subsection referred to as "the

part of it not be surrendered and shall give notice of the direction to the corporation by personal service or by registered letter addressed to the corporation at its latest known address.

(2.3) If, pursuant to subsection (2.2), the Provincial Treasurer has given notice to the corporation of a direction, section 60.2(2) to (7) are applicable in respect of the direction.

(c) in subsection (3) by striking out “overpayment” and substituting “refund or repayment”;

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

(4) If under this section an amount in respect of a taxation year is refunded or repaid to a corporation or applied to another liability, the Provincial Treasurer shall pay or apply interest on the amount at the prescribed rate for the period beginning on the day that is the latest of

(a) in the case of a refund or application of an overpayment, the day the overpayment arose,

(b) the day on which the return of the corporation for the year was filed, and

(c) in the case of a repayment of an amount in controversy, the day an overpayment equal to the amount of the repayment would have arisen if the aggregate of all amounts payable on account of the corporation's liability under this Act for the year were the amount by which

(i) the lesser of the aggregate of all amounts paid or applied on account of its liability under this Act for the year and the aggregate of all amounts assessed by the Provincial Treasurer as payable under this Act by the corporation for the year

exceeds

(ii) the amount repaid,

and ending on the day the amount is refunded, repaid or applied.

(e) by repealing subsection (4.1)(b);

(f) by repealing subsection (4.3)(b) and substituting the following:

(b) the corporation shall pay to the Provincial Treasurer interest at the prescribed rate on the amount payable computed from the particular time to the day of payment;

(g) in subsection (4.4)(d) by adding “unless otherwise directed in writing by the corporation,” after “Court,”;

(h) in subsection (4.4)(e) by striking out “unless otherwise directed in writing by the taxpayer,”;

(i) by repealing subsection (5) and substituting the following:

(5) If at any particular time interest has been paid to, or applied to a liability of, a corporation pursuant to subsection (4) in respect of the repayment of an amount in controversy

amount payable", that became payable under this Act by the corporation at the particular time;

(b) the corporation shall pay interest, at the rate prescribed, on the amount payable for the period beginning at the particular time and ending on the date of payment;

(c) the Provincial Treasurer may, at any time, assess the corporation in respect of the amount payable and, where the Provincial Treasurer makes that assessment, this Act applies, with any necessary modifications, in respect of the assessment as though it had been made under section 43.

(4.4) Where the Court of Queen's Bench, the Court of Appeal or the Supreme Court of Canada has, on the disposition of an appeal in respect of taxes, interest or a penalty payable by a corporation, or a refundable tax credit payable to a corporation under this Act,

(a) referred an assessment back to the Provincial Treasurer for reconsideration and reassessment,

(b) varied or vacated an assessment, or

(c) ordered the Provincial Treasurer to repay tax, interest or penalties, or to pay a refundable tax credit,

the Provincial Treasurer shall with all due dispatch, whether or not an appeal from the decision of the Court has been or may be instituted,

(d) where the assessment has been referred back to him, reconsider the assessment and make a reassessment in accordance with the decision of the Court,

(e) refund any overpayment resulting from the variation, vacation or reassessment, unless otherwise directed in writing by the taxpayer, and

(f) where clause (c) applies, repay any tax, interest or penalties, or pay any refundable tax credit as ordered,

and the Provincial Treasurer may repay any tax, interest or penalties, pay any refundable tax credit or surrender any security accepted therefor by him to any other corporation that has filed an objection or instituted an appeal if, having regard to the reasons given on the disposition of the appeal, he is satisfied that it would be just and equitable to do so.

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

(6) For the purpose of computing interest under subsection (4), the portion of any overpayment of the tax payable by a corporation for a taxation year that arose as a consequence of

(a) the deduction of an amount under this Act by virtue of the application of section 41 of the federal Act in respect of its listed-personal-property loss for a subsequent taxation year,

(b) the exclusion of an amount from its income for the year under this Act by virtue of the application of section 49 of the federal Act in respect of the exercise of an option in a subsequent taxation year, or

(c) the deduction of an amount under this Act by virtue of the application of section 111 of the federal Act in respect of a loss for a subsequent taxation year

shall be deemed to have arisen on the day on which the return under section 36 was filed for that subsequent taxation year.

made to or applied to a liability of the corporation and it is determined at a subsequent time that the repayment or a part of the repayment is payable by the corporation, the following rules apply:

(a) the interest so paid or applied on that part of the repayment that is determined at the subsequent time to be payable by the corporation shall be deemed to be an amount, in this subsection referred to as the “interest excess”, that became payable by the corporation at the particular time;

(b) the corporation shall pay to the Provincial Treasurer interest at the prescribed rate on the interest excess computed from the particular time to the day of payment;

(c) the Provincial Treasurer may at any time assess the corporation in respect of the interest excess and, where the Provincial Treasurer makes such an assessment, this Part is applicable with respect to the assessment as if it had been made under section 43.

(j) *by repealing subsection (6) and substituting the following:*

(6) For the purpose of computing interest under subsection (4), the portion of any overpayment of the tax payable by a corporation for a taxation year that arose as a consequence of

(a) the deduction of an amount under this Act by virtue of the application of section 41 of the federal Act in respect of the corporation’s listed-personal-property loss for a subsequent taxation year,

(b) the exclusion of an amount from the corporation’s income for the year under this Act by virtue of the application of section 49 of the federal Act in respect of the exercise of an option in a subsequent taxation year, or

(c) the deduction of an amount under this Act by virtue of the application of section 111 of the federal Act in respect of a loss for a subsequent taxation year

shall be deemed to have arisen on the day that is the latest of

(d) the first day immediately following that subsequent taxation year,

(e) the day on which the corporation’s return under section 36 for that subsequent taxation year was filed,

(f) if an amended return for the taxation year or a prescribed form amending the corporation’s return for the year was filed under this Act by virtue of the application of subsection 49(4) of the federal Act or section 44 of this Act, the day on which the amended return or prescribed form was filed, and

(g) if, as a consequence of a request in writing, the Provincial Treasurer reassessed the corporation’s tax for the year to take into account the deduction or exclusion, the day on which the request was made.

(k) *by adding the following after subsection (6):*

(7) If a repayment made under subsection (2.1) or (4.4) or an amount applied under subsection (3) in respect of a repayment, or a part of a repayment, may reasonably be regarded as being in respect of a claim made by a corporation in an objection to or appeal from an assessment of tax for a taxation year for

(a) the deduction of an amount under this Act by virtue of the application of section 41 of the federal Act in respect of the corporation's listed-personal-property loss for a subsequent taxation year,

(b) the exclusion of an amount from the corporation's income for the year under this Act by virtue of the application of section 49 of the federal Act in respect of the exercise of an option in a subsequent taxation year, or

(c) the deduction of an amount under this Act by virtue of the application of section 111 of the federal Act in respect of a loss for a subsequent taxation year,

interest shall not be paid or applied on the repayment or amount applied for any part of a period that is before the latest of

(d) the first day immediately following that subsequent taxation year,

(e) the day on which the corporation's return under section 36 for that subsequent taxation year was filed,

(f) if an amended return for the taxation year or a prescribed form amending the corporation's return for the year was filed under this Act by virtue of the application of subsection 49(4) of the federal Act or section 44 of this Act, the day on which the amended return or prescribed form was filed, and

(g) if, as a consequence of a request in writing, the Provincial Treasurer reassessed the corporation's tax for the year to take into account the deduction or exclusion, the day on which the request was made.

(2) *Subsection (1)(b) applies with respect to notices of objection served after 1984 and appeals from assessments objected to after 1984.*

(3) *Subsection (1)(c) applies after February 15, 1984.*

(4) *Subsection (1)(d) applies to refunds and repayments made and amounts applied after 1984, except that with respect to the refund, repayment or application of an amount paid by a corporation in respect of a taxation year ending before January 1, 1987 section 47(4) of the Alberta Corporate Income Tax Act, as enacted by subsection (1)(d), shall be read as if the following clause were included after clause (a):*

(a.1) the day on or before which the return for the year was required to be filed,

(5) *Subsection (1)(e) applies to taxation years ending after 1986.*

- (6) Subsection (1)(g) and (h) apply after February 15, 1984.
- (7) Subsection (1)(i) applies to repayments made or applied after 1984.
- (8) Subsection (1)(j) applies to subsequent taxation years referred to in section 47(6) of the Alberta Corporate Income Tax Act, as enacted by subsection (1)(j), that end after 1986.
- (9) Subsection (1)(k) applies to repayments made or applied after 1984, except that if the subsequent taxation year referred to in section 47(7) of the Alberta Corporate Income Tax Act, as enacted by subsection (1)(k), ends before 1985, section 47(7) of the Alberta Corporate Income Tax Act, as enacted by subsection (1)(k), shall be read as if all that portion following clause (c) were struck out and the following substituted:

interest shall not be paid or applied on the repayment or amount applied for any part of a period that is before the day on which the corporation's return under section 36 was filed for that subsequent taxation year.

- 23 Section 49 is repealed and the following is substituted:

49(1) Every person, other than a trustee in bankruptcy, who is an assignee, liquidator, administrator, receiver, receiver-manager or any other like person, in this section referred to as the "responsible representative", administering, winding-up, controlling or otherwise dealing with a property or business of a corporation, before distributing to 1 or more persons any property over which he has control in his capacity as the responsible representative, shall obtain a certificate from the Provincial Treasurer certifying that all amounts

(a) for which the corporation is liable under this Act in respect of the taxation year in which the distribution is made, or any preceding taxation year, and

(b) for the payment of which the responsible representative is or can reasonably be expected to become liable in his capacity as the responsible representative

have been paid or that security for the payment of the amounts has been accepted by the Provincial Treasurer.

(2) If a responsible representative distributes to 1 or more persons property over which he has control in his capacity as the responsible representative without obtaining a certificate under subsection (1) in respect of the amounts referred to in that subsection, the responsible representative is personally liable for the payment of those amounts to the extent of the value of the property distributed and the Provincial Treasurer may assess the responsible representative for the amounts in the same manner and with the same effect as if it were an assessment of the corporation made under section 41.

- 24 Section 50(2) is amended by striking out "in the prescribed form".

23 Section 49 presently reads:

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

(2) Distribution of property without a certificate required by subsection (1) renders the person required to obtain the certificate personally liable for the unpaid taxes, interest and penalties.

24 Section 50(2) presently reads:

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

25 *The following is added after section 52(4):*

(5) If the court disposes of an appeal by a corporation in respect of an amount payable under this Act or an appeal by a corporation has been discontinued or dismissed without trial, the court may, on the application of the Provincial Treasurer and whether or not it awards costs, order the corporation to pay to the Provincial Treasurer an amount not exceeding 10% of the amount in controversy if it determines that there were no reasonable grounds for the appeal and that one of the main purposes of instituting or maintaining the appeal was to defer the payment of an amount payable under this Act.

26 *The following is added after section 55(3):*

(3.1) If a corporation has objected to or appealed from an assessment under this Act, the Provincial Treasurer shall accept adequate security furnished by or on behalf of the corporation for payment of the amount in controversy while the objection or appeal is outstanding.

(3.2) If at any time a corporation requests in writing that the Provincial Treasurer surrender any security accepted by the Provincial Treasurer under subsection (3) or (3.1), the Provincial Treasurer shall surrender the security to the extent that the value of the security exceeds the aggregate of amounts payable under this Act by the corporation at that time.

27 *Section 58(1) is amended by repealing clauses (a) and (b).*

28(1) *The following is added after section 60:*

60.1(1) If a corporation is liable for the payment of an amount assessed under this Act, in this subsection referred to as the “unpaid amount”, the Provincial Treasurer shall not, for the purpose of collecting the unpaid amount,

- (a) commence legal proceedings in the court,
- (b) certify the unpaid amount under section 58, or
- (c) require a person to make a payment under section 60,

before the day that is 90 days after the day of mailing of the notice of assessment.

(2) If a corporation has served a notice of objection under this Act to an assessment of an amount payable under this Act, the Provincial Treasurer shall not, for the purpose of collecting the amount in controversy, take any of the actions described in subsection (1)(a) to (c) before the day that is 90 days after the day on which notice is mailed to the corporation that the Provincial Treasurer has confirmed or varied the assessment.

25 Section 52(4) presently reads:

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

26 Section 55(3) presently reads:

(3) The Provincial Treasurer may, if he considers it advisable in a particular case, accept security for payment of debts due to Her Majesty in right of Alberta, within the meaning of section 57, 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.

27 Section 58(1) presently reads:

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

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

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

28 Restrictions on the collection by the Provincial Treasurer of amounts in dispute.

(3) If a corporation has appealed to the court from an assessment of an amount payable under this Act, the Provincial Treasurer shall not, for the purpose of collecting the amount in controversy, take any of the actions described in subsection (1)(a) to (c) before the day on which the judgment of the court takes effect or the day on which the corporation discontinues the appeal.

(4) If the Provincial Treasurer is notified that

(a) proceedings have been instituted in the Federal Court of Canada under section 173 of the federal Act, or

(b) the Minister of National Revenue has applied to the Tax Court of Canada or the Federal Court of Canada under section 174 of the federal Act,

the Provincial Treasurer shall not take any of the actions described in subsection (1)(a) to (c) for the purpose of collecting that part of an amount assessed, the liability for payment of which will be affected by the determination of the question that is the subject of the proceedings or application, before the day on which the question is determined by that court.

(5) Notwithstanding any other provision in this section, if a corporation has served a notice of objection under this Act to an assessment or has appealed to the Court of Queen's Bench from the assessment and agrees in writing with the Provincial Treasurer to delay proceedings on the objection or appeal, as the case may be, until judgment has been given in another action before the Court of Queen's Bench, the Court of Appeal, the Tax Court of Canada, the Federal Court of Canada or the Supreme Court of Canada in which the issue is the same or substantially the same as that raised in the objection or appeal of the corporation, the Provincial Treasurer may take any of the actions described in subsection (1)(a) to (c) for the purpose of collecting the amount assessed, or a part of the amount, determined in a manner consistent with the decision or judgment made in the other action at any time after the Provincial Treasurer notifies the corporation in writing that

(a) the decision has been made by the Court of Queen's Bench in that action,

(b) the decision has been made by the Court of Appeal in that action,

(c) the decision has been made by the Tax Court of Canada in that action,

(d) judgment has been pronounced by the Federal Court of Canada in that action, or

(e) judgment has been delivered by the Supreme Court of Canada in that action,

as the case may be.

60.2(1) Notwithstanding section 60.1, if it may reasonably be considered that collection of an amount assessed in respect of a

corporation would be jeopardized by a delay in the collection of the amount and the Provincial Treasurer has, by notice served personally or by registered letter addressed to the corporation at its latest known address, so advised the corporation and directed the corporation to pay forthwith the amount assessed or any part of the amount, the Provincial Treasurer may forthwith take any of the actions described in section 60.1(1)(a) to (c) with respect to that amount or the part of that amount.

(2) If the Provincial Treasurer has under subsection (1) directed a corporation to pay an amount forthwith, the corporation may

(a) on 3 days' notice of motion to the Deputy Attorney General, apply to a judge of the court for an order fixing a day, not earlier than 14 days nor later than 28 days after the date of the order, and a place for the determination of the question whether the direction was justified in the circumstances,

(b) serve a copy of the order on the Deputy Attorney General within 6 days after the day on which it was made, and

(c) if it has proceeded as authorized by clause (b), apply at the appointed time and place for an order determining the question.

(3) An application to a judge under subsection (2)(a) shall be made

(a) within 30 days after the day on which the notice under subsection (1) was served or mailed, or

(b) within any further time that the judge, on being satisfied that the application was made as soon as circumstances permitted, may allow.

(4) An application under subsection (2)(c) may, on the application of the corporation, be heard in private, if the corporation establishes to the satisfaction of the judge that the circumstances of the case justify in private proceedings.

(5) On the hearing of an application under subsection (2)(c) the burden of justifying the direction is on the Provincial Treasurer.

(6) On an application under subsection (2)(c), the judge shall determine the question summarily and may confirm, vacate or vary the direction and make such other order as he considers appropriate.

(7) Costs shall not be awarded on the disposition of an application under subsection (2).

(2) *Subsection (1) applies to*

(a) *notices of assessment mailed after 1984,*

(b) *notices of objection served after 1984,*

(c) *appeals from assessments objected to after 1984, and*

(d) *assessments made after 1984.*

29 Sections 62 to 65 are repealed and the following is substituted:

62 In sections 63 to 65,

- (a) “authorized person” means a person authorized by the Provincial Treasurer for the purposes of sections 63 to 65;
- (b) “documents” includes money, securities and any of the following, whether computerized or not: books, records, letters, telegrams, vouchers, invoices, accounts and statements, financial or otherwise;
- (c) “dwelling-house” means the whole or any part of a building or structure that is kept or occupied as a permanent or temporary residence and includes
 - (i) a building within the curtilage of a dwelling-house that is connected to it by a doorway or by a covered and enclosed passageway, and
 - (ii) a unit that is designed to be mobile and to be used as a permanent or temporary residence that is being used as a permanent or temporary residence;
- (d) “judge” means a judge of the court.

63(1) An authorized person may, at all reasonable times, for any purpose related to the administration of this Act,

- (a) inspect, audit or examine the books and records of a corporation and any document of the corporation or of any other person that relates or may relate to the information that is or should be in the books or records of the corporation or to any amount payable by or to it under this Act,
- (b) require the production for inspection, audit or examination of all books, records or documents that are or may be relevant to the inspection, audit or examination, and
- (c) examine property in an inventory of a corporation and any property or process of, or matter relating to, the corporation or any other person, an examination of which may assist the authorized person in determining the accuracy of the inventory of the corporation or in ascertaining the information that is or should be in the books or records of the corporation or any amount payable by or to it under this Act,

and for those purposes the authorized person may, if he has reasonable grounds to believe that books, records, documents or property described in clauses (a) to (c) are likely to be found in any premises or place,

- (d) subject to subsection (3), enter into the premises or place, and
- (e) require the owner or manager of the property or business and any other person on the premises or at the place to give him all reasonable assistance and to make reasonable efforts to answer all proper questions relating to the administration of this Act and, for that purpose, require the owner or manager to attend at the premises or place with him.

29 Sections 62 to 65 presently read:

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 or a refundable tax credit 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 or a refundable tax credit 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 refundable tax credit or considered possibly liable to pay taxes or claim a refundable 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

(d) if during the course of an audit or examination it appears to him that there has been a contravention of this Act or the regulations, seize and take away any of the documents, books, records, papers or things that may be required as evidence of the contravention of any provision of this Act or a regulation.

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

(a) within 120 days from the date of seizure, or

(b) if within the period mentioned in clause (a) an application is made under this subsection that is after the expiry of that time rejected, then forthwith on disposition of the application

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

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

(3) The 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 person

(a) any information or additional information, including a return of income or a supplementary return, or

(2) If, on an ex parte application by the Provincial Treasurer, a judge is satisfied by information on oath that

(a) there are reasonable grounds to believe that there are in any premises or place other than a dwelling-house books, records, documents or property described in subsection (1)(a) to (c), and

(b) entry into the premises or place is necessary for the administration of this Act,

he may issue a warrant authorizing an authorized person named in the warrant to enter the premises or place and to exercise any of the powers referred to in subsection (1), subject to the conditions specified in the warrant.

(3) If the premises or place referred to in subsection (1)(d) is a dwelling-house, an authorized person may not enter that dwelling-house without the consent of the occupant except under the authority of a warrant under subsection (4).

(4) If, on ex parte application by the Provincial Treasurer, a judge is satisfied by information on oath

(a) that there are reasonable grounds to believe that a dwelling-house is the premises or a place referred to in subsection (1)(d),

(b) that entry into the dwelling-house is necessary for any purpose relating to the administration of this Act, and

(c) that entry into the dwelling-house has been refused or that there are reasonable grounds to believe that entry into it will be refused,

he shall issue a warrant authorizing an authorized person named in the warrant to enter that dwelling-house subject to the conditions specified in the warrant but, if the judge is not satisfied that entry into that dwelling-house is necessary for any purpose relating to the administration of this Act, he shall

(d) order the occupant of the dwelling-house to provide reasonable access to the authorized person to any document or property that is or should be kept in the dwelling-house, and

(e) make any other order that is appropriate in the circumstances to carry out the purposes of this Act

to the extent that access has been or may be expected to be refused and that the document or property is or may be expected to be kept in the dwelling-house.

(5) In executing a warrant issued under this section, the authorized person named in the warrant shall not use force unless he is accompanied by a peace officer and the use of force has been specifically authorized in the warrant.

64(1) Notwithstanding any other provision of this Act, the Provincial Treasurer may, subject to subsection (4), for any purpose related to the administration of this Act, by notice served personally or by registered or certified mail, demand that a corporation

(b) production, or production on oath, of any books, letters, accounts, invoices, statement, financial or otherwise, or other documents

within any reasonable time stipulated in the letter or demand.

64(1) If the Provincial Treasurer has reasonable and probable grounds to believe that a contravention of this Act or a regulation has been committed or is likely to be committed, he may make an ex parte application to a judge of the court and with the approval of the judge authorize in writing any officer of the Treasury Department together with any members of the Royal Canadian Mounted Police or other peace officers as he calls on to assist him and any other persons that may be named in the application to enter and search, if necessary by force, any building, receptacle or place in Alberta for documents, books, records, papers or things that may afford evidence as to the contravention of any provision of this Act or a regulation and to seize and take away any documents, books, records, papers or things and retain them until they are produced in any court proceedings.

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

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

or any other person provide or produce, within the reasonable period of time stipulated in the notice,

(a) any information or additional information, including a return under section 36 or a supplementary return, or

(b) any document.

(2) If a person is served with a notice to provide or produce information or documents under subsection (1) and he does not provide or produce the information or documents in accordance with the notice, the Provincial Treasurer, on 2 days' notice to the person, may apply to a judge and the judge may order the person to provide or produce the information or documents, subject to the conditions the judge considers appropriate, if he is satisfied that

(a) the information or documents are in the possession of or under the control of the person, and

(b) the information or documents are relevant to the administration of this Act.

(3) The Provincial Treasurer shall not demand under subsection (1) that any person, in this section referred to as a "third party" provide or produce information or a document relating to 1 or more unnamed persons unless he first obtains the authorization of a judge under subsection (4).

(4) On ex parte application by the Provincial Treasurer, a judge may, subject to the conditions he considers appropriate, authorize the Provincial Treasurer to demand under subsection (1) that a third party provide or produce information or documents relating to 1 or more unnamed persons, in this section referred to as the "group", if the judge is satisfied by information on oath that

(a) the group is ascertainable,

(b) the information or documents are required to verify compliance by the person or persons in the group with any duty or obligation under this Act,

(c) it is reasonable to expect, based on any grounds, including information, statistical or otherwise, or past experience relating to the group or any other persons, that any person in the group may have failed or may be likely to fail to provide or produce the information or documents that are sought pursuant to the demand or to comply with this Act otherwise, and

(d) the information or documents are not more readily available otherwise.

(5) If an authorization is granted under subsection (4), the authorization shall be served with the notice referred to in subsection (1).

(6) If an authorization is granted under subsection (4), a third party on whom a notice is served under subsection (1) may, within 15 days after the service of the notice, apply to a judge for a review of the authorization.

(7) On hearing an application under subsection (6), a judge may cancel the authorization previously granted if he is not then satisfied that the conditions in subsection (4)(a) to (d) have been met, and he may confirm or vary the authorization if he is satisfied that those conditions have been met.

(8) If information or documents are produced by a person under subsection (1) or (2), an authorized person, on giving a receipt for them, may remove the information or documents for the purpose of making copies of or extracts from them.

65(1) A judge may, on ex parte application by the Provincial Treasurer, issue a warrant in writing authorizing any person named in the warrant to enter and search any building, receptacle or place for any document or thing that may afford evidence as to the commission of an offence under this Act and to seize and, as soon as practicable, bring the document or thing before, or make a report in respect of it to, a judge, who shall deal with it in accordance with this section.

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

(3) A judge shall issue the warrant referred to in subsection (1) if he is satisfied that there are reasonable grounds to believe that

(a) an offence under this Act has been committed,

(b) a document or thing that may afford evidence of the commission of the offence is likely to be found, and

(c) the building, receptacle or place specified in the application is likely to contain such a document or thing.

(4) A warrant issued under subsection (1) shall refer to the offence for which it is issued, shall identify the building, receptacle or place to be searched and the person alleged to have committed the offence and shall be reasonably specific as to the document or thing to be searched for and seized.

(5) Any person who executes a warrant under subsection (1) may seize, in addition to the document or thing referred to in subsection (1), any other document or thing that he believes on reasonable grounds affords evidence of the commission of an offence under this Act and shall as soon as practicable bring the document or thing before, or make a report in respect of it to, a judge, who shall deal with it in accordance with this section.

(6) Subject to subsection (7), if any document or thing seized under subsection (1) or (5) is brought before a judge or a report in respect of it is made to a judge, the judge shall, unless the Provincial Treasurer waives retention, order that it be retained by the Provincial Treasurer, who shall take reasonable care to ensure that it is preserved until the conclusion of any investigation into the offence in relation to which the document or thing was seized or until it is required to be produced for the purposes of a criminal proceeding.

(7) If any document or thing seized under subsection (1) or (5) is brought before a judge or a report in respect of it is made to a judge, the judge may, of his own motion or on summary application by a person with an interest in the document or thing, on 3 clear days' notice of the application to the Deputy Attorney General, order that the document or thing be returned to the person from whom it was seized or to the person who is otherwise legally entitled to it, if the judge is satisfied that the document or thing

(a) will not be required for an investigation or a criminal proceeding, or

(b) was not seized in accordance with the warrant or this section.

(8) The person from whom a document or thing is seized pursuant to this section is entitled, at all reasonable times and subject to any reasonable conditions that are imposed by the Provincial Treasurer, to inspect the document or thing and to obtain 1 copy of the document at the expense of the Provincial Treasurer.

30 Section 67(1) is amended by striking out "sections 62, 63 and 64" and substituting "sections 63 to 65".

31 Section 69(1) is repealed.

32 Section 76(1) is amended by striking out "furnish information" and substituting "to provide or produce information or a document".

33 Section 84(1) is amended

(a) by striking out "notice of assessment" and substituting "notice";

(b) by adding " , 47(2.2) or 60.2(1)" after "43(1)".

34(1) Section 11(1)(a) of the Alberta Corporate Income Tax Amendment Act, 1984, chapter 3 of the Statutes of Alberta, 1984, is repealed and the following is substituted:

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

39(1) If at any time after the day on or before which a return of a corporation was required under section 36 to be filed for a taxation year,

(a) the amount of its tax payable for the year exceeds

(b) the aggregate of all amounts each of which is an amount paid at or before that time on account of tax

30 Section 67(1) presently reads:

67(1) If any document, book, record, paper or other document has been seized, examined or produced under sections 62, 63 and 64, the person by whom it is seized or examined or to whom it is produced or any officer of the Treasury Department may make, or cause to be made, one or more copies.

31 Section 69(1) presently reads:

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

32 Section 76(1) presently reads:

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

33 Section 84(1) presently reads:

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

34 Section 11(1)(a) of the Alberta Corporate Income Tax Amendment Act, 1984, presently reads:

11(1) Section 39 is amended

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

39(1) If, at any time after the day on or before which a return of a corporation was required to be filed under section 36 for a taxation year,

(a) the amount of tax payable for the year exceeds

(b) the aggregate of all amounts each of which is an amount paid at or before that time on account of tax payable and

payable and applied as at that time by the Provincial Treasurer against the corporation's liability for an amount payable for the year,

the corporation liable to pay the tax shall pay to the Provincial Treasurer interest at the prescribed rate on the excess computed for the period during which that excess is outstanding.

(2) Subsection (1) applies after April 19, 1983.

applied as at that time by the Provincial Treasurer against the corporation's liability for an amount payable for the year, the corporation liable to pay the tax shall pay interest on that excess for the period after April 19, 1983 during which it is outstanding at the prescribed rates per year that are in effect from time to time during the period.