

# BILL

No. 30 of 1940.

An Act to Amend The Income Tax Act.

(Assented to \_\_\_\_\_, 1940.)

**H**IS 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 Income Tax Act Amendment Act, 1940.*"

**2.** *The Income Tax Act*, being chapter 5 of the Statutes of Alberta, 1932, is hereby amended as to section 3 thereof,—

(a) by striking out paragraph (f) and by substituting therefor the following:

"(f) all moneys received by any person on account of or in respect of any annuity, whether in whole or in part a return of capital, and annuities or other annual payments received under the provisions of any will or trust, irrespective of the date on which such will or trust became effective, and notwithstanding that the annuity or annual payments are in whole or in part paid out of capital funds of the estate or trust and whether the same is received in periods longer or shorter than one year."

(b) by striking out paragraph (g) and by substituting therefor the following:

"(g) rents, royalties, annuities or other like periodical receipts which depend upon the production or use of any real or personal property, notwithstanding that the same are payable on account of the use or sale of any such property."

**3.** The said Act is further amended as to section 4 thereof by striking out paragraph (l).

**4.** The said Act is further amended as to section 5 thereof,—

(a) by inserting therein immediately after the words "married person", where the same occur in paragraph (c) of subsection (1), the words "whose wife or husband is resident in Canada";

- (b) by striking out the words "Four hundred dollars for each child under twenty-one years of age who is dependent upon the taxpayer for support", where the same occur in paragraph (e) of subsection (1), and by substituting therefor the following: "Four hundred dollars for each child under twenty-one years of age, who is resident in Canada and dependent upon the taxpayer for support";
- (c) by inserting therein immediately after the words "for the support of each of the following persons", where the same occur in paragraph (i) of subsection (1) the words "if resident in Canada"; and
- (d) by adding at the end of subsection (1) the following new paragraphs:
  - "(m) In the case of any lump sum payment made in Canada by an employer on account of an employees' superannuation or pension fund or plan in respect of past services of employees, made in such manner that the sum is irrevocably charged for the benefit of the said fund or plan, one-tenth of the lump sum payment for each of ten successive years, commencing with the year in which the payment is made: Provided, however, that in the case of a lump sum payment heretofore made in the year 1935 or subsequent thereto, a deduction of one-tenth thereof shall be allowed for each of ten successive years commencing with the year 1939.
  - "(n) The amount not exceeding ten per centum of the net taxable income of any taxpayer which has been actually paid by way of donation within the taxation period to, and receipted for as such by any charitable organization in Alberta operated exclusively as such and not operated for the benefit or private gain or profit of any person, member or shareholder thereof.
  - "(o) The amount not exceeding twenty-five per centum of the net taxable income of any taxpayer which has been actually paid within the taxation period to, and receipted for as such by any patriotic organization or institution in Canada which hereafter receives the written approval of the Minister."

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

- (a) by striking out paragraph (h) and substituting therefor the following:
  - "(h) depreciation of vehicles, machinery, plant or buildings used in the production of the income, except such amount, if any, as the Minister may in his discretion allow;"

(b) by striking out paragraph (i) and substituting therefor the following:

“(i) depletion or exhaustion of mines, oil or gas wells or timber limits, except such amount, if any, as the Minister may in his discretion allow;” and

(c) by striking out paragraph (j) and substituting therefor the following:

“(j) interest on borrowed capital used in the business to earn the income, except such amount, if any, as the Minister in his discretion may allow notwithstanding the amount of interest payable by the taxpayer.”

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

“7.—(1) A taxpayer shall be entitled to deduct from the tax that would otherwise be payable by him under this Act the amount paid to any other Province of Canada for income tax in respect of the income of the taxpayer derived from sources therein if such Province allows a similar credit to persons in receipt of income derived from sources within Alberta.

“(2) Such deduction shall not at any time exceed the amount of tax which would otherwise be payable under the provisions of this Act in respect of the said income derived from sources within such other Province of Canada.

“(3) Any such deduction shall be allowed only if the taxpayer furnishes evidence satisfactory to the Minister showing the amount of tax paid and the particulars of income derived from sources within any other Province of Canada.”

7. The said Act is further amended as to the First Schedule thereof by striking out the words “In the case of persons mentioned in paragraph (d) of subsection (1) of section 5, with incomes of twelve hundred dollars or more, the rate of tax applicable to such persons shall be the rates hereinbefore mentioned increased in each case by one”, where they occur therein, and by substituting therefor the following:

“In the case of persons mentioned in paragraph (d) of subsection (1) of section 5, whose incomes, before any allowance is made for the exemptions and deductions mentioned in paragraphs (d), (e), (i) and (l) of subsection (1) of section 5, are in excess of twelve hundred dollars, the rate of tax applicable to such persons shall be the rates hereinbefore mentioned increased in each case by one, that is to say, two per centum shall be read as three per centum, and so on.”

8. This Act shall come into force on the day upon which it is assented to, and upon so coming into force shall be retroactive so as to apply to all income for the year 1939.

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NINTH SESSION  
**EIGHTH LEGISLATURE**  
4 GEORGE VI  
1940

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**BILL**

An Act to amend The Income Tax  
Act.

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Received and read the

First time.....

Second time.....

Third time.....

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HON. MR. LOW.

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EDMONTON:  
A. Shnitka, King's Printer  
1940