

BILL 21

2002

ALBERTA PERSONAL INCOME TAX AMENDMENT ACT, 2002

(Assented to _____, 2002)

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

Amends RSA 2000 cA-30

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

2(1) Section 1 is amended by adding the following after
subsection (1)(p):

(p.1) “Provincial Minister” means the Minister determined
under section 16 of the *Government Organization Act* as
the Minister responsible for this Act;

(2) In this Act, “Provincial Treasurer” is struck out wherever it
occurs and “Provincial Minister” is substituted.

3 Section 6 is amended by adding the following after
subsection (5):

(6) The tax payable under this Act for a taxation year by an
individual who

(a) was not resident in Alberta at any time in the taxation
year but was resident in a province other than Alberta or
in a territory in the calendar year,

- (b) was not resident in Canada on the last day of the calendar year, and
- (c) had business income in Alberta in the taxation year

is the amount determined by the formula

$$A \times B \times \frac{C}{D}$$

where

- A is the specified percentage for the year;
- B is the taxable income of the individual;
- C is the business income in Alberta;
- D is the income for the year as determined under section 1(1)(j)(i).

4 Section 8(1)(d)(ii)(B) is amended by striking out “individual’s” and by adding “of the individual or of the individual’s spouse” after “niece”.

5 Section 13 is amended

- (a) **by repealing subsection (1)(b) and substituting the following:**
 - (b) the effects of the impairment are such that the individual’s ability to perform a basic activity of daily living is markedly restricted or would be markedly restricted but for therapy that
 - (i) is essential to sustain a vital function of the individual,
 - (ii) is required to be administered at least 3 times each week for a total duration averaging not less than 14 hours a week, and
 - (iii) cannot reasonably be expected to be of significant benefit to persons who are not so impaired,

(b) in subsection (1)(c)

(i) by adding “or would be markedly restricted but for therapy referred to in clause (b)” **after** “restricted”;

(ii) by adding the following after subclause (i):

(i.1) a speech impairment, a medical doctor or a speech-language pathologist,

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

(2) Where an individual is entitled to deduct an amount under subsection 118.3(1) of the federal Act for the purpose of computing the individual’s tax payable for a taxation year under Part I of the federal Act, for the purpose of computing the tax payable under this Act for a taxation year by the individual, or that would be so payable if the individual were liable under section 3 to pay tax for the year, there may be deducted an amount determined by the formula

$$A \times (\$6000 + B)$$

where

A is the specified percentage for the year;

B is

(a) where the individual has not attained the age of 18 years before the end of the year, the amount, if any, by which

(i) \$3500

exceeds

(ii) the amount, if any, by which

(A) the total of all amounts each of which is an amount paid in the year for the care or supervision of the individual and included in computing a deduction under section 63 or 64 of the federal Act or section 12 of this Act for a taxation year

exceeds

(B) \$2050, and

(b) in any other case, \$0.

6 Section 17 is amended

(a) **in subsection (1) by striking out** “Section 118.61 of the federal Act applies” **and substituting** “Subsections 118.61(1) and (2) of the federal Act apply”;

(b) **in subsections (2) and (3) by striking out** “section 118.61” **and substituting** “subsections 118.61(1) and (2)”.

7 Section 20 is amended by adding the following after subsection (2):

(3) In applying sections 118.8, 118.81 and 118.9 of the federal Act for the purposes of this section, where a spouse or individual did not reside in Alberta on the last day of the calendar year, any credits transferred by the spouse or individual to another individual for the year under this section are to be computed on the basis that the spouse or individual were liable under section 3 to pay tax for the year.

8 Section 23(1)(a)(i) is amended by adding “that could have been” **after** “amounts”.

9 Section 26(1) is amended

(a) **in clause (a) by striking out** “3/4” **and substituting** “1/2”;

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

(b) “capital gains redemptions” of a mutual fund trust for a taxation year means that proportion of

(i) the aggregate of

(A) the product obtained when 100 divided by the Alberta rate is multiplied by the trust’s refundable capital gains tax on hand at the end of the year, and

- (B) the amount, if any, by which the aggregate of the fair market value at the end of the year of all of the issued units of the trust and all amounts each of which is the amount of any debt owing by the trust, or of any other obligation of the trust to pay an amount, that was outstanding at that time exceeds the aggregate of the cost amounts to it at that time of all of its properties and the amount of any money of the trust on hand at that time,

that

- (ii) the aggregate of amounts each of which is the proportion of an amount paid by the trust in the year on the redemption of a unit in the trust that is included in the proceeds of disposition in respect of that redemption

is of

- (iii) the aggregate of the fair market value at the end of the year of all of the issued units of the trust and the amount determined under subclause (ii) in respect of the trust for the year

to the extent that that proportion exceeds twice the total of all the amounts each of which is an amount designated under subsection 104(21) of the federal Act for the year by the trust in respect of a unit of the trust redeemed by the trust at any time in the year and after December 31, 2000;

(c) by repealing clause (d)(i) and substituting the following:

- (i) the aggregate of amounts each of which is an amount in respect of that or any previous taxation year throughout which it was a mutual fund trust, equal to the least of
 - (A) the product obtained by multiplying its taxable income for the year by the specified percentage for the year,
 - (B) the product obtained by multiplying its taxed capital gains for the year by the specified percentage for the year, and
 - (C) where the taxation year ended after May 6, 1974, the tax payable under this Part by it for the year

10 Section 27 is amended

- (a) in subsection (1) by striking out “and (3)” and substituting “, (3), (4), (5) and (6)”;**
- (b) in subsection (2) by striking out “where C and D are as described in section 6(2)” and substituting “where C and D are the individual’s amounts for the year as described in section 6(2)”;**
- (c) in subsection (3) by striking out “where C and D are as described in section 6(3)” and substituting “where C and D are the individual’s amounts for the year as described in section 6(3)”;**
- (d) by adding the following after subsection (3):**

(4) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(4) is the amount determined by multiplying the amount calculated under subsection (1) by the formula

$$\frac{C-D}{C}$$

where C and D are the individual’s amounts for the year as described in section 6(4).

(5) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(5) is the amount determined by multiplying the amount calculated under subsection (1) by the formula

$$\frac{C}{D}$$

where C and D are the individual’s amounts for the year as described in section 6(5).

(6) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(6) is the amount determined by multiplying the amount calculated under subsection (1) by the formula

$$\frac{C}{D}$$

where C and D are the individual's amounts for the year as described in section 6(6).

11 Section 40 is amended by adding the following after subsection (2):

(3) For an individual referred to in section 6(4), the amount that may be deducted under subsections (1) and (2) for the year must not exceed the portion of such amount determined by the formula

$$A \times \frac{(C-D)}{C}$$

where

A is the total of those credits under sections 8, 9, 11, 12, 13, 15, 16, 18, 19 and 20 that the individual is entitled to claim, and

C and D are the individual's amounts for the year as described in section 6(4).

(4) For an individual referred to in section 6(6), the amount that may be deducted under subsections (1) and (2) for the year must not exceed the portion of such amount determined by the formula

$$A \times \frac{C}{D}$$

where

A is the total of those credits under sections 8, 9, 11, 12, 13, 15, 16, 18, 19 and 20 that the individual is entitled to claim, and

C and D are the individual's amounts for the year as described in section 6(6).

12 Section 41 is renumbered as section 41(1) and the following is added after subsection (1):

(2) For an individual referred to in section 6(5), the amount that may be deducted under subsection (1) for the year must not exceed the portion of such amount determined by the formula

$$A \times \frac{C}{D}$$

where

A is the total of those credits under sections 8, 9, 11, 12, 13, 15, 16, 18, 19 and 20 that the individual is entitled to claim, and

C and D are the individual's amounts for the year as described in section 6(5).

13 Section 42 is amended by striking out “and 21” and substituting “, 21, 23, 24 and 25”.

14 Section 46 is repealed and the following is substituted:

Lump sum payments

46(1) Subject to subsections (2), (3), (4), (5) and (6), there must be added in computing an individual's tax payable pursuant to this Act for a taxation year an amount equal to 35% of the total of any amounts added pursuant to section 120.3 or 120.31 of the federal Act or section 40 of the *Income Tax Application Rules* (Canada) for the purpose of computing the individual's tax payable pursuant to Part I of the federal Act for the taxation year.

(2) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(2) is the amount determined by multiplying the amount calculated under subsection (1) by the formula

$$\frac{C-D}{C}$$

where C and D are the individual's amounts for the year as described in section 6(2).

(3) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(3) is the amount determined by multiplying the amount calculated under subsection (1) by the formula

$$\frac{C}{D}$$

where C and D are the individual's amounts for the year as described in section 6(3).

(4) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(4) is the amount determined by multiplying the amount calculated under subsection (1) by the formula

$$\frac{C-D}{C}$$

where C and D are the individual's amounts for the year as described in section 6(4).

(5) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(5) is the amount determined by multiplying the amount calculated under subsection (1) by the formula

$$\frac{C}{D}$$

where C and D are the individual's amounts for the year as described in section 6(5).

(6) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(6) is the amount determined by multiplying the amount calculated under subsection (1) by the formula

$$\frac{C}{D}$$

where C and D are the individual's amounts for the year as described in section 6(6).

15 Section 48 is repealed and the following is substituted:

Minimum tax

48(1) Subject to subsections (2), (3), (4), (5) and (6), if an individual is required to pay tax under section 127.5 of the federal Act in respect of a taxation year, the amount of the additional minimum tax that the individual is required to pay under this Act in respect of that taxation year is 35% of the amount that would be determined under subsection 120.2(3) of the federal Act for the taxation year if that subsection were read without reference to paragraph (c).

(2) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(2) is the amount determined by multiplying the amount calculated under subsection (1) by the formula

$$\frac{C-D}{C}$$

where C and D are the individual's amounts for the year as described in section 6(2).

(3) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(3) is the amount determined by multiplying the amount calculated under subsection (1) by the formula

$$\frac{C}{D}$$

where C and D are the individual's amounts for the year as described in section 6(3).

(4) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(4) is the amount determined by multiplying the amount calculated under subsection (1) by the formula

$$\frac{C-D}{C}$$

where C and D are the individual's amounts for the year as described in section 6(4).

(5) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(5) is the amount

determined by multiplying the amount calculated under subsection (1) by the formula

$$\frac{C}{D}$$

where C and D are the individual's amounts for the year as described in section 6(5).

(6) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(6) is the amount determined by multiplying the amount calculated under subsection (1) by the formula

$$\frac{C}{D}$$

where C and D are the individual's amounts for the year as described in section 6(6).

16 The following is added after section 48:

Part 1.1 NHL Players Tax

Division 1 Interpretation and Application

Definitions

48.1(1) In this Part,

- (a) "NHL" means the National Hockey League;
- (b) "NHL hockey income" of an NHL player means income received directly or indirectly by or on behalf of the NHL player for performing hockey duties or services as a player for an NHL team;
- (c) "NHL hockey income in Alberta" of an NHL player means that portion of NHL hockey income of the NHL player that is determined in accordance with the regulations under section 48.5 to be NHL hockey income in Alberta;

(d) “NHL player” means a player on the roster of an NHL team, whether the player is resident in or outside Canada;

(e) “NHL team” means any team in the NHL.

(2) For the purposes of this Part, an NHL player performs hockey duties or services in Alberta as a player for an NHL team

(a) when the player participates in an NHL hockey game in Alberta, and

(b) when the player is in the facility in which an NHL game is being played for all or part of the game, although the player is not participating in the game.

Application of Parts of Act

48.2(1) Parts 1 and 3 do not apply to tax payable under this Part.

(2) Subject to this section and the regulations under section 48.5, section 1 and Parts 2 and 4 apply with the necessary modifications to tax payable under this Part.

(3) For the purposes of this Part, a reference in Part 2 or 4 to tax payable under this Act is to be read as a reference to tax payable under Part 1.1.

(4) For the purposes of this Part, if a provision of the federal Act or a federal regulation applies for the purposes of this Part,

(a) a reference to Canada Customs and Revenue Agency or the Commissioner of Customs and Revenue is to be read as a reference to the Provincial Minister, and

(b) a reference to the Attorney General of Canada is to be read as a reference to the Minister of Justice and Attorney General of Alberta.

Division 2 Liability for Tax

Liability for tax

48.3(1) An NHL player who performs hockey duties or services while in Alberta shall pay tax as required by this Part.

(2) Tax payable under this Part is in addition to tax payable under Part 1.

Division 3 Computation of Tax

Amount of tax payable

48.4 The tax payable under this Part by an NHL player who has NHL hockey income in Alberta in the taxation year is the amount determined by the formula

$$A \times B$$

where

A is 12.5%;

B is the NHL hockey income in Alberta of the NHL player for the year.

Regulations

48.5 The Lieutenant Governor in Council may make regulations

- (a) determining what constitutes NHL hockey income in Alberta;
- (b) varying the provisions of, or substituting other provisions for, sections 50, 51, 52, 53, 54, 55, 69 or 76 and making those varied or substituted provisions applicable to tax payable under this Part;
- (c) respecting the giving of a tax credit in a taxation year to an NHL player resident in Alberta who has paid tax under this Part and who pays in that taxation year a similar tax imposed in another province or territory of Canada.

Application

48.6 This Part applies

- (a) for the 2002 taxation year, but only in respect of hockey duties or services performed after August 31, 2002, and
- (b) for the 2003, 2004 and 2005 taxation years.

17 Section 85(3) is amended by striking out “Treasury Department” wherever it occurs and substituting “Provincial Minister’s Department”.

18 The *Tax Statutes Amendment Act, 2001* is amended by repealing section 3(12) and substituting the following:

(12) Section 38 is amended by striking out “18 and 19” wherever it occurs and substituting “17, 18, 19 and 20”.

19(1) Sections 1, 3, 4, 5, 6, 7, 9, 13, 14 and 15 are deemed to have come into force on January 1, 2001.

(2) Sections 8, 10, 11 and 12 are deemed to have come into force on January 1, 2002.

(3) Section 16 comes into force on Proclamation.

Explanatory Notes

1 Amends chapter A-30 of the Revised Statutes of Alberta 2000.

2 Changes references from “Provincial Treasurer” to “Provincial Minister”.

3 Section 6 presently reads:

6(1) The tax payable under this Act for a taxation year by an individual who was resident in Alberta on the last day of the calendar year and had no business income outside Alberta in the taxation year is the amount determined by the formula

A x B

where

A is the specified percentage for the year;

B is the taxable income of the individual.

(2) The tax payable under this Act for a taxation year by an individual who was resident in Alberta on the last day of the calendar year and had business income outside Alberta in the taxation year is the amount determined by the formula

$$A \times B \times \frac{(C-D)}{C}$$

where

A is the specified percentage for the year;

B is the taxable income of the individual;

C is the income for the year as determined under section 1(1)(j)(iii);

D is the business income outside Alberta.

(3) The tax payable under this Act for a taxation year by an individual who was resident in a province other than Alberta or in a territory on the last day of the calendar year and had business income in Alberta in the taxation year is the amount determined by the formula

$$A \times B \times \frac{C}{D}$$

where

A is the specified percentage for the year;

B is the taxable income of the individual;

C is the business income in Alberta;

D is the income for the year as determined under section 1(1)(j)(iii).

(4) The tax payable under this Act for a taxation year by an individual who

(a) was not resident in Alberta on the last day of the calendar year but was resident in Alberta throughout part of the calendar year, and

(b) was not resident in Canada on the last day of the calendar year

is the amount determined in accordance with the formula

$$A \times B \times \frac{(C-D)}{C}$$

where

A is the specified percentage for the year;

B is the taxable income of the individual;

C is the income for the year as determined under section 1(1)(j)(i);

D is the business income outside Alberta.

(5) The tax payable under this Act for a taxation year by an individual who was not resident in Canada at any time in the calendar year is the amount determined by the formula

$$A \times B \times \frac{C}{D}$$

where

A is the specified percentage for the year;

B is the taxable income of the individual;

C is the total of the individual's income for the year earned in Alberta as determined under section 2602 of the federal regulation and the taxable capital gain from the disposition of taxable Alberta property as determined by an Alberta regulation;

D is the income for the year as determined under section 1(1)(j)(ii).

4 Section 8(1)(d) presently reads:

(d) in the case of an individual who, at any time in the year alone or jointly with one or more persons, maintains a self-contained domestic establishment that is the ordinary place of residence of the individual and of a particular person

(i) who has attained the age of 18 years before that time,

(ii) who

(A) is the individual's child or grandchild, or

(B) is resident in Canada and is the individual's parent, grandparent, brother, sister, aunt, uncle, nephew or niece, and

(iii) *who*

(A) *in the case of the individual's parent or grandparent, has attained the age of 65 years before that time, or*

(B) *in the case of any of the relatives referred to in subclause (ii), is dependent on the individual because of that particular person's mental or physical infirmity,*

the amount determined by the formula

\$15 453 - D.1

where

D.1 is the greater of \$11 953 and the particular person's income for the year,

5 Section 13 presently reads in part:

13(1) This section applies where

(a) *an individual has a severe and prolonged mental or physical impairment,*

(b) *the effects of the impairment are such that the individual's ability to perform a basic activity of daily living is markedly restricted,*

(c) *in the case of*

(i) *a sight impairment, a medical doctor or an optometrist,*

(ii) *a hearing impairment, a medical doctor or an audiologist,*

(iii) *an impairment with respect to an individual's ability in feeding and dressing, or in walking, a medical doctor or an occupational therapist,*

(iv) *an impairment with respect to an individual's ability in perceiving, thinking and remembering, a medical doctor or a psychologist, and*

(v) *an impairment not referred to in any of subclauses (i) to (iv), a medical doctor*

has certified in prescribed form that the impairment is a severe and prolonged mental or physical impairment the effects of which are such that the individual's ability to perform a basic activity of daily living is markedly restricted,

- (d) *the individual has filed for a taxation year with the Provincial Treasurer the certificate described in clause (c), and*
- (e) *no amount in respect of remuneration for an attendant or care in a nursing home in respect of the individual is included in calculating a deduction under section 12 (otherwise than because of paragraph 118.2(2)(b.1) of the federal Act) for the year by the individual or by any other person.*

(2) *For the purposes of computing the tax payable under this Act for a taxation year by an individual, there may be deducted an amount determined by the formula*

$$A \times (\$6000 + B)$$

where

A is the specified percentage for the year;

B is

- (a) *where the individual has not attained the age of 18 years before the end of the year, the amount, if any, by which*
 - (i) *\$3500*
exceeds
 - (ii) *the amount, if any, by which*
 - (A) *the total of all amounts each of which is an amount paid in the year for the care or supervision of the individual and included in computing a deduction under section 63 or 64 of the federal Act or section 12 of this Act for a taxation year*
exceeds
 - (B) *\$2050, and*
 - (b) *in any other case, \$0.*

6 Section 17 presently reads:

17(1) Section 118.61 of the federal Act applies for the purposes of this Act.

(2) If an individual was not resident in Alberta on the last day of the preceding taxation year, the individual's unused tuition and education credits at the end of that year are deemed to equal the

amount that would be the individual's unused tuition and education credits at the end of that year under section 118.61 of the federal Act if the percentage applied under sections 118.5 and 118.6 of that Act in computing the individual's tuition and education credits had, at all material times, been the specified percentage instead of the appropriate percentage as defined in that Act.

(3) For the purposes of this section, an individual's unused tuition and education credits at the end of the 2000 taxation year are deemed to equal the amount that would be the individual's unused tuition and education credits at the end of that year under section 118.61 of the federal Act if the percentage applied under sections 118.5 and 118.6 of that Act in computing the individual's tuition and education credits had, at all material times, been the specified percentage instead of the appropriate percentage as defined in that Act.

7 Section 20 presently reads:

20(1) Section 118.8 of the federal Act applies for the purposes of this section.

(1.1) Section 118.81 of the federal Act applies for the purposes of this Act, except that the reference to "\$850" in the description of A is to be read as "\$500".

(2) Section 118.9 of the federal Act applies for the purposes of this Act.

8 Section 23(1)(a) presently reads:

23(1) An individual who was resident in Alberta on the last day of a calendar year and had income for the year that included income earned in a country other than Canada in respect of which non-business-income tax was paid by the individual to the government of a country other than Canada may deduct for that taxation year the amount, if any, equal to the lesser of

- (a) the amount, if any, by which the non-business-income tax paid by the individual for the year to the government of the country other than Canada exceeds,*
 - (i) where section 127.5 of the federal Act does not apply to the individual for the taxation year, all amounts claimed by the individual as deductions from tax under that Act for the year under subsection 126(1) or 180.1(1.1) of that Act, or*
 - (ii) where section 127.5 of the federal Act applies to the individual for the year, the aggregate of*

- (A) *the individual's special foreign tax credit for the year determined under section 127.54 of that Act, and*
- (B) *the amount claimed by the individual as a deduction from tax under that Act for the year under subsection 180.1(1.1) of that Act*

and

9 Section 26(1) presently reads:

26(1) In this section,

- (a) *“Alberta rate” in respect of a taxation year means the rate, expressed as a percentage, calculated by multiplying the specified percentage for the year by 3/4;*
- (b) *“capital gains redemptions” of a mutual fund trust for a taxation year means that proportion of*
 - (i) *the aggregate of*
 - (A) *the product obtained when 100 divided by the Alberta rate is multiplied by the trust's refundable capital gains tax on hand at the end of the year, and*
 - (B) *the amount, if any, by which the aggregate of the fair market value at the end of the year of all of the issued units of the trust and all amounts each of which is the amount of any debt owing by the trust, or of any other obligation of the trust to pay an amount, that was outstanding at that time exceeds the aggregate of the cost amounts to it at that time of all of its properties and the amount of any money of the trust on hand at that time,*

that

- (ii) *the aggregate of amounts paid by it in the year on the redemption of units of the trust,*

is of

- (iii) *the aggregate of the fair market value at the end of the year of all of the issued units of the trust and the amount determined under subclause (ii) in respect of the trust for the year;*
- (c) *“mutual fund trust” has the same meaning as in section 132 of the federal Act;*

- (d) “refundable capital gains tax on hand” of a mutual fund trust at the end of a taxation year means the amount, if any, by which
- (i) the aggregate of amounts each of which is an amount in respect of that or any previous taxation year throughout which it was a mutual fund trust, equal to the lesser of the product obtained by multiplying its taxable income for the year by the specified percentage for the year and the product obtained by multiplying its taxed capital gains for the year by the specified percentage for the year exceeds
 - (ii) the aggregate of amounts each of which is an amount in respect of any previous taxation year throughout which it was a mutual fund trust, equal to its tax refund determined under subsection (3) for the year;
- (e) “taxed capital gains” has the same meaning as in section 132 of the federal Act.

10 Section 27 presently reads:

27(1) Subject to subsections (2) and (3), for the purpose of computing the tax payable under this Act for a taxation year by an individual, there may be deducted an amount equal to 35% of the amount that the individual may deduct under section 120.2 of the federal Act for that taxation year.

(2) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(2) is the amount determined by multiplying the amount calculated under subsection (1) by the formula

$$\frac{C-D}{C}$$

where C and D are as described in section 6(2).

(3) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(3) is the amount determined by multiplying the amount calculated under subsection (1) by the formula

C
D

where C and D are as described in section 6(3).

11 Section 40 presently reads:

40(1) Despite sections 8 to 20, 38 and 39, where an individual is resident in Canada throughout part of a calendar year and throughout another part of the calendar year is non-resident, for the purpose of computing the individual's tax payable under this Act for the year,

- (a) the amount deductible for the year under each such provision in respect of the part of the year that is not included in the period or periods referred to in clause (b) is computed as though such part were the whole taxation year, and*
- (b) the individual is allowed only*
 - (i) such of the deductions permitted under sections 10, 11, 12, 15, 16, 18 and 19 as can reasonably be considered wholly applicable, and*
 - (ii) such part of the deductions permitted under sections 8, 9, 13 and 20 as can reasonably be considered applicable*

to the period or periods in the year throughout which the individual is resident in Canada, computed as though that period or those periods were the whole taxation year.

(2) Despite subsection (1), the amount deductible for the year by the individual under each provision referred to in subsection (1)(b) cannot exceed the amount that would have been deductible under that provision had the individual been resident in Canada throughout the year.

12 Section 41 presently reads:

41 Sections 8, 9, 10 and 12 of this Act, section 13 of this Act with respect to the application of subsections 118.3(2) and (3) of the federal Act and sections 15, 16 and 20 of this Act do not apply for the purpose of computing the tax payable under this Act for a taxation year by an individual who at no time in the year is resident in Canada unless all or substantially all of the individual's income for the year is included in computing the individual's taxable income earned in Canada for the year.

13 Section 42 presently reads:

42 In computing an individual's tax payable under this Act, the following provisions must be applied in the following order:

sections 8, 9, 19, 10, 13, 17, 15, 16, 20(2), 20(1), 12, 11, 18 and 21.

14 Section 46 presently reads:

46 There must be added in computing the tax payable under this Act by an individual resident in Alberta for a particular taxation year the total of all amounts each of which is the amount, if any, for each preceding taxation year that results from any amount not included in computing the individual's income for the particular year because of subsection 56(8) of the federal Act or because of a deduction made to arrive at taxable income under subsection 110.2(2) of the federal Act, multiplied by the specified percentage.

15 Section 48 presently reads:

48(1) Subject to subsections (2) and (3), if an individual is required to pay tax under section 127.5 of the federal Act in respect of a taxation year, the amount of tax that the individual is required to pay under this Act in respect of that taxation year is 35% of the tax payable under section 127.5 of the federal Act, as if that section were read without reference to paragraphs 127.5(a)(ii) and (b), less amounts deducted in accordance with sections 23, 24, 25 and 26 of this Act.

(2) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(2) is the amount determined

(a) by multiplying the amount calculated under subsection (1), as though subsection (1) were read without reference to section 23, by the formula

$$\frac{C-D}{C}$$

where C and D are as described in section 6(2),

and

(b) by reducing the amount calculated under clause (a) by the amount calculated under section 23.

(3) The amount calculated for the purposes of subsection (1) in respect of an individual referred to in section 6(3) is the amount determined by multiplying the amount calculated under subsection (1) by the formula

$\frac{C}{D}$

where *C* and *D* are as described in section 6(3).

16 Adds Part 1.1 – NHL Players Tax.

17 Section 85(3) presently reads:

(3) If a tax collection agreement is in effect, any document or certificate that is executed or issued by the Minister, the Receiver General, the Commissioner of Customs and Revenue, or an official of the Canada Customs and Revenue Agency or an official of the Department of National Revenue on behalf or in place of the Provincial Treasurer, the Deputy Provincial Treasurer or an officer of the Treasury Department, is deemed, for all purposes of this Act, to be executed or issued by the Provincial Treasurer, the Deputy Provincial Treasurer or an officer of the Treasury Department, as the case may be.

18 Amends chapter 13 of the Statutes of Alberta, 2001.

19 Coming into force.

Explanatory Notes