

Bill No. 50 of 1932

A BILL TO AMEND THE CORPORATIONS TAXATION
ACT

NOTE

Section 2 of the Bill inserts in the Act definitions of the expressions "finance company" and "investment company," and provides that a "land investment company" instead of an "investment company" be included in the definition of a "loan company."

Section 3 of the Bill provides a revised basis for the taxation of banks.

Section 4 amends the provision relating to the taxation of companies providing a supply of electricity.

Section 5 increases the tax payable by gas companies by increasing the tax from one-quarter of a cent to one cent per thousand cubic feet of gas.

Section 6 increases the rate of taxation of loan companies from one-half of one per cent to one per cent.

Section 7 imposes a new tax on finance companies at the rate of one per centum on gross receipts and a new tax on investment companies of one-half of one per centum on the gross receipts of investment companies.

Section 8 increases the rate of taxation of trust companies from one-half of one per cent to one and one-half per cent.

Section 9 provides a minimum tax of ten dollars where a company is taxed under section 18 of the Act.

Section 10 of the Bill makes the Bill effective as from the first day of January, 1932, and makes provision for the payment of the difference between the original tax and the tax as increased by the Bill.

R. ANDREW SMITH,
Legislative Counsel.

(This note does not form any part of the Bill and is offered merely as a partial explanation of some of its provisions.)

BILL

No. 50 of 1932.

An Act to amend The Corporations Taxation Act.

(Assented to _____, 1932.)

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

1. This Act may be cited as "*The Corporations Taxation Act Amendment Act, 1932.*"

2. *The Corporations Taxation Act*, being chapter 29 of the Revised Statutes of Alberta, 1922, is hereby amended as to section 2 thereof—

(a) by inserting therein, immediately after clause (b) thereof, the following new clause:

“(bb) ‘Finance company’ shall include every company, not being a bank, which finances sales of goods and chattels sold upon deferred payments or whose business or one of whose businesses is to deal in, or purchase, or lend money on the security of accounts receivable or agreements for the sale of goods or chattels upon deferred payments or securities of any kind whatsoever taken or given for the purpose of securing the performance of agreements for the sale and purchase of goods and chattels upon deferred payments”;

(b) by inserting therein, immediately after clause (e) thereof, the following new clause:

“(ee) ‘Investment company’ shall include every company which receives money from the public for investment, whether by periodic instalments or otherwise, or which sells or offers for sale to the public any investment certificates or scrip either for cash or upon instalments of purchase money”; and

(c) by striking out the words “shall include every investment company” where the same occur in clause (g) thereof and by substituting therefor the words “shall include every land investment company.”

3. The said Act is further amended as to section 4 thereof by striking out the same and by substituting therefor the following:

4.—(1) Every bank transacting business in Alberta shall pay to the Minister the following taxes, that is to say:

“(a) In respect of its main branch, office or agency in Alberta where the total number of branches, offices and agencies of the bank in Alberta is—

“(i) more than thirty, a tax of four thousand dollars;

“(ii) more than fifteen and less than thirty, a tax of three thousand dollars;

“(iii) less than fifteen, a tax of two thousand dollars.

“(b) In respect of branches, offices or agencies in Calgary, Edmonton, Lethbridge, Medicine Hat and Red Deer, not taxed under clause (a) hereof, five hundred dollars.

“(c) In respect of every branch, office or agency in Alberta not taxed under clauses (a) and (b) hereof, two hundred dollars.

“(2) For the purposes of this section the main branch, office or agency of a bank shall be such branch, office or agency of the bank in Alberta as may be designated by the bank as its main branch, office, or agency by notice in writing to the Minister in the month of April in any year, and when so designated shall continue to be such main branch, office, or agency until another branch, office, or agency is so designated as aforesaid; and if there be no such designation, then the main branch, office, or agency of the bank shall be such as may be designated from time to time by the Lieutenant Governor in Council.”

4. The said Act is further amended as to section 6 thereof by striking out the same and by substituting therefor the following:

6. Every company in the Province supplying electricity for illuminating or other purposes for gain, shall pay the following taxes, that is to say:

“(a) Five hundred dollars for every city possessing a population of ten thousand or over in which it supplies electricity;

“(b) One hundred dollars for every city possessing a population under ten thousand in which it supplies electricity;

“(c) Twenty-five dollars for every incorporated town or village in which it supplies electricity—

but this provision shall not be applicable to any electric works owned and operated by a municipality.”

5. The said Act is further amended as to section 8 thereof by striking out the expression “one-quarter of a cent” where the same occurs in subsection (2) thereof, and by substituting therefor the expression “one cent.”

6. The said Act is further amended as to section 10 thereof—

(a) by adding at the end of subsection (1) thereof the words “or its agent or agents in respect of business transacted in Alberta”; and

(b) by striking out subsection (5) thereof and by substituting therefor the following:

“(5) In estimating the amount of the tax payable under this Act by an insurance company, every premium which—

“(a) is by the terms of the policy or renewal thereof or otherwise payable in Alberta; or

“(b) is paid in Alberta; or

“(c) is payable upon or in respect of a risk undertaken in Alberta; or

“(d) is payable in respect of insurance of a person or property resident or situate in Alberta at the time of payment, whether such premium is earned wholly or partly in Alberta or elsewhere, and whether the business is transacted in respect of such policy or the payment of such premium is made wholly or partly within Alberta or elsewhere;

shall be deemed to be a premium in respect of business transacted in Alberta.”

7. The said Act is further amended as to section 12 thereof by striking out the expression “one-half of one per cent” where the same occurs in subsection (1) thereof, and by substituting therefor the expression “one per cent.”

8. The said Act is further amended by inserting therein, immediately after section 12 thereof, the following new sections:

“**12a.** Every finance company which transacts business in the Province of Alberta shall in each year pay a tax of one per centum on the gross income of the company received during the preceding year by reason of the business of a finance company transacted by such company within the Province.

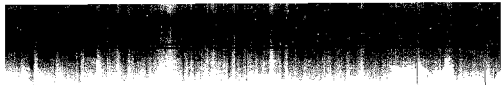
“**12b.** Every investment company which transacts business in the Province of Alberta shall in each year pay a tax of one-half of one per centum on the gross receipts of the company received during the preceding year by reason of the business of an investment company transacted by such company within the Province.”

9. The said Act is further amended as to section 17 thereof by striking out the expression “one-half of one per cent” where the same occurs in subsection (1) thereof, and by substituting therefor the expression “one and one-half per cent.”

10. The said Act is further amended as to section 18 thereof by striking out the words "a tax of forty cents for every thousand dollars of its authorized capital" where the same occur in subsection (1) thereof, and by substituting therefor the words "a tax of forty cents for every thousand dollars of its authorized capital or a tax of ten dollars, whichever is the greater."

11. Upon this Act coming into force the same shall be deemed to have been in force at all times from and after the first day of January, 1932, and in the case of companies liable to the tax imposed by sections 9 and 18 of *The Corporations Taxation Act*, or either of them, which have made payment on account of any such tax for the year 1932, such company shall pay to the Provincial Secretary the difference between the amount so paid and the amount of the tax increased to the extent provided by this Act on or before the thirtieth day of June, 1932.

12. This Act shall come into force on the day upon which it is assented to.



SECOND SESSION
 SEVENTH LEGISLATURE
 22 GEORGE V
 1932

BILL

An Act to amend The Corporations
 Taxation Act.

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. BROWNLEE

EDMONTON:
 W. D. MCLEAN, KING'S PRINTER
 1932