

1986 BILL 209

---

First Session, 21st Legislature, 35 Elizabeth II

---

THE LEGISLATIVE ASSEMBLY OF ALBERTA

# **BILL 209**

**MORTGAGE INTEREST TAX DEDUCTIBILITY ACT**

---

---

MR. R. SPEAKER

---

---

First Reading .....

Second Reading .....

Committee of the Whole .....

Third Reading .....

Royal Assent .....

---

---

*Bill 209*  
*Mr. R. Speaker*

## **BILL 209**

1986

### **MORTGAGE INTEREST TAX DEDUCTIBILITY ACT**

*(Assented to , 1986)*

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

- 1 The Alberta Income Tax Act is amended by this Act.*
- 2 The following is added after section 9:*

#### **MORTGAGE INTEREST TAX CREDIT**

**9.1(1)** In this section

- (a) "mortgage" means a mortgage on a residence;
- (b) "mortgage interest tax credit" means the lesser of
  - (i) the total amount of interest paid by an individual during the taxation year as interest on a mortgage on a residence, and
  - (ii) \$5000;
- (c) "residence" means the principal residence in Alberta of a person who is liable to tax pursuant to this Act.

(2) An individual who resided in Alberta on the last day of a taxation year is entitled to a mortgage interest tax credit for that year in accordance with this section and the regulations made hereunder.

## **Explanatory Notes**

- 1** This Bill will amend chapter A-31 of the Revised Statutes of Alberta 1980.
- 2** Provides for a tax credit up to \$5000 for mortgage interest paid on a principal residence.

(3) When an individual is entitled to a credit under this section for a taxation year and has applied in the prescribed form within 4 years of the end of the taxation year, the Provincial Treasurer may deduct the amount of the credit for any amount of tax owed by the individual in respect of that or any of the 3 preceding years.

(4) If the title to a residence is in the name of more than 1 person, either as joint tenants or as tenants in common, the mortgage interest tax credit shall be available to the persons in whose name the title is registered, or if there is a beneficial owner, of all or any part of the property, then to that owner in shares equal to the interests they hold in the property unless they have agreed otherwise in the prescribed form.

(5) Where a residence is owned by more than 1 person and they have agreed in the prescribed form to an application of the mortgage interest tax credit in proportions different to the ownership of the residence, then the credit may be applied in accordance with that agreement.

(6) The Lieutenant Governor in Council may make regulations

(a) defining any expression used in this section which is not otherwise defined;

(b) prescribing forms.

3 *This Act comes into force on January 1, 1987.*

**3** Coming into force.