

1995 BILL 38

Third Session, 23rd Legislature, 44 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 38

**ALBERTA CORPORATE TAX
AMENDMENT ACT, 1995**

THE PROVINCIAL TREASURER

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

.....

BILL 38

1995

ALBERTA CORPORATE TAX AMENDMENT ACT, 1995

(Assented to _____, 1995)

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

Amends RSA
1980 cA-17

1 The Alberta Corporate Tax Act is amended by this Act.

2(1) Section 7(3) is repealed and the following is substituted:

(3) In applying subsection (1) for the purposes of section 23 of this Act and subsections 104(22) and (22.1) of the federal Act,

- (a) subject to clause (b), all deductions permitted in computing a corporation's income for a taxation year, except any deduction permitted by paragraph 60(o) of the federal Act, shall apply either wholly or in part to a particular source or to sources in a particular place, and
- (b) any deduction permitted by subsection 104(6) or (12) of the federal Act shall not apply either wholly or in part to a source in a country other than Canada.

(2) Subsection (1) applies to taxation years that end after November 12, 1981, except that for taxation years that begin before 1993 section 7(3) of the Alberta Corporate Tax Act, as enacted by subsection (1), shall be read as follows:

(3) The following rules apply for the purposes of this Act:

- (a) subject to clause (b), in applying subsection (1)(b) for the purposes of section 23, all deductions permitted in computing a corporation's income for a taxation year shall apply either wholly or in part*

Explanatory Notes

1 Amends chapter A-17 of the Revised Statutes of Alberta 1980.

2 Section 7(3) presently reads:

(3) In applying subsection (1) for the purposes of section 23, all deductions allowed in computing the income of a corporation for a taxation year shall be deemed to be applicable either wholly or in part to a particular source or to sources in a particular place, as the case may be.

to a particular source or to sources in a particular place, and

(b) in applying subsection (1) for the purposes of subsections 104(22) and (22.1) of the federal Act and section 23 of this Act

(i) any deduction permitted by paragraph 60(o) of the federal Act shall not apply either wholly or in part to a particular source or to sources in a particular place, and

(ii) any deduction permitted by subsection 104(6) or (12) of the federal Act shall not apply either wholly or in part to a source in a country other than Canada.

3(1) Sections 8.1 and 8.2 are repealed.

(2) Subsection (1) applies with respect to transactions and events entered into on or after September 13, 1988.

3 Sections 8.1 and 8.2 presently read:

8.1 In computing income for the purposes of this Act, no deduction may be made in respect of a disbursement or expense made or incurred in respect of a transaction or operation that, if allowed, would unduly or artificially reduce the income.

8.2 Where an amount is received or an amount becomes receivable by a corporation in a taxation year

(a) as a consequence of the disposition or exchange of any property,

(b) as a consequence of a corporation's having

(i) redeemed, cancelled or acquired any shares of any class of its capital stock,

(ii) reduced the paid-up capital of shares of any class of its capital stock, or

(iii) converted any shares of any class of its capital stock into shares of another class of its capital stock or into an obligation of the corporation.

or

(c) otherwise, as an amount that would, but for this section, be exempt income

as part of a transaction or event effected or to be effected after September 13, 1988 or as part of a series of transactions or events each of which is effected or to be effected after that day and it can reasonably be considered that one of the purposes was to effect a significant reduction of, or disappearance of, assets of a corporation

4(1) Section 9.1 is repealed.

(2) Subsection (1) applies with respect to transactions or events entered into on or after September 13, 1988.

5 Section 10(2) is amended by striking out “section 41(2)” and substituting “section 41(1.11) or (2)”.

6 Section 11(2) is amended by striking out “section 41(2)” and substituting “section 41(1.11) or (2)”.

7(1) Section 22 is amended

(a) in subsection (1)(b) by striking out “and (5)” and substituting “, (5) and (5.1)”;

(b) in subsection (4) by adding “, (5.1)” after “125(5)”.

(2) Subsection (1) applies to taxation years that end after June 1994 except that in its application to taxation years that begin before July 1994, subsection 125(5.1) of the federal Act shall be read as follows:

(5.1) Notwithstanding subsections (2) to (5), a Canadian-controlled private corporation’s business limit for a particular taxation year ending in a calendar year is the

at any time in a manner such that the whole or any part of any tax that might otherwise have been or have become payable under this Act in consequence of any distribution of property of a corporation has been or will be avoided, the part of the amount so received or receivable by the taxpayer as is reasonable in the circumstances having regard to the amount of tax that, but for this section, would have been or would be avoided, shall be included in computing the income of the corporation for the year as income other than a taxable dividend from property.

4 Section 9.1 presently reads:

9.1 For the purposes of this Division, where the result of one or more sales, exchanges, declarations of trust or other transactions of any kind whatever is that a taxpayer has disposed of property under circumstances such that he may reasonably be considered to have artificially or unduly

- (a) reduced the amount of his gain from the disposition,*
- (b) created a loss from the disposition, or*
- (c) increased the amount of his loss from the disposition,*

the taxpayer's gain or loss, as the case may be, from the disposition shall be computed as if the reduction, creation or increase had not occurred.

5 Section 10(2) presently reads:

(2) In the application of paragraph 56(1)(l) of the federal Act, a determination made by the Provincial Treasurer under section 41(2) shall be deemed to be an assessment or reassessment by the Provincial Treasurer.

6 Section 11(2) presently reads:

(2) In the application of paragraph 60(o) of the federal Act, a determination made by the Provincial Treasurer under section 41(2) shall be deemed to be an assessment or reassessment by the Provincial Treasurer.

7 Section 22(1) and (4) presently read:

22(1) In this section,

- (a) "active business" carried on by a corporation means any business carried on by the corporation other than a specified investment business or a personal services business and includes an adventure or concern in the nature of trade;*
- (b) "business limit" of a corporation for a taxation year has the meaning assigned to it by subsection 125(2) of the federal Act, as modified by subsections 125(3), (4) and (5) of that Act and as adopted by this Act;*

amount, if any, by which its business limit otherwise determined for the particular year exceeds the amount determined by the formula

$$A \times \frac{B}{\$10\,000} \times \frac{C}{D}$$

where

A is the amount that would, but for this subsection, be the corporation's business limit for the particular year;

B is

(a) where the corporation is not associated with any other corporation in the particular year, the lesser of \$10 000 and the amount that would, but for subsections 181.1(2) and (4), be the corporation's tax payable under Part I.3 for its preceding taxation year, and

(b) where the corporation is associated with one or more other corporations in the particular year, the lesser of \$10 000 and the total of all amounts each of which would, but for subsections 181.1(2) and (4), be the tax payable under Part I.3 by the corporation or any such other corporation for its last taxation year ending in the preceding calendar year;

C is the number of days in the particular year that are after June 1994;

D is the number of days in the particular year.

(3) Notwithstanding any other provision of the federal Act or of this Act, nothing in this section shall affect the amount of interest payable under the Alberta Corporate Tax Act in respect of a corporation for any period or part of a period that is before July 1994.

8(1) The following is added after section 27:

Changes in
residence

27.1 Sections 128.1 and 128.2 of the federal Act apply for the purposes of this Act.

(2) Subsection (1) applies after 1992 except that, where a corporation makes an election in accordance with the coming into

- (c) *“Canadian-controlled private corporation” has the meaning assigned to it by paragraph 125(7)(b) of the federal Act;*
- (d) *“income of the corporation for the year from an active business” has the meaning assigned to it by paragraph 125(7)(c) of the federal Act;*
- (e) *“personal services business” carried on by a corporation in a taxation year has the meaning assigned to it by paragraph 125(7)(d) of the federal Act;*
- (f) *“specified investment business” carried on by a corporation in a taxation year has the meaning assigned to it by paragraph 125(7)(e) of the federal Act;*
- (g) *“specified partnership income” of a corporation for a taxation year has the meaning assigned to it by paragraph 125(7)(f) of the federal Act;*
- (h) *“specified partnership loss” of a corporation for a taxation year has the meaning assigned to it by paragraph 125(7)(g) of the federal Act;*
- (i) *“specified shareholder” of a corporation in a taxation year has the meaning assigned to it by subsection 248(1) of the federal Act.*

(4) Subsections 125(5) and (6) of the federal Act apply for the purposes of this section.

8 This amendment will add rules respecting the effect of a change in the residence of a corporation.

force provisions applicable to sections 128.1 and 128.2 of the federal Act as enacted by section 62 of the Statutes of Canada, 1994, chapter 21, subsection (1) applies to the corporation from the corporation's time of continuation, within the meaning assigned by those coming into force provisions.

9(1) Section 36 is amended

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

Return to be
filed

36(1) A return of a corporation in the prescribed form and containing the prescribed information shall be filed for each taxation year with the Provincial Treasurer within 6 months from the end of the taxation year by or on behalf of the corporation.

(1.1) Subsection (1) does not apply to the following corporations:

- (a) a corporation that is a registered charity throughout the taxation year;
- (b) a corporation that
 - (i) is a Canadian-controlled private corporation throughout the taxation year,
 - (ii) has no permanent establishments outside Alberta at any time during the taxation year,
 - (iii) has no taxable income for the taxation year before any of the amounts referred to in section 39(3)(a) are excluded or deducted for the year,
 - (iv) is not entitled to the refund of any overpayment for the taxation year,
 - (v) has gross revenues not exceeding \$500 000 as disclosed in its financial statements prepared for the taxation year,
 - (vi) has no attributed royalty income carry forward for the taxation year,
 - (vii) files a return for the taxation year with the Minister of National Revenue under Part I of the federal Act,
 - (viii) in each taxation year that this Act applies to it, has taxable income or a loss that is the same as

9 Section 36(1) and (2) presently read:

36(1) A return for each taxation year of a corporation, other than a corporation that was a registered charity throughout the taxation year, shall be filed by or on behalf of the corporation with the Provincial Treasurer in the prescribed form and containing the prescribed information within 6 months from the end of the taxation year.

(2) Whether or not a corporation is liable to pay tax under this Act for a taxation year and whether or not a return has been filed under subsection (1) or (4), a corporation or a director or officer of the corporation shall, on receipt of a demand served personally or by certified mail or registered letter from the Provincial Treasurer, file with the Provincial Treasurer within any reasonable time stipulated by the Provincial Treasurer in the demand a return for the taxation year designated in the demand in the prescribed form and containing the prescribed information.

and that has been computed in the same manner as its taxable income or loss determined under the federal Act, and

(ix) does not receive payment under section 26.4 of any royalty tax credit instalments in respect of the taxation year;

(c) a corporation that by virtue of the application of section 35 has no tax payable for the taxation year.

(1.2) For the purposes of section 37(1), if a corporation that was required to file a return for a taxation year failed to file the return on the reasonable belief that it was not required to file a return because of subsection (1.1)(b) or (c), the corporation is deemed to have filed a return for the year under this Act on the date it filed its return for the year under Part I of the federal Act.

(1.3) For the purposes of sections 37.1, 44 and 47, where a corporation is not required to file a return for a taxation year because of subsection (1.1)(b) or (c),

(a) the corporation is deemed to have filed a return for the year under this Act on the date it filed its return for the year under Part I of the federal Act, and

(b) the return filed under Part I of the federal Act is deemed to be the return filed under this Act.

(b) in subsection (2) by adding “or is required to be filed” after “has been filed”.

(2) Subsection (1) applies to taxation years ending after June 30, 1994.

10(1) Section 38 is amended

(a) in subsection (1) by adding “, (1.2)” after “subsections (1.1)”;

(b) by adding the following after subsection (1.1):

(1.2) Notwithstanding subsection (1), where the first instalment base of the corporation for a taxation year or the tax payable by the corporation for the taxation year before the deduction or exclusion of any of the amounts referred to in section 39(3)(a) is not more than \$2000, the corporation may pay all of its tax payable for the year on or before

10 Section 38(1), (2), (3) and (8) presently read:

38(1) Subject to subsections (1.1) and (2), a corporation shall, in respect of each of its taxation years, pay to the Provincial Treasurer

(a) either

(i) on or before the last day of each month in the year 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 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

- (a) the end of the 3rd month following the year, if the corporation is a Canadian-controlled private corporation throughout the year, or
- (b) the end of the 2nd month following the year, in any other case.

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

(2.1) For the purposes of subsection (1), if the taxation year of a corporation contains fewer than 365 days and the last day of the taxation year is more than 27 days after the last complete month of the year, the last day of the taxation year is deemed to be the last day of a month in the year.

(d) by repealing subsection (3);

(e) in subsection (8)(a) by adding “or (1.2)(a)” after “subsection (1.1)”.

(2) Subsection (1)(a), (b) and (e) apply to taxation years commencing after December 31, 1994.

(3) Subsection (1)(c) applies to taxation years commencing after June 30, 1995.

11(1) Section 39 is amended

(a) in subsections (1) and (2) by striking out “(1.1) or (3)” wherever it occurs and substituting “(1.1) or (1.2)”;

(b) in subsection (3)(b)(iv) by striking out “in writing”.

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

(iii) on or before the last day of each month in the year, an amount equal to 1/12 of its first instalment base for the year,

and

(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.

(2) Notwithstanding subsection (1)(a), the amount payable by a mutual fund corporation to the Provincial Treasurer on or before the relevant day for payment specified in subsection (1)(a) shall be deemed to be the amount if any by which the amount so payable otherwise determined under that subsection exceeds 1/12 of the corporation's capital gains refund for the year as determined under section 30.

(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 or the immediately preceding taxation year is 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 3rd month following the end of the year, the whole of the tax payable by it under this Act for the year.

(8) A corporation shall pay to the Provincial Treasurer on or before

(a) the end of the 3rd month following the taxation year, if subsection (1.1) applies, or

(b) the end of the 2nd month following the taxation year in any other case,

the amount, if any, by which the aggregate of the amounts paid by the Provincial Treasurer under section 26.4 for the year exceeds the royalty tax credit for the year to which the corporation is entitled.

11 Section 39(1), (2) and (3) presently read:

39(1) A corporation shall pay to the Provincial Treasurer in respect of a taxation year and in respect of the period beginning on the day on or before which the corporation is required to make a payment under section 38(1)(b), (1.1) or (3) and ending,

(2) Subsection (1)(a) applies to taxation years commencing after December 31, 1994.

- (a) *if there is an overpayment for the year, immediately before the first day in respect of which interest is computed on that overpayment under section 47(4), or*
- (b) *in any other case, on the day on which the corporation's liability for tax for the year is extinguished*

the amount, if any, by which

- (c) *interest at the prescribed rate on the amount of the corporation's tax for the year, computed from the beginning to the end of the period,*

exceeds

- (d) *the aggregate of all amounts, each of which is interest at the prescribed rate on an amount paid by the corporation before the end of the period in respect of the year computed from the day that is the later of the beginning of the period and the day of payment to the end of the period.*

(2) In addition to the interest payable under subsection (1), a corporation shall pay to the Provincial Treasurer, in respect of a taxation year and in respect of the period beginning on the first day of the year and ending on the day on or before which the corporation is required to make a payment under section 38(1)(b), (1.1) or (3), the amount, if any, by which the aggregate of

- (a) *all amounts, each of which is interest at the prescribed rate on tax or an instalment of tax for the year that the corporation was required to pay to the Provincial Treasurer before the end of the period, computed from the day on or before which the tax or instalment was required to be paid to the end of the period, and*
- (b) *all amounts, each of which is interest at the prescribed rate on an amount paid during the period by the Provincial Treasurer under section 26.4 for the year, computed from the day of payment to the end of the period,*

exceeds the aggregate of

- (c) *all amounts, each of which is interest at the prescribed rate on an amount paid by the corporation at or before the end of the period and applied by the Provincial Treasurer to reduce the corporation's liability for an amount payable for the year computed from the day that is the later of the beginning of the period and the day of payment to the end of the period, and*
- (d) *all amounts, each of which is interest at the prescribed rate on the amount in respect of a month in the year that would have been determined under section 26.4(4) if "estimated" were struck out in clause (a)(i) and (ii) of that subsection computed from the last day of the month to the end of the period.*

12 *Section 41 is amended*

(a) *by adding the following after subsection (1.1):*

(1.11) Where at any time the Provincial Treasurer ascertains the tax consequences to a corporation by reason of section 72.1(2) with respect to a transaction, the Provincial Treasurer

(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) 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.

12 Section 41(1), (4) and (5) presently read:

41(1) The Provincial Treasurer shall, with all due dispatch after receipt of a return, examine the return and assess the tax under Part 5 for the year and the interest and penalties payable and shall determine

(a) the amounts of the refundable tax credits, if any, for the taxation year, and

(a) shall, in the case of a determination pursuant to section 72.1(8), or

(b) may, in any other case,

determine any amount that is relevant, for the purposes of computing the income, taxable income, taxable income earned in Canada or amount taxable in Alberta of, tax, refundable tax credit or other amount payable by, or amount refundable to, the corporation under this Act, and where such a determination is made, the Provincial Treasurer shall send to the corporation, with all due dispatch, a notice of determination stating the amount so determined.

(1.12) A determination of an amount shall not be made under subsection (1.11) with respect to a corporation at a time when that amount is relevant only for the purposes of computing the income, taxable income, taxable income earned in Canada or amount taxable in Alberta of, tax, refundable tax credit or other amount payable by, or amount refundable to, the corporation under this Act for a taxation year ending before that time.

(b) *by repealing subsections (4) and (5) and substituting the following:*

(4) The provisions of this Part relating to an assessment or reassessment and to assessing or reassessing tax apply to a determination or redetermination under this Division, except that subsection (1) and section 42(1) are not applicable to determinations made under subsection (1.11) or (2), and an original determination of a corporation's non-capital loss, net capital loss, restricted farm loss, farm loss or limited partnership loss for a taxation year may be made by the Provincial Treasurer only at the request of the corporation.

(5) If the Provincial Treasurer makes a determination of the amount of a corporation's non-capital loss, net capital loss, restricted farm loss, farm loss or limited partnership loss for a taxation year under subsection (2) or makes a determination under subsection (1.11) with respect to a corporation, subject to the corporation's rights of objection and appeal in respect of a determination and to any redetermination by the Provincial Treasurer, the determination is binding on both the Provincial Treasurer and the corporation for the purpose of calculating the income, taxable income, taxable income earned in Canada or amount taxable in Alberta of, tax, refundable tax credit

(b) the amount of the refund, if any, to which a corporation is entitled pursuant to section 28 or 30 for the taxation year.

(4) The provisions of this Part relating to an assessment or reassessment and to assessing or reassessing tax apply to a determination or redetermination under this Division.

(5) If the Provincial Treasurer makes a determination of an amount of a corporation's non-capital loss, net capital loss, restricted farm loss, farm loss or limited partnership loss for a taxation year, as the case may be, subject to the corporation's rights of objection and appeal in respect of the determination and subject to any redetermination by the Provincial Treasurer, the determination is binding on both the Provincial Treasurer and the corporation for the purposes of calculating the income of, taxable income of, amount taxable in Alberta in respect of, tax or other amount payable by or amount refundable to the corporation for any taxation year.

or other amount payable by, or amount refundable to, the corporation for any taxation year.

13(1) Section 43 is amended

(a) by adding the following after subsection (1.2):

(1.3) For the purposes of this section, where a corporation did not file a return for a taxation year because of section 36(1.1)(b) or (c), a notice of an original assessment or notification that no tax is payable for the year under this Act is deemed to be mailed to the corporation on the day of mailing under Part I of the federal Act by the Minister of National Revenue of a notice of an original assessment or notification that no tax is payable for that year.

(b) in subsection (5) by striking out “objection and appeal have expired or been determined” and substituting “objection and appeal expire or are determined”.

(2) Subsection (1)(a) applies to taxation years ending after June 30, 1994.

(3) Subsection (1)(b) applies to reassessments and redeterminations in respect of taxation years made after June 10, 1993 that relate to changes in balances for other taxation years made as a result of assessments made or decisions on appeals rendered after December 20, 1991 except that, where the day referred to in section 43(5) of the Alberta Corporate Tax Act as amended by this Act as “the day on which all rights of objection and appeal expire or are determined in respect of the particular year” occurred before June 10, 1993, that subsection shall be read as if that reference were a reference to “June 10, 1993”.

14(1) Section 44 is amended

(a) by striking out “amending the return”;

(b) by adding “or within 6 months after the end of that subsequent taxation year if no return is required to be filed because of section 36(1.1)(b) or (c)” after “that subsequent taxation year”.

(2) Subsection (1) applies to taxation years ending after June 30, 1994.

13 Section 43(5) presently reads:

(5) Notwithstanding subsections (1), (2) and (3), if the result of an assessment or a decision on an appeal is to change a particular balance of a corporation for a particular taxation year, the Provincial Treasurer may or, if the corporation so requests in writing, shall, before the later of the expiration of the normal reassessment period in respect of another taxation year and the end of the day that is one year after the day on which all rights of objection and appeal have expired or been determined in respect of the particular year, reassess the tax, interest or penalties payable, or redetermine an amount deemed to have been paid, under this Act by the corporation in respect of the other taxation year, but only for the purpose of giving effect to any provision of this Act requiring the inclusion, or allowing the deduction, of an amount in computing a balance of the corporation for the other year, to the extent that the inclusion or deduction can reasonably be considered to relate to the change in the particular balance of the corporation for the particular year.

14 Section 44 presently reads:

44 Where a corporation has filed for a particular taxation year the return required by section 36 and an amount is subsequently claimed by it for the year as a deduction of an amount under this Act,

(a) 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, or

(b) by virtue of the application of section 111 of the federal Act in respect of a loss for a subsequent taxation year,

by filing a prescribed form amending the return with the Provincial Treasurer, on or before the day on or before which the corporation is required by section 36 to file a return for that subsequent taxation

15(1) Section 47 is amended

(a) in subsection (4)(a.1) by adding “(1.2),” after “(1.1),”;

(b) in subsection (4)(a.1) by striking out “, (3)”;

(c) in subsection (6)(g) by striking out “in writing”;

(d) in subsection (7)(g) by striking out “in writing”.

(2) Subsection (1)(a) applies to taxation years commencing after December 31, 1994.

year, the Provincial Treasurer shall reassess the corporation's tax for any relevant taxation year (other than a taxation year preceding the particular taxation year) in order to take into account the deduction claimed.

15 Section 47(4), (6) and (7) presently read:

(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,

(a.1) the day on or before which the corporation is required to make a payment under section 38(1)(b), (1.1), (3) or (8),

(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.

(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.*

(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*

16 Section 48(1.1)(a) is amended by striking out “or 47(4.4)” and substituting “, 47(4.4) or 72.1(8)”.

17 Section 48.1 is amended

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

Extension of
time by
Provincial
Treasurer

48.1(1) Where no notice of objection to an assessment has been served under section 48, nor any request made under section 72.1(6), within the time limited by those provisions for doing so, the taxpayer may apply to the Provincial Treasurer to extend the time for serving the notice of objection or making the request.

(b) in subsection (2) by adding “or the request was not made, as the case may be,” after “was not served”;

(c) in subsection (3) by adding “or of the request” after “objection”;

(d) in subsection (6) by striking out “shall be deemed to have been served” and substituting “or the request is deemed to have been served or made”;

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.*

16 Section 48(1.1) presently reads:

(1.1) Notwithstanding subsection (1), where at any time the Provincial Treasurer assesses tax, interest or penalties payable under this Act by, or makes a determination in respect of, a corporation

- (a) under section 41(1.1), 43(1)(d)(ii)(A), (1.2), (3.1), (4) or (5), 44 or 47(4.4) or in accordance with an order of a court vacating, varying or restoring the assessment or referring the assessment back to the Provincial Treasurer for reconsideration and reassessment,*
- (b) under subsection (4) where the underlying objection relates to an assessment or a determination made under any of the provisions or circumstances referred to in clause (a), or*
- (c) under subsection 12(2.2) of the federal Act as it is made applicable for the purposes of this Act,*

the corporation may object to the assessment or determination within 90 days after the day of mailing of the notice of assessment or determination only to the extent that the reasons for the objection may reasonably be regarded as relating to a matter that gave rise to the assessment or determination and that was not conclusively determined by the court, except that this subsection shall not be read or construed as limiting the right of the corporation to object to an assessment or a determination issued or made before that time.

17 Section 48.1 presently reads in part:

48.1(1) Where no notice of objection to an assessment has been served under section 48 within the time limited by that section for doing so, the corporation may apply to the Provincial Treasurer to extend the time for serving the notice of objection.

(2) An application made under subsection (1) shall set out the reasons why the notice of objection was not served within the time otherwise limited by this Act for doing so.

(3) An application under subsection (1) shall be delivered or mailed to the Provincial Treasurer and accompanied by a copy of the notice of objection.

(6) Where an application made under subsection (1) is granted, the notice of objection shall be deemed to have been served on the day the decision of the Provincial Treasurer is mailed to the corporation.

(7) No application shall be granted under this section unless

(e) in subsection (7)

(i) in clause (a) by adding “or making a request, as the case may be” after “objection”;

(ii) in clause (b)(i) by adding “or making such a request, as the case may be” after “notice”;

(iii) in clause (b)(i)(B) by adding “or make the request” after “assessment”.

18 Section 48.2(4) is amended

(a) in clause (a) by adding “or making a request, as the case may be” after “objection”;

(b) in clause (b)(i) by adding “or making such a request, as the case may be” after “notice”;

(c) in clause (b)(i)(B) by adding “or make the request” after “assessment”.

19 Section 50(1.1)(a) is amended by striking out “or 47(4.4)” and substituting “, 47(4.4) or 72.1(8)”.

- (a) *the application is made within one year after the expiration of the time otherwise limited by this Act for serving a notice of objection, and*
- (b) *the corporation demonstrates that*
 - (i) *within the time otherwise limited by this Act for serving the notice, the corporation*
 - (A) *was unable to act or to instruct another to act in the corporation's name, or*
 - (B) *intended in good faith to object to the assessment,*
 - (ii) *given the reasons set out in the application and the circumstances of the case, it would be just and equitable to grant the application, and*
 - (iii) *the application was made as soon as circumstances permitted.*

18 Section 48.2(4) presently reads:

- (4) *No application shall be granted under this section unless*
 - (a) *the application was made under section 48.1(1) within one year after the expiration of the time otherwise limited by this Act for serving a notice of objection, and*
 - (b) *the corporation demonstrates that*
 - (i) *within the time otherwise limited by this Act for serving the notice, the corporation*
 - (A) *was unable to act or to instruct another to act in the corporation's name, or*
 - (B) *intended in good faith to object to the assessment,*
 - (ii) *given the reasons set out in the application and the circumstances of the case, it would be just and equitable to grant the application, and*
 - (iii) *the application was made under section 48.1(1) as soon as circumstances permitted.*

19 Section 50(1.1) presently reads:

- (1.1) *Notwithstanding subsection (1), where at any time the Provincial Treasurer assesses tax, interest or penalties payable under this Act by, or makes a determination in respect of, a corporation*
 - (a) *under section 41(1.1), 43(1)(d)(ii)(A), (1.2), (3.1), (4) or (5), 44 or 47(4.4) or in accordance with an order of a court vacating, varying or restoring the assessment or*

20(1) Section 56(1) is amended by adding the following after clause (e):

- (f) authorizing the Minister of Energy to determine any component or value in the calculation of a royalty tax credit under Part 6 or a royalty credit under Part 11.

(2) Subsection (1) comes into force on July 1, 1995.

21(1) The following is added after section 72:

**Division 4.1
Tax Avoidance**

General anti-avoidance rules

72.1(1) In this section and in section 41(1.11),

- (a) “tax benefit” means a reduction, avoidance or deferral of tax or other amount payable under this Act or an increase in a refund of tax, refundable tax credit, royalty credit or other amount under this Act;
- (b) “tax consequences” to a corporation means the amount of

referring the assessment back to the Provincial Treasurer for reconsideration and reassessment,

(b) under section 48(4) where the underlying objection relates to an assessment or a determination made under any of the provisions or circumstances referred to in clause (a), or

(c) under subsection 12(2.2) of the federal Act as it is made applicable for the purposes of this Act,

the corporation may appeal to the court within the time limit specified in subsection (1) only to the extent that the reasons for the appeal may reasonably be regarded as relating to a matter that gave rise to the assessment or determination and that was not conclusively determined by the court, except that this subsection shall not be read or construed as limiting the right of the corporation to appeal from an assessment or a determination issued or made before that time.

20 Section 56(1) presently reads:

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

(a) prescribing anything that by this Act is to be prescribed or is to be determined or regulated by regulation;

(b) providing in any case of doubt the circumstances in which and the extent to which the federal regulations apply;

(c) prescribing the evidence required to establish facts relevant to assessments under this Act;

(d) requiring any class of corporations to make information returns respecting any class of information required in connection with assessments under this Act;

(e) prescribing the allocation of payments received by the Provincial Treasurer under this Act among taxes, repayments of overpayments of refundable tax credits, interest and penalties.

21 General anti-avoidance rules.

- (i) the corporation's income, taxable income, taxable income earned in Canada or amount taxable in Alberta,
- (ii) the corporation's amount taxable, the portion of the corporation's amount taxable that is used by the corporation in jurisdictions outside Alberta, the corporation's taxable paid-up capital, taxable paid-up capital employed in Canada or specified taxable paid-up capital, all as referred to in Part 10,
- (iii) the corporation's amount of premiums receivable referred to in Part 9,
- (iv) tax, refundable tax credit or other amount payable by or refundable to the corporation under this Act, or
- (v) any other amount that is relevant for the purposes of computing any amount referred to in this clause;

(c) "transaction" includes an arrangement or event.

(2) Where a transaction is an avoidance transaction, the tax consequences to a person shall be determined as is reasonable in the circumstances in order to deny a tax benefit that, but for this section, would result, directly or indirectly, from that transaction or from a series of transactions that includes that transaction.

(3) An avoidance transaction is any transaction

- (a) that, but for this section, would result, directly or indirectly, in a tax benefit, unless the transaction may reasonably be considered to have been undertaken or arranged primarily for bona fide purposes other than to obtain the tax benefit, or
- (b) that is part of a series of transactions, which series, but for this section, would result, directly or indirectly, in a tax benefit, unless the transaction may reasonably be considered to have been undertaken or arranged primarily for bona fide purposes other than to obtain the tax benefit.

(4) For greater certainty, subsection (2) does not apply to a transaction where it may reasonably be considered that the transaction would not result directly or indirectly in a misuse of the provisions of this Act or an abuse having regard to the

provisions of this Act, other than this section, read as a whole.

- (5) Without restricting the generality of subsection (2),
- (a) any deduction made in computing income, taxable income, taxable income earned in Canada, amount taxable in Alberta or tax payable or any part of it may be allowed or disallowed in whole or in part,
 - (b) any deduction referred to in clause (a) or any income, loss or other amount, or part of it, may be allocated to any corporation,
 - (c) the nature of any payment or other amount may be recharacterized,
 - (d) the tax effects that would otherwise result from the application of other provisions of this Act may be ignored, and
 - (e) the amount of any refundable tax credits may be disallowed in whole or in part

in determining the tax consequences to a corporation as is reasonable in the circumstances in order to deny a tax benefit that would, but for this section, result, directly or indirectly, from an avoidance transaction.

- (6) Where with respect to a transaction

- (a) a notice of assessment, reassessment or additional assessment involving the application of subsection (2) with respect to the transaction has been sent to a corporation, or
- (b) a notice of determination pursuant to section 41(1.11) has been sent to a corporation with respect to the transaction,

any corporation, other than a corporation referred to in clause (a) or (b), is entitled, within 180 days after the day of mailing of the notice, to request in writing that the Provincial Treasurer make an assessment, reassessment or additional assessment applying subsection (2) or make a determination applying section 41(1.11) with respect to that transaction.

- (7) Notwithstanding any other provision of this Act, the tax consequences to any person, following the application of this section, shall be determined only through a notice of

assessment, reassessment, additional assessment or determination pursuant to section 41(1.11) involving the application of this section.

(8) On receipt of a request by a person under subsection (6), the Provincial Treasurer shall, with all due dispatch, consider the request and, notwithstanding section 43(1), assess, reassess or make an additional assessment or determination pursuant to section 41(1.11) with respect to that corporation, except that an assessment, reassessment, additional assessment or determination may be made under this subsection only to the extent that it may reasonably be regarded as relating to the transaction referred to in subsection (6).

Limitation

72.11 The Provincial Treasurer shall not

- (a) make a determination involving the application of section 41(1.11) to a transaction entered into before May 1, 1995, or
- (b) apply section 72.1 to a transaction entered into before May 1, 1995 in an assessment, reassessment or additional assessment,

unless such a determination or application has been made by the Minister of National Revenue under the federal Act involving the application of section 152.11 or 245 of the federal Act to that transaction.

(2) *Subsection (1) applies with respect to transactions entered into on or after September 13, 1988 other than*

- (a) *transactions that are part of a series of transactions, determined without reference to subsection 248(10) of the federal Act, commencing before September 13, 1988 and completed before 1989, or*
- (b) *any one or more transactions, one of which was entered into before April 13, 1988, that were entered into by a taxpayer in the course of an arrangement and in respect of which the taxpayer received from the Department of National Revenue or the Treasury Department, before April 13, 1988, a confirmation or opinion in writing with respect to the tax consequences.*

²² *The following is added after section 72.11 as it is enacted by section 21(1) of this Act:*

22 Appeal Committee for general anti-avoidance rules applications.

Notice re
avoidance
transaction

72.2(1) If the Provincial Treasurer is of the opinion that a transaction of a corporation may be an avoidance transaction under section 72.1, the Provincial Treasurer shall notify the corporation in writing of an intention to make a determination under section 41(1.11) or an assessment, reassessment or additional assessment under section 72.1 in respect of a taxation year before making the determination, assessment, reassessment or additional assessment.

(2) A corporation may appeal to the Appeal Committee established under section 72.4 not more than 90 days after a notice under subsection (1) is served on the corporation.

(3) If no appeal is made in accordance with subsection (2) or the Appeal Committee makes an order under section 72.5(1)(a) or (b), the Provincial Treasurer may make the determination or the assessment, reassessment or additional assessment in respect of the transaction referred to in the notice under subsection (1).

(4) If an appeal is allowed under section 72.5(1)(c), the Provincial Treasurer shall not make a determination, assessment, reassessment or additional assessment in respect of the transaction referred to in the notice under subsection (1).

Time extended

72.3(1) If the Provincial Treasurer serves a notice under section 72.2(1) on a corporation, for the purposes of section 43,

(a) the corporation is deemed to have filed a waiver in accordance with section 43(1)(d)(i)(B) in respect of the taxation year referred to in the notice, and section 43(3) shall be read as if the corporation had filed a notice of revocation of the waiver

(i) 90 days after the notice under section 72.2(1) is served on the corporation, if the corporation does not appeal in accordance with section 72.2(2), or

(ii) on the date on which the Appeal Committee makes an order under section 72.5 if the corporation appeals in accordance with section 72.2(2),

and

(b) the normal assessment period defined in section 43(0.1) and the time in section 43(1.2) within which the Provincial Treasurer must reassess, make an

additional assessment of or assess tax, interest or penalties, notify the corporation that no tax is payable or make a determination in respect of a taxation year are extended by

- (i) 90 days if the corporation does not appeal in accordance with section 72.2(2), or
- (ii) the number of days in the period between the date on which the corporation is served with the notice under section 72.2(1) and the date on which the Appeal Committee makes an order under section 72.5 if the corporation appeals in accordance with section 72.2(2).

Appeal
Committee

72.4(1) There is hereby established an Appeal Committee consisting of no fewer than 4 members appointed by the Lieutenant Governor in Council.

(2) The Appeal Committee may sit in a panel of no fewer than 3 members of the Committee.

(3) The Appeal Committee is not bound by the rules of evidence or any other law applicable to judicial proceedings and has power to determine the admissibility, relevance and weight of any evidence.

(4) The Appeal Committee may determine the manner in which evidence is to be given to it.

(5) The Lieutenant Governor in Council may make regulations respecting

- (a) panels of the Appeal Committee;
- (b) applications to the Appeal Committee;
- (c) hearings before the Appeal Committee.

Order of
Appeal
Committee

72.5(1) The Appeal Committee may make an order

- (a) dismissing the appeal,
- (b) limiting the transactions in respect of which the determination, assessment, reassessment or additional assessment referred to in the notice under section 72.2 may be made, or
- (c) allowing the appeal.

(2) An order under subsection (1) may include any terms or conditions the Appeal Committee considers necessary.

(3) The Appeal Committee may in its discretion award costs in respect of the appeal and the applicant and the Provincial Treasurer shall pay costs in accordance with the award.

23 Section 82(5) is amended by adding “or a request under section 72.1(6), as the case may be,” after “assessment or determination”.

24 Section 84 is amended

(a) in subsection (1) by striking out “be deemed to be” and substituting “be presumed to be”;

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

(2.1) For the purposes of this section, “day of mailing” applies to a notice whether it is sent by mail or by a form of electronic transmission.

25 Section 92(1.1) is amended

(a) by adding “, (1.11) and (1.12)” after “41(1)”;

(b) by adding “Part 8 Division 4.1” after “48 to 72,”.

26(1) Section 93(1) is amended

(a) by renumbering clause (a) as clause (a.1) and by adding the following before clause (a.1):

(a) “accounting income allocated to Alberta” of a corporation for a taxation year means the difference between

23 Section 82(5) presently reads:

(5) An affidavit of an officer of the Treasury Department setting out that he has charge of the appropriate records and has knowledge of the practice of the Department and that an examination of the records shows that a notice of assessment for a particular taxation year or a notice of determination was mailed or otherwise communicated to a taxpayer on a particular day pursuant to this Act and that after careful examination and search of the records he has been unable to find that a notice of objection or of appeal from the assessment or determination was received within the time allowed shall be admitted in evidence as prima facie proof of the statements contained in the notice.

24 Section 84(1) and (2) presently read:

84(1) For the purposes of this Act the day of mailing of any notice of assessment, notice of determination or any other notice required to be given by the Provincial Treasurer under this Act 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.

(2) When a notice of an assessment has been sent by the Provincial Treasurer as required by this Act, the assessment shall be deemed to have been made on the day of mailing of the notice of the assessment.

25 Section 92(1.1) presently reads:

(1.1) Subject to subsection (2), sections 1(2)(g) and (i), 1(3) and (4), 37.1, 39(6), 41(1), 42, 43, 45, 46, 47(2) to (4) and (4.2) to (5), 48 to 72, and 74 to 84 apply for the purposes of this Part.

26 Section 93(1) presently reads in part:

93(1) In this Part,

(a) "amount taxable" means

(i) in the case of a resident corporation, the taxable paid-up capital of the corporation, or

- (i) the accounting income before income taxes and capital taxes that is determined in accordance with generally accepted accounting principles and reported in the corporation's financial statements for the year, and
- (ii) the amount that is the same proportion of the amount referred to in subclause (i) that the amount referred to in section 97(b) is of the amount taxable of the corporation;

(b) by adding the following after clause (h):

(h.1) "qualified corporation" means, with respect to a taxation year,

(i) a corporation that

(A) is liable to pay tax under this Part for the year,

(B) has its head office located in Alberta at the end of the year, and

(C) has taxable paid-up capital of not more than \$200 000 000

or

(ii) a corporation that

(A) is liable to pay tax under this Part for the year and at the end of the year is a parent corporation of a subsidiary wholly-owned corporation that, with respect to its taxation year that ends in the same calendar year as the taxation year of the parent, is liable to pay tax under this Part, or

(B) is a subsidiary wholly-owned corporation referred to in paragraph (A);

(c) by adding the following after clause (i):

(i.1) "specified capital tax otherwise payable" means the tax that would be payable under this Part if the references to "amount taxable" in section 97 were read as references to "specified taxable paid-up capital";

(ii) in the case of a non-resident corporation, the taxable paid-up capital employed in Canada of the corporation,

at the end of the taxation year;

- (i.2) “specified taxable paid-up capital” means the specified taxable paid-up capital of a qualified corporation computed in accordance with section 96.1;

(2) *Subsection (1) applies to the 1995 and subsequent taxation years.*

27(1) *The following is added after section 96:*

Specified
taxable paid-
up capital

96.1 The specified taxable paid-up capital of a qualified corporation for a taxation year is

- (a) for a qualified corporation described in section 93(1)(h.1)(ii)(A), the taxable paid-up capital of the corporation less an amount, if any, that is equal to the amount of the retained earnings of its subsidiary wholly-owned corporation as reflected in the qualified corporation’s accounts for the year,
- (b) for a qualified corporation described in section 93(1)(h.1)(ii)(B), the retained earnings of the corporation at the end of the year, or
- (c) for a qualified corporation described in section 93(1)(h.1)(ii)(A) and (B), the retained earnings of the corporation less the retained earnings of its subsidiary wholly-owned corporation, if any, as reflected in the qualified corporation’s accounts for the year.

(2) *Subsection (1) applies to the 1995 and subsequent taxation years.*

28(1) *The following is added after section 99:*

Tax payable
by a qualified
corporation

99.1 Notwithstanding section 97, the tax payable under this Part for a taxation year by a qualified corporation shall be reduced by the following amounts where applicable:

- (a) where the corporation is described in section 93(1)(h.1)(i) but not in section 93(1)(h.1)(ii) and has taxable paid-up capital of not more than \$100 000 000, the amount, if any, by which the tax otherwise payable under this Part exceeds 10% of the corporation’s accounting income allocated to Alberta for the year;

27 Definition of specified taxable paid-up capital.

28 Relief from increased tax payable for small Alberta based financial institutions and as a result of double tax in situations involving subsidiaries.

- (b) where the corporation is described in section 93(1)(h.1)(i) but not in section 93(1)(h.1)(ii) and has taxable paid-up capital of more than \$100 000 000 but not more than \$200 000 000, the amount determined using the following formula:

$$A - \frac{A(\text{TPUC} - 100\,000\,000)}{100\,000\,000}$$

where

A is the amount calculated under this section as if clause (a) applied to the corporation in respect of that taxation year, and

TPUC is the taxable paid-up capital of the corporation for the year;

- (c) where the corporation is described in section 93(1)(h.1)(ii) and has taxable paid-up capital of not more than \$100 000 000, the aggregate of
- (i) the amount by which the tax otherwise payable under this Part exceeds the specified capital tax otherwise payable, and
 - (ii) the amount, if any, by which the specified capital tax otherwise payable exceeds 10% of the corporation's accounting income allocated to Alberta for the year;
- (d) where the corporation is described in section 93(1)(h.1)(ii) and has taxable paid-up capital of more than \$100 000 000 but not more than \$200 000 000, the aggregate of
- (i) the amount by which the tax otherwise payable under this Part exceeds the specified capital tax otherwise payable, and
 - (ii) the amount determined using the following formula:

$$A - \frac{A(\text{TPUC} - 100\,000\,000)}{100\,000\,000}$$

where

A is the amount calculated under this section as if clause (c)(ii) applied to the corporation in the year, and

TPUC is the taxable paid-up capital of the corporation for the year;

- (e) where the corporation is described in section 93(1)(h.1)(ii) and has taxable paid-up capital of more than \$200 000 000, the amount by which the corporation's capital tax otherwise payable exceeds the corporation's specified capital tax otherwise payable.

(2) Subsection (1) applies to 1995 and subsequent taxation years.

29(1) Section 100(2) and (3) are repealed.

(2) Subsection (1) applies to taxation years commencing after June 30, 1995.

30(1) Section 101(1)(b)(ii) is amended by adding "or (1.2)(a)" after "section 38(1.1)".

(2) Subsection (1) applies to taxation years commencing after December 31, 1994.

29 Section 100 presently reads:

100(1) Where a corporation has a taxation year of less than 365 days, the tax payable under this Part by the corporation for that taxation year is equal to that proportion of the tax otherwise payable under this Part for the taxation year that the number of days in the taxation year is of 365.

(2) Where a corporation ceases to have a permanent establishment in Alberta during a taxation year, the taxation year is deemed to consist of the number of days in the year during which it had a permanent establishment in Alberta, and subsection (1) applies to that taxation year.

(3) Where a corporation commences having a permanent establishment in Alberta during a taxation year, the taxation year is deemed to consist of the number of days in the year during which it had a permanent establishment in Alberta, and subsection (1) applies to that taxation year.

30 Section 101(1) presently reads:

101(1) Every corporation that is liable to pay tax under this Part and whose taxation year commences after March 31, 1990 shall, in respect of the taxation year, pay to the Provincial Treasurer

31 *Section 105(2) is amended*

(a) *by adding “, (1.11) and (1.12)” after “41(1)”;*

(b) *by adding “, Part 8 Division 4.1” after “48 to 72”.*

32 *Section 121(2) is amended*

(a) *by adding “41(1.11) and (1.12),” after “37.1.”;*

(b) *by adding “Part 8 Division 4.1,” after “55.1 to 70.”.*

33 *Sections 3 to 6, 12(a), 16 to 19, 21 to 23, 25, 31 and 32 come into force on Proclamation.*

- (a) *an amount equal to 1/12 of its tax payable under this Part for the year as estimated by it on or before the last day of each month in the year, and*
- (b) *the remainder of the tax payable by it under this Part for the year,*
 - (i) *subject to subclause (ii), on or before the last day of the 2nd month following the year, or*
 - (ii) *if section 38(1.1) applies to the corporation for the purposes of Parts 1 to 8 in respect of the taxation year, on or before the last day of the 3rd month following the year.*

31 Section 105(2) presently reads:

(2) Subject to subsection (3), sections 1(1), 1(2)(c), (d), (e), (f), (g), (i), 1(3) and (4), 2(1) to (3), (8) and (10), 37.1, 39(6), 41(1), 42, 43, 45, 46, 47(2) to (4) and (4.2) to (5), 48 to 72 and 73.1 to 84 apply to this Part.

32 Section 121(2) presently reads:

(2) Subject to subsection (3), sections 1(4), 37.1, 48, 48.1, 48.2, 50 to 54, 55(1), (3) and (4), 55.1 to 70, 74 to 79 and 81 to 84 apply to this Part.

33 Coming into force.