

Bill No. 59 of 1937.

A BILL TO AMEND THE CORPORATIONS TAXATION
ACT.

NOTE.

Section 2 imposes an additional tax upon banks of a tenth of one per cent on their paid-up capital.

Section 3 increases the tax payable by life insurance companies from two per cent to three per cent.

Section 4 prescribes two per cent instead of one per cent on the rate of taxation for loan companies.

Section 5 does away with the maximum of the tax payable in the case of finance companies.

Section 6 increases the tax payable by certain power companies from \$1,000.00 to \$10,000.00.

Section 7 provides in the case of any companies operating certain naphtha recovery plants, the tax payable in any year is two and one-half per cent upon the amount of income in respect of which the company is liable for income tax in that year.

Section 8 increases the rate of taxation payable by companies not otherwise taxed from forty cents for each thousand dollars of its authorized capital to fifty cents and does away with the maximum tax.

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. 59 of 1937.

An Act to amend The Corporations Taxation Act.

(Assented to _____, 1937.)

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, 1937.*"

2. *The Corporations Taxation Act*, being chapter 29 of the Revised Statutes of Alberta, 1922, is hereby amended as to section 4 thereof by adding at the end of subsection (1) the following:

"(d) a tax of one-tenth of one per centum on the paid-up capital of the Bank."

3. The said Act is further amended as to section 10 by striking out subsection (1) thereof and by substituting therefor the following:

"(1) Every Insurance Company engaged in the business of insurance in the Province, shall pay a tax calculated upon the gross premiums received by the company or its agent or agents, in respect of business transacted in the Province, and the amount of tax so payable shall be calculated as follows:

"(a) in the case of a company carrying on the business of life insurance, at the rate of three per centum;

"(b) in the case of a company carrying on the business of fire insurance, at the rate of two per centum;

"(c) in the case of a company carrying on the business of hail insurance, at the rate of one-half of one per centum; and

"(d) in the case of a company carrying on any other kind of insurance business, at the rate of one per centum."

4. The said Act is further amended as to section 12 by striking out the words "one per cent" where the same occur in subsection (1), and by substituting therefor the words "two per cent".

5. The said Act is further amended as to section 12*b*. by striking out the words "shall not exceed the sum of four hundred dollars and", where the same occur therein.

6. The said Act is further amended as to section 13 by striking out the words "one thousand dollars" where the same occur therein and by substituting therefor the words "ten thousand dollars".

7. The said Act is further amended as to section 17a. thereof by striking out the same and by substituting therefor the following:

"17a.—(1) Any company which operates a plant for the recovery of naphtha or liquefiable hydro-carbons from natural gas by means of absorption or any other means and the extraction from such gas of hydrogen-sulphide, and sells or otherwise disposes of natural gas to any other company or person who uses the same for the purpose of generating heat, light or power, or resells the same for such purpose shall, in the year 1937, and in every subsequent year, pay a tax of two and one-half per centum on the amount in respect of which the company is liable for the payment of income tax in the year 1937, and in each subsequent year respectively, under the provisions of *The Income Tax Act*, or the sum of Ten Thousand Dollars, whichever amount is the greater, such tax being in addition to the tax payable under the last mentioned Act.

"(2) Section 8 of this Act shall not apply to a company to which this section is applicable."

8. The said Act is further amended as to section 18 by striking out the same and by substituting therefor the following:

"18.—(1) Every company other than a municipal corporation which in any year transacts in the Province any of its ordinary business, shall pay a tax in respect of that year of fifty cents for every thousand dollars of its authorized capital:

"Provided, however, that this section shall not apply to an individual, a partnership, an unincorporated syndicate or trust, nor to any person or company or corporation taxed under the provisions of *The Railway Taxation Act*.

"(2) This section shall not apply to companies taxed under any other section of this Act other than companies taxed under section 9:

"Provided further, that in the case of any company to which this section applies which,—

"(a) has its head office outside of the Province and transacts business in the Province; or

"(b) has its head office in the Province but a part of its assets outside the Province; or

"(c) has its head office in the Province but in the Province transacts only the business of holding the stock, bonds or other securities of other incorporated companies; or

"(d) is for the time being carrying on drilling operations for the purpose of obtaining production of oil and which has not obtained oil in merchantable quantities;

the Lieutenant Governor in Council may allow such reduction of the tax imposed by this section upon any such companies as may be deemed just, having regard to the extent, nature and importance of their operation in the Province, provided that the tax payable by any such company shall not be less than twenty-five dollars:

“Provided further, that in no case shall the tax payable by any company under this section at any time from and after the first day of January, 1938, be less than the sum of fifteen dollars:

“Provided further, that the Minister may in any year, upon being satisfied that the volume of the business of a foreign company transacted within the Province during the previous year does not exceed in value or amount, or both, the sum of one thousand dollars, issue a certificate to that effect and thereupon this section shall not apply to that company during the year in which the certificate is so issued.”

9. This Act shall come into force on the day upon which it is assented to, except section 8 which shall come into force on the first day of January, 1938.

No. 59.

THIRD SESSION
EIGHTH LEGISLATURE

1 GEORGE VI

1937

BILL

An Act to amend The Corporations
Taxation Act.

Received and read the

First time.....

Second time.....

Third time.....

HON. MR. MANNING.

EDMONTON:
A. Shnitka, King's Printer
1937