

2019 Bill 3

First Session, 30th Legislature, 68 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 3

JOB CREATION TAX CUT (ALBERTA CORPORATE TAX AMENDMENT) ACT

THE PRESIDENT OF TREASURY BOARD AND MINISTER OF FINANCE

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 3

2019

JOB CREATION TAX CUT (ALBERTA CORPORATE TAX AMENDMENT) ACT

(Assented to _____, 2019)

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

Amends RSA 2000 cA-15

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

2 Section 21 is amended

(a) by repealing clause (p) and substituting the following:

(p) beginning after June 30, 2015 and ending before July 1, 2019 is 12.0% of the amount taxable in Alberta for the year,

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

(r) beginning after June 30, 2019 and ending before January 1, 2020 is 11.0% of the amount taxable in Alberta for the year,

(s) part of which is before July 1, 2019, part of which is after June 30, 2019 and ending before January 1, 2020, is the aggregate of

(i) 12.0% of the proportion of the amount taxable in Alberta for the year that the number of days before July 1, 2019 bears to the number of days in the year, and

Explanatory Notes

1 Amends chapter A-15 of the Revised Statutes of Alberta 2000.

2 Section 21 presently reads in part:

21 Except where otherwise provided in this Part, the tax payable under this Act by a corporation that has a taxation year

(p) beginning after June 30, 2015 is 12.0% of the amount taxable in Alberta for the year, or

(q) part of which is before July 1, 2015 and part of which is after June 30, 2015, is the aggregate of

(i) 10.0% of the proportion of the amount taxable in Alberta for the year that the number of days before July 1, 2015 bears to the number of days in the year, and

(ii) 12.0% of the proportion of the amount taxable in Alberta for the year that the number of days after June 30, 2015 bears to the number of days in the year.

- (ii) 11.0% of the proportion of the amount taxable in Alberta for the year that the number of days after June 30, 2019 bears to the number of days in the year,
- (t) beginning after December 31, 2019 and ending before January 1, 2021 is 10.0% of the amount taxable in Alberta for the year,
- (u) part of which is before January 1, 2020 and part of which is after December 31, 2019, is the aggregate of
 - (i) 12.0% of the proportion of the amount taxable in Alberta for the year that the number of days before July 1, 2019 bears to the number of days in the year,
 - (ii) 11.0% of the proportion of the amount taxable in Alberta for the year that the number of days after June 30, 2019 and before January 1, 2020 bears to the number of days in the year, and
 - (iii) 10.0% of the proportion of the amount taxable in Alberta for the year that the number of days after December 31, 2019 bears to the number of days in the year,
- (v) beginning after December 31, 2020 and ending before January 1, 2022 is 9.0% of the amount taxable in Alberta for the year,
- (w) part of which is before January 1, 2021 and part of which is after December 31, 2020, is the aggregate of
 - (i) 10.0% of the proportion of the amount taxable in Alberta for the year that the number of days before January 1, 2021 bears to the number of days in the year, and
 - (ii) 9.0% of the proportion of the amount taxable in Alberta for the year that the number of days after December 31, 2020 bears to the number of days in the year,

- (x) beginning after December 31, 2021 is 8.0% of the amount taxable in Alberta for the year, or
- (y) part of which is before January 1, 2022 and part of which is after December 31, 2021, is the aggregate of
 - (i) 9.0% of the proportion of the amount taxable in Alberta for the year that the number of days before January 1, 2022 bears to the number of days in the year, and
 - (ii) 8.0% of the proportion of the amount taxable in Alberta for the year that the number of days after December 31, 2021 bears to the number of days in the year.

3 Section 22 is amended

- (a) in subsection (2.1295)(c) by adding “and before July 1, 2019” after “December 31, 2016”;

(b) by adding the following after subsection (2.1295):

(2.1296) There may be deducted from the tax payable under section 21 for a taxation year ending after June 30, 2019 by a corporation that was, throughout the year, a Canadian-controlled private corporation an amount equal to the product obtained by the multiplication of the following:

- (a) the small business allocation factor for the year;
- (b) 9.0%;
- (c) the proportion of the least of the following amounts that the number of days in the year after June 30, 2019 and before January 1, 2020 bears to the number of days in the year:
 - (i) the amount determined under subsection (2.1293)(c)(i);
 - (ii) the amount determined under subsection (2.1293)(c)(ii);

3 Section 22 presently reads in part:

(2.1295) There may be deducted from the tax payable under section 21 for a taxation year ending after December 31, 2016 by a corporation that was, throughout the year, a Canadian-controlled private corporation an amount equal to the product obtained by the multiplication of the following:

- (a) the small business allocation factor for the year;*
- (b) 10%;*
- (c) the proportion of the least of the following amounts that the number of days in the year after December 31, 2016 bears to the number of days in the year:*
 - (i) the amount determined under subsection (2.1293)(c)(i);*
 - (ii) the amount determined under subsection (2.1293)(c)(ii);*
 - (iii) the corporation's business limit for the year.*

(2.2) For the purposes of subsections (2), (2.11), (2.12), (2.121), (2.122), (2.123), (2.124), (2.125), (2.126), (2.127), (2.128), (2.129), (2.1291), (2.1292), (2.1294) and (2.1295), the "small business allocation factor" is the Alberta allocation factor that would be determined if, during the taxation year, the corporation had no permanent establishment in a country other than Canada.

(iii) the corporation's business limit for the year.

(2.1297) There may be deducted from the tax payable under section 21 for a taxation year ending after December 31, 2019 by a corporation that was, throughout the year, a Canadian-controlled private corporation an amount equal to the product obtained by the multiplication of the following:

- (a) the small business allocation factor for the year;
- (b) 8.0%;
- (c) the proportion of the least of the following amounts that the number of days in the year after December 31, 2019 and before January 1, 2021 bears to the number of days in the year:
 - (i) the amount determined under subsection (2.1293)(c)(i);
 - (ii) the amount determined under subsection (2.1293)(c)(ii);
- (iii) the corporation's business limit for the year.

(2.1298) There may be deducted from the tax payable under section 21 for a taxation year ending after December 31, 2020 by a corporation that was, throughout the year, a Canadian-controlled private corporation an amount equal to the product obtained by the multiplication of the following:

- (a) the small business allocation factor for the year;
- (b) 7.0%;
- (c) the proportion of the least of the following amounts that the number of days in the year after December 31, 2020 and before January 1, 2022 bears to the number of days in the year:
 - (i) the amount determined under subsection (2.1293)(c)(i);
 - (ii) the amount determined under subsection (2.1293)(c)(ii);

(iii) the corporation's business limit for the year.

(2.1299) There may be deducted from the tax payable under section 21 for a taxation year ending after December 31, 2021 by a corporation that was, throughout the year, a Canadian-controlled private corporation an amount equal to the product obtained by the multiplication of the following:

- (a) the small business allocation factor for the year;
- (b) 6.0%;
- (c) the proportion of the least of the following amounts that the number of days in the year after December 31, 2021 bears to the number of days in the year:
 - (i) the amount determined under subsection (2.1293)(c)(i);
 - (ii) the amount determined under subsection (2.1293)(c)(ii);
 - (iii) the corporation's business limit for the year.

(c) in subsection (2.2) by striking out “and (2.1295)” and substituting “, (2.1295), (2.1296), (2.1297), (2.1298) and (2.1299)”.

RECORD OF DEBATE

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