The Income Tax Act

being


NOTE:
This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.
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SCHEDULE
CHAPTER I-2
An Act respecting Income Tax

SHORT TITLE

Short title
1 This Act may be cited as The Income Tax Act.

PART I
Income Tax
DIVISION A — LIABILITY FOR TAX

Individuals
2(1) An income tax shall be paid as hereinafter required for each taxation year by every individual:
   (a) who was resident in Saskatchewan on the last day of the taxation year; or
   (b) who, not being resident in Saskatchewan on the last day of the taxation year, had income earned in the taxation year in Saskatchewan as defined in clause (b) of subsection (6) of section 3.

Corporations
2(2) An income tax shall be paid as hereinafter required for each taxation year by every corporation that maintained a permanent establishment in Saskatchewan at any time in the year.

R.S.S. 1978, c.I-2, s.2.

DIVISION B — COMPUTATION OF TAX
INDIVIDUAL INCOME TAX

Rate
3(1) Subject to sections 3.1, 4, 5 and 5.1, the tax payable under this Act for a taxation year by an individual who resided in Saskatchewan on the last day of the taxation year and had no income earned in the taxation year outside Saskatchewan is the percentage of the tax payable under the Federal Act for that year specified in subsection (3).

(2) Subject to subsections (2.1) and (2.2) and sections 3.1, 4, 5 and 5.1, the tax payable pursuant to this Act for a taxation year by an individual:
   (a) who resided in Saskatchewan on the last day of the taxation year but had income earned in the taxation year outside Saskatchewan; or
(b) who did not reside in Saskatchewan on the last day of the taxation year but had income earned in the taxation year in Saskatchewan;

is the amount that bears the same relation to the percentage of the tax payable under the Federal Act for that year specified in subsection (3) that his income earned in the taxation year in Saskatchewan bears to his income for the year.

(2.1) For the 1982 taxation year, the tax payable pursuant to this Act by an individual described in clause (2)(a) for a taxation year is the amount equal to the aggregate of:

(a) the amount determined pursuant to subsection (2) for the taxation year; and

(b) an amount that bears the same relation to the product of:

(i) the amount added pursuant to subsection 120.1(2) of the Federal Act for the taxation year; and

(ii) the percentage specified in subsection (3) for the taxation year;

that his income earned in the taxation year outside Saskatchewan bears to his income for the year.

(2.2) For the 1982 taxation year, the tax payable pursuant to this Act by an individual described in clause (2)(b) for a taxation year is the amount by which the amount determined pursuant to subsection (2) for the year exceeds an amount that bears the same relation to the product of:

(a) the amount added pursuant to subsection 120.1(2) of the Federal Act for the year; and

(b) the percentage specified in subsection (3) for the taxation year;

that his income earned in the taxation year in Saskatchewan bears to his income for the year.

(2.3) An individual to whom section 2 is applicable for a taxation year is deemed to have paid on account of his tax payable pursuant to this Act for the taxation year an amount equal to the product of:

(a) an amount that bears the same relation to the excess determined pursuant to subsection 120.1(4) of the Federal Act for the year that his income earned in the taxation year in Saskatchewan bears to his income for the year; and

(b) the percentage specified in subsection (3) for the taxation year.

Same (3) For the purposes of this section the percentage of the tax payable under the Federal Act to be used for computing the tax payable under this section is as follows:

(a) twenty-two per cent in respect of the 1962 taxation year;

(b) twenty-three per cent in respect of the 1963 taxation year;

(c) twenty-four per cent in respect of the 1964 taxation year;
(d) twenty-seven per cent in respect of the 1965 taxation year;
(e) twenty-nine per cent in respect of the 1966 taxation year;
(f) thirty-three per cent in respect of the 1967, 1968, and 1969 taxation years;
(g) thirty-four per cent in respect of the 1970 and the 1971 taxation years;
(h) thirty-seven per cent in respect of the 1972 taxation year;
(i) forty per cent in respect of the 1973, 1974, 1975 and 1976 taxation years;
(j) fifty-eight and one-half per cent in respect of the 1977 taxation year;
(k) 53% in respect of the 1978, 1979 and 1980 taxation years;
(l) 52% in respect of the 1981 taxation year;
(m) 51% in respect of the 1982, 1983 and 1984 taxation years;
(n) 50 ½% in respect of the 1985 taxation year;
(o) 50% with respect to the 1986 to 1997 taxation years;
(p) 49% with respect to the 1998 taxation year;
(q) 48% with respect to the 1999 and subsequent taxation years.

(4) An individual who, under the Federal Act, pays tax computed in accordance with subsection 117(6) of that Act, may, in lieu of the tax payable under subsection (1) of this section, pay a tax determined in accordance with a table prepared in accordance with prescribed rules.

(5) Repealed. 1997, c.39, s.3.

(5.01) Repealed. 1997, c.39, s.3.

(5.1) Repealed. 1997, c.39, s.3.

Interpretation

(6) In this section and section 3.01:

(a) “tax payable under the Federal Act”, with respect to a taxpayer, means the amount determined in accordance with paragraph 120(4)(c) of the Federal Act for the taxation year with respect to which the expression is applied, computed as if the taxpayer were not entitled to any deduction under section 122.1 of that Act;

(b) “income earned in the taxation year in Saskatchewan” means the income earned in the taxation year in Saskatchewan as determined in accordance with regulations made under paragraph (a) of subsection (4) of section 120 of the Federal Act;

(c) “income earned in the taxation year outside Saskatchewan” means income for the year minus income earned in the taxation year in Saskatchewan;

(d) “income for the year” means:

(i) in the case of an individual resident in Canada during part only of the taxation year in respect of whom section 114 of the Federal Act applies, the aggregate of:

(A) his income for the period or periods in the year referred to in paragraph (a) of section 114 of the Federal Act as determined in accordance with and for the purposes of the Federal Act; and
(B) his income for the portion of that year that is not included in the period or periods referred to in paragraph (a) of section 114 of the Federal Act computed under paragraphs (a), (b) and (c) of subsection (1) of section 115 of the Federal Act as though such portion of the year were the whole taxation year;

(ii) in the case of an individual not resident in Canada at any time in the taxation year, his income for the year as computed under paragraphs (a), (b) and (c) of subsection (1) of section 115 of the Federal Act;

(iii) in the case of any other individual, his income for the year as determined in accordance with and for the purposes of the Federal Act.

(7) Repealed. 1997, c.39, s.3.

(8) Where an amount is to be refunded to a trust in respect of a taxation year pursuant to section 132 of the Federal Act, the minister shall, subject to subsection (9), at such time and in such manner as is provided in that section, refund to the trust an amount, in this section referred to as its “capital gains refund” for the year, equal to that proportion of the amount of the refund for the year calculated under subsection (1) of section 132 of the Federal Act that:

(a) the percentage obtained by multiplying the percentage referred to in subsection (3) for the year times the percentage referred to in subsection 122(1) of the Federal Act for the year;

(b) the percentage referred to in subparagraph (i) of clause (b) of subsection (4) of section 132 of the Federal Act for the year.

(9) For the purpose of computing the capital gains refund under subsection (8) for a trust in respect of a taxation year, where the trust had income earned in the taxation year outside Saskatchewan, the refund shall be that proportion of the capital gains refund for the year, otherwise determined under subsection (8), that the trust’s income earned in the taxation year in Saskatchewan is of its income for the year.

(10) Instead of making a refund that might otherwise be made under subsection (8), the minister may, where the trust is liable or about to become liable to make any payment under this Act, apply the amount that would otherwise be refunded to that other liability and notify the trust of that action.

NOTE: Clause 3(5)(a) applies to the taxation years ending on or after January 1, 1986. Subsection 3(4) applies to taxation years commencing on or after January 1, 1979. Subclauses 3(5)(b)(i) and 3(5)(b)(ii) and subsections 3(5.01) and 3(5.1) apply to taxation years ending on or after January 1, 1985.
Foreign tax deduction

3.01(1) Where an individual resided in Saskatchewan on the last day of a taxation year and had income for the year that included income earned in a country other than Canada with respect to which non-business-income tax was paid by the individual to the government of a country other than Canada, the individual may deduct from the tax payable by the individual for that taxation year an amount equal to the lesser of:

(a) the amount, if any, by which any non-business-income tax paid by the individual for the taxation year to the government of that other country exceeds the total of all amounts eligible to be claimed by the individual as deductions for that taxation year pursuant to subsection 126(1) or 180.1(1.1) of the Federal Act; and

(b) that proportion of the tax otherwise payable for that taxation year that:

(i) the total of the individual’s incomes from sources in that country, excluding any portion of the individual’s income that was deductible by the individual for the taxation year pursuant to subparagraph 110(1)(f)(i) of the Federal Act or with respect to which an amount was deductible by the individual pursuant to section 110.6 of the Federal Act:

(A) for that taxation year, if section 114 of the Federal Act is not applicable; or

(B) if section 114 of the Federal Act is applicable, for the period or periods in the taxation year mentioned in paragraph (a) of that section;

on the assumption that:

(C) no businesses were carried on by the individual in that country;

(D) no amount was deducted pursuant to subsection 91(5) of the Federal Act in computing the individual’s income for the year; and

(E) the individual’s income from employment in that country was not from a source in that country to the extent of the lesser of the amounts determined with respect to that income pursuant to paragraphs 122.3(1)(c) and (d) of the Federal Act for the taxation year;

is of:

(ii) either:

(A) the individual’s income earned in the taxation year in Saskatchewan, if section 114 of the Federal Act is not applicable; or

(B) if section 114 of the Federal Act is applicable, the individual’s income earned in the taxation year in Saskatchewan for the period or periods of the taxation year mentioned in paragraph (a) of that section;
minus any amounts deducted by the individual pursuant to section 110.6 or paragraph 111(1)(b) of the Federal Act or deductible by the individual pursuant to paragraph 110(1)(d), (d.1), (d.2), (d.3), (f) or (j) of the Federal Act or section 112 of that Act for the taxation year or with respect to the period or periods mentioned in paragraph (B), as the case may be.

(2) For the 1985, 1986 and 1987 taxation years, the reference in sub-clause (1)(b)(ii) to section 110.6 of the Federal Act is to be read as a reference to section 110.1 or section 110.6 of that Act.

(3) For the purposes of subsection (1), “tax payable” and “tax otherwise payable” means the amount that, but for sections 120.1 and 127.4 of the Federal Act, would be the tax otherwise payable pursuant to sections 3, 3.1, 4, 5 and 5.1 of this Act.

(4) For the purposes of subsection (1) and clause 7(1)(b), the non-business-income tax paid by an individual to the government of a country other than Canada with respect to the individual’s income for the year is the non-business-income tax paid by the individual to the government of that country with respect to that taxation year as computed pursuant to paragraph 126(7)(c) of the Federal Act for the purposes of that Act.

1997, c.39, s.4.

Saskatchewan flat tax

3.1(1) In this section, “net income of the individual” means the income of the individual determined in accordance with Division B of Part I of the Federal Act, less income that is earned outside Saskatchewan as determined under Part XXVI of the Federal Regulations.

(2) With respect to the period ending before January 1, 1987, the tax otherwise payable under this Act pursuant to section 3 for a taxation year by an individual residing in Saskatchewan on the last day of the taxation year is to be increased:

(a) for the 1985 taxation year, by an amount equal to ½% of the net income of the individual;

(b) for the 1986 taxation year, by an amount equal to 1% of the net income of the individual.

(3) With respect to the period commencing on January 1, 1987, the tax otherwise payable under section 3 for a taxation year by an individual is to be increased:

(a) for the 1987 taxation year, by an amount equal to 1.5% of the net income of the individual;


(c) or the 2000 taxation year, by an amount equal to 1.5% of the net income of the individual.

1984-85-86, c.78, c.4; 1986-87-88, c.23, s.4; 1988-89, c.43, s.4; 2000, c.48, s.3.
Reduction in taxes

4(1) The tax otherwise payable under this Act pursuant to sections 3, 3.1, 5 and 5.1 for a taxation year by an individual residing in Saskatchewan on the last day of the taxation year shall be reduced:

(a) for the 1975 and 1976 taxation years, by an amount equal to the lesser of:
   (i) the tax computed under sections 3 and 5 for the taxation years; and
   (ii) $100;

(b) for the 1977 taxation year, by an amount equal to the lesser of:
   (i) the tax computed under sections 3 and 5 for the taxation year; and
   (ii) $120;

(c) for the 1978 taxation year, by an amount equal to the lesser of:
   (i) the tax computed under sections 3 and 5 for the taxation year; and
   (ii) the amount by which the aggregate of $160 plus the lesser of:
       (A) $180; and
       (B) the product obtained when $30 is multiplied by the number of children of the individual who are under the age of eighteen years at the end of the taxation year, who are resident in Canada during the year, and in respect of whom an amount is deductible by the individual under paragraph 109(1)(b), (d) or (e) of the Federal Act from his income for the taxation year;

exceeds fifteen per cent of the amount of which the tax computed under sections 3 and 5 for the taxation year exceeds the total obtained by adding $160 and the amount determined under paragraph (A) or (B), as the case may be;

(d) for the 1979 taxation year, by an amount equal to the lesser of:
   (i) the tax computed under sections 3 and 5 for the taxation year; and
   (ii) the amount by which the aggregate of $160 plus the lesser of:
       (A) $240; and
       (B) the product obtained when $40 is multiplied by the number of children of the individual who are under the age of eighteen years at the end of the taxation year, who are resident in Canada during the year, and in respect of whom an amount is deductible by the individual under paragraph 109(1)(b), (d) or (e) of the Federal Act from his income for the taxation year;

exceeds twenty per cent of the amount by which the tax computed under sections 3 and 5 for the taxation year exceeds the total obtained by adding $160 and the amount determined under paragraph (A) or (B), as the case may be;
(e) for the 1980, 1981, 1982, 1983 and 1984 taxation years, by an amount equal to the lesser of:

(i) the tax computed under sections 3 and 5 for the taxation year; and

(ii) the amount by which the aggregate of $160 plus:

(A) the product obtained when $50 is multiplied by the number of children of the individual who are under the age of 18 years at the end of the taxation year, who are resident in Canada during the year, and in respect of whom an amount is deductible by the individual under paragraph 109(1)(b), (d) or (e) of the Federal Act from his income for the taxation year, to a maximum of $300; and

(B) $50, in the case of an individual who has attained the age of 65 years before the end of the taxation year;

exceeds 30% of the amount by which the tax computed under sections 3 and 5 for the taxation year exceeds the total obtained by adding $160 and the amounts determined under paragraphs (A) and (B);

(f) for the 1985 taxation year, by an amount equal to the lesser of:

(i) the tax computed under sections 3, 3.1 and 5 for the taxation year; and

(ii) the amount by which the aggregate of $210 plus:

(A) the product obtained when $50 is multiplied by the number of children of the individual who are under the age of 18 years at the end of the taxation year, who are resident in Canada during the year and with respect to whom an amount is deductible by the individual under paragraph 109(1)(b), (d) or (e) of the Federal Act from his income for the taxation year, to a maximum of $300; and

(B) $50, in the case of an individual who has attained the age of 65 years before the end of the taxation year;

exceeds 30% of the amount by which the tax computed under sections 3, 3.1 and 5 for the taxation year exceeds the total obtained by adding $210 and the amounts determined under paragraphs (A) and (B);

(g) for the 1986 taxation year, by an amount equal to the lesser of:

(i) the tax computed under sections 3, 3.1 and 5 for the taxation year; and

(ii) the amount by which the aggregate of $260 plus:

(A) the product obtained when $50 is multiplied by the number of children of the individual who are under the age of 18 years at the end of the taxation year, who are resident in Canada during the year and with respect to whom an amount is deductible by the individual under paragraph 109(1)(b), (d) or (e) of the Federal Act from his income for the taxation year, to a maximum of $300; and

(B) $50, in the case of an individual who has attained the age of 65 years before the end of the taxation year;

exceeds 30% of the amount by which the tax computed under sections 3, 3.1 and 5 for the taxation year exceeds the total obtained by adding $260 and the amounts determined under paragraphs (A) and (B);
(h) for the 1987 and 1988 taxation years, by an amount equal to the lesser of:

(i) the tax computed under sections 3, 3.1 and 5 for the taxation year; and

(ii) the amount by which the aggregate of $200 plus:

(A) $300, in the case of an individual whose spouse is resident in Canada during the year, and with respect to whose spouse an amount is deductible by the individual under paragraph 109(1)(a) of the Federal Act from his income for the taxation year;

(B) $300, in the case of an individual who, during the taxation year:

(I) was an unmarried person or a married person who neither supported nor lived with his or her spouse and was not supported by his or her spouse; and

(II) supported a wholly dependent person with respect to whom an amount is deductible by the individual pursuant to paragraph 118(1)(b) of the Federal Act from his or her tax payable pursuant to Part I of the Federal Act for the taxation year;

(C) the product obtained when $200 is multiplied by the number of children of the individual who are resident in Canada during the year and who are under the age of 18 years at the end of the taxation year, and in respect of whom an amount is deductible by the individual under paragraph 109(1)(b) or (d) of the Federal Act from his income for the taxation year, to a maximum of $800; and

(D) $200, in the case of an individual who has attained the age of 65 years before the end of the taxation year;

exceeds 5% of that part of the net income of the individual for the taxation year that exceeds $10,000.

(i) for the 1989, 1990 and 1991 taxation years, by an amount equal to the lesser of:

(i) the tax computed pursuant to sections 3, 3.1 and 5 for the taxation year; and

(ii) the amount by which the aggregate of $200 plus:

(A) $300, in the case of an individual whose spouse is resident in Canada during the year, and with respect to whose spouse an amount is deductible by the individual pursuant to paragraph 118(1)(a) of the Federal Act from his or her tax payable pursuant to Part I of the Federal Act for the taxation year;

(B) $300, in the case of an individual who, during the taxation year:

(I) was an unmarried person or a married person who neither supported nor lived with his or her spouse and was not supported by his or her spouse; and

(II) supported a wholly dependent person with respect to whom an amount is deductible by the individual pursuant to paragraph 118(1)(b) of the Federal Act from his or her tax payable pursuant to Part I of the Federal Act for the taxation year;
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(C) the product obtained when $200 is multiplied by the number of children of the individual who are under the age of 18 years at any time in the taxation year, and with respect to whom an amount is deductible by the individual pursuant to paragraph 118(1)(b) or (d) of the Federal Act from his or her tax payable pursuant to Part I of the Federal Act for the taxation year, to a maximum of $800; and

(D) $200, in the case of an individual who has attained the age of 65 years before the end of the taxation year;

exceeds 5% of that part of the net income of the individual for the taxation year that exceeds $10,000.

(j) for the 1992 taxation year, by an amount equal to the lesser of:

(i) the tax computed pursuant to sections 3, 3.1, 5 and 5.1 for the taxation year; and

(ii) the amount by which the aggregate of $200 plus:

(A) $300, in the case of an individual whose spouse is resident in Canada during the year, and with respect to whose spouse an amount is deductible by the individual pursuant to paragraph 118(1)(a) of the Federal Act from his or her tax payable pursuant to Part I of the Federal Act for the taxation year;

(B) $300, in the case of an individual who, during the taxation year:

(I) was an unmarried person or a married person who neither supported nor lived with his or her spouse and was not supported by his or her spouse; and

(II) supported a wholly dependent person with respect to whom an amount is deductible by the individual pursuant to paragraph 118(1)(b) of the Federal Act from his or her tax payable pursuant to Part I of the Federal Act for the taxation year;

(C) the product obtained when $225 is multiplied by the number of children of the individual who are under the age of 18 years at any time in the taxation year, and with respect to whom an amount is deductible by the individual pursuant to paragraph 118(1)(b) or (d) of the Federal Act from his or her tax payable pursuant to Part I of the Federal Act for the taxation year, to a maximum of $900; and

(D) $200, in the case of an individual who has attained the age of 65 years before the end of the taxation year;

exceeds 5% of that part of the net income of the individual for the taxation year that exceeds $10,000;

(k) for the 1993 and subsequent taxation years, by an amount equal to the lesser of:

(i) the tax computed pursuant to sections 3, 3.1, 5 and 5.1 for the taxation year; and
(ii) the amount by which the aggregate of $200 plus:

(A) $300 in the case of an individual who, in calculating the amount deductible for the taxation year pursuant to subsection 118(1) of the Federal Act, includes an amount determined in accordance with subparagraph 118(1)(a)(ii) in determining the value of B in the formula set out in that subsection of the Federal Act;

(B) $300 in the case of an individual who, in calculating the amount deductible for the taxation year pursuant to subsection 118(1) of the Federal Act, includes an amount determined in accordance with subparagraph 118(1)(b)(iv) in determining the value of B in the formula set out in that subsection of the Federal Act;

(C) the product P, to a maximum of $1,000, calculated in accordance with the following formula:

\[ P = 250 \times QD \]

where QD is the number of qualified dependants with respect to whom the individual or his or her cohabiting spouse is an eligible individual on the last day of the taxation year, in the case of an individual:

(I) who does not have a cohabiting spouse on the last day of the taxation year; or

(II) who has a cohabiting spouse on the last day of the taxation year whose income for the taxation year is less than the individual’s income for the taxation year;

(D) $200, in the case of an individual who has attained the age of 65 years before the end of the taxation year;

exceeds 5% of that part of the net income of the individual for the taxation year that exceeds $10,000.

(1.1) Notwithstanding subsection (1), paragraphs (1)(f)(ii)(A), (1)(g)(ii)(A), (1)(h)(ii)(B), (1)(h)(ii)(C), (1)(i)(ii)(B), (1)(i)(ii)(C), (1)(j)(ii)(B), (1)(j)(ii)(C), (1)(k)(ii)(B) and (1)(k)(ii)(C) do not apply to an individual who:

(a) claims or is eligible to claim less than 50% of the maximum permissible deduction that may be claimed for each dependant under paragraphs 109(1)(b), (d) or (e) of the Federal Act; or

(b) where two individuals each claim or are each eligible to claim 50% of the maximum permissible deduction that may be claimed for each dependant under paragraphs 109(1)(b), (d) or (e) of the Federal Act, has the higher net income.

(2) For the purpose of subsection (1):

(a) “tax otherwise payable under this Act pursuant to sections 3, 3.1 and 5” and “tax computed under sections 3, 3.1 and 5” means the amount that would, but for section 120.1 of the Federal Act, be the tax otherwise payable or computed pursuant to sections 3, 3.1 and 5;
(b) “tax computed under sections 3 and 5” means the amount that would, but for section 120.1 of the Federal Act, be the tax otherwise payable or computed pursuant to sections 3 and 5;

(c) “tax otherwise payable under this Act pursuant to sections 3, 3.1, 5 and 5.1” and “tax computed under sections 3, 3.1, 5 and 5.1” means the amount that would, but for section 120.1 of the Federal Act, be the tax otherwise payable or computed pursuant to sections 3, 3.1, 5 and 5.1;

(d) “net income of the individual” means net income of the individual as defined in subsection 3.1(1).

(3) For the purposes of clause (1)(k):

(a) “cohabiting spouse” means cohabiting spouse within the meaning of section 122.6 of the Federal Act;

(b) “eligible individual” means eligible individual within the meaning of section 122.6 of the Federal Act;

(c) “qualified dependant” means qualified dependant within the meaning of section 122.6 of the Federal Act.

NOTE: Paragraphs 4(1)(k)(ii)(A) to (C) apply to the 1993 and subsequent taxation years. Clause 4(2)(c) applies to the 1992 and subsequent taxation years. Clause 4(2)(d) applies to the 1987 and subsequent taxation years. Subsection 4(3) applies to the 1993 and subsequent taxation years.

R.S.S. 1978 (Supp.), c.29, s.4; 1979, c.32, s.4; 1979-80, c.83, s.3; 1983-84, c.40, s.4; 1984-85-86, c.78, s.5; 1986, c.23, s.4; 1986-87-88, c.23, s.5; 1988-89, c.43, s.5; 1989-90, c.41, s.3; 1990-91, c.18, s.4; 1992, c.55, s.4; 1993, c.27, s.3; 1995, c.22, s.3.

Increase in taxes

5 The tax otherwise payable under this Act pursuant to sections 3 and 3.1 for a taxation year by an individual shall be increased:

(a) for the 1976 taxation year, by an amount equal to 10% of the amount that the tax computed under section 3 for the taxation year exceeds $1,500;

(b) for the 1977 taxation year, by an amount equal to 10% of the amount that the tax computed under section 3 for the taxation year exceeds $2,000;

(c) for the 1978, 1979 and 1980 taxation years, by an amount equal to 10% of the amount that the tax computed under section 3 for the taxation year exceeds $4,000;

(d) for the 1981 taxation year, by an amount equal to 11% of the amount that the tax computed under section 3 for the taxation year exceeds $4,000;

(e) for the 1982, 1983 and 1984 taxation years, by an amount equal to 12% of the amount that the tax computed pursuant to section 3 for the taxation year, calculated without any deduction or addition pursuant to section 120.1 of the Federal Act, exceeds $4,000;
(f) for the 1985, 1986, 1987, 1988, 1989 and 1990 taxation years, by an amount equal to 12% of the amount that the tax computed pursuant to sections 3 and 3.1 for the taxation year, calculated without any deduction or addition pursuant to section 120.1 of the Federal Act, exceeds $4,000; and

(g) for the 1991 and subsequent taxation years, by an amount equal to 15% of the amount that the tax computed pursuant to sections 3 and 3.1 for the taxation year, calculated without any deduction or addition pursuant to section 120.1 of the Federal Act, exceeds $4,000.

NOTE: The portion of section 5 preceding clause (a) applies to the 1976 and subsequent taxation years.

Debt reduction surtax

5.1 (1) The tax otherwise payable under this Act pursuant to sections 3 and 3.1 for a taxation year by an individual shall be increased:

(a) for the 1992 taxation year, by an amount equal to the product of:
   (i) 5%; and
   (ii) the amount of tax computed pursuant to sections 3 and 3.1 for the taxation year calculated without any deduction or addition pursuant to section 120.1 of the Federal Act;

(b) for the 1993 and subsequent taxation years, by an amount equal to the product of:
   (i) 10%; and
   (ii) the amount of tax computed pursuant to sections 3 and 3.1 for the taxation year calculated without any deduction or addition pursuant to section 120.1 of the Federal Act.

(2) The tax otherwise payable pursuant to this section shall be reduced:

(a) for the 1995 taxation year, by an amount equal to the lesser of:
   (i) the amount computed under subsection (1) for the taxation year; and
   (ii) $75;

(b) for the 1996 and subsequent taxation years, by an amount equal to the lesser of:
   (i) the amount computed under subsection (1) for the taxation year; and
   (ii) $150.

NOTE: Subsection 5.1(1) applies to the 1992 and subsequent taxation years. Subsection 5.1(2) applies to the 1995 and subsequent taxation years.
Rate

(1) The tax payable by a corporation pursuant to this Act for a taxation year is, with respect to the period:
   
   (a) ending before January 1, 1984, 14%;
   (b) commencing on January 1, 1984 and ending before January 1, 1986, 16%;
   (c) commencing on January 1, 1986 and ending on December 31, 1988, 17%;
   (d) commencing on January 1, 1989 and ending on December 31, 1991, 15%;
   (e) commencing on January 1, 1992, 17%;

of the corporation's taxable income earned in the year in Saskatchewan less the royalty tax rebate, if any, to which a corporation is entitled in the year pursuant to section 8.

Same

(2) Where a corporation has a taxation year part of which is before and part of which is after the commencement of 1962, the tax payable by the corporation for that taxation year is that proportion of the tax computed under subsection (1) that the number of days in that portion of the taxation year that is in 1962 is of the number of days in the whole taxation year.

(3) For the purposes of this section “taxable income earned in the year in Saskatchewan” means the taxable income earned in the year in Saskatchewan by a corporation as determined in accordance with regulations made under paragraph (a) of subsection (4) of section 124 of the Federal Act.

(4) Notwithstanding subsection (1), for taxation years ending before January 1, 1987, the tax payable under this Act by a corporation, other than a credit union, for a taxation year when the corporation is eligible for a deduction under section 125 of the Federal Act, is equal to the sum of:

   (a) the amount equal to:

      (i) with respect to the period commencing on January 1, 1978, and ending on December 31, 1980, 11%;
      (ii) with respect to the period after December 31, 1980, 10%;

   of an amount calculated by allocating to Saskatchewan, on the same basis as set out in the regulations made under paragraph 124(4)(a) of the Federal Act, the least of the amounts calculated under paragraphs 125(1)(a), (b) and (c) of the Federal Act and allowed for the purposes of subsection 125(1) of the Federal Act; and

   (b) with respect to the period:

      (i) ending before January 1, 1984, 14%;
      (ii) commencing on January 1, 1984 and ending before January 1, 1986, 16%;
      (iii) commencing on January 1, 1986, 17%;

of the amount equal to the corporation's total taxable income earned in Saskatchewan during the taxation year less any amounts to which the 11% or 10% rate is applied in accordance with clause (a).
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(4.1) Notwithstanding subsection (1), with respect to taxation years ending after December 31, 1986 and before January 1, 1992, the tax payable under this Act by a corporation, other than a credit union, for a taxation year when the corporation is eligible for a deduction under section 125 of the Federal Act is equal to the sum of:

(a) an amount equal to 10% of an amount equal to that proportion of the least of the amounts determined under paragraphs 125(1)(a), (b) and (c) of the Federal Act for the taxation year that:

(i) the amount of that portion of its taxable income earned in the taxation year in Saskatchewan, determined in accordance with paragraph 124(4)(a) of the Federal Act;

bears to:

(ii) the total amount of the portions of its taxable income earned in the taxation year in all provinces, determined in accordance with paragraph 124(4)(a) of the Federal Act; and

(b) with respect to the period:

(i) ending on December 31, 1988, 17%;

(ii) commencing on January 1, 1989 and ending on December 31, 1991, 15%;

(iii) Repealed. 1992, c.55, s.6.

of the amount equal to the corporation’s total taxable income earned in Saskatchewan during the taxation year less any amounts to which the 10% rate is applied in accordance with clause (a).

(4.2) Notwithstanding subsection (1), with respect to taxation years ending after December 31, 1991 and before January 1, 1993, the tax payable under this Act by a corporation, other than a credit union, for a taxation year when the corporation is eligible for a deduction under section 125 of the Federal Act is equal to the sum of:

(a) an amount equal to 9.5% of an amount equal to that proportion of the least of the amounts determined under paragraphs 125(1)(a), (b) and (c) of the Federal Act for the taxation year that:

(i) the amount of that portion of its taxable income earned in the taxation year in Saskatchewan, determined in accordance with paragraph 124(4)(a) of the Federal Act;

bears to:

(ii) the total amount of the portions of its taxable income earned in the taxation year in all provinces, determined in accordance with paragraph 124(4)(a) of the Federal Act; and

(b) 17% of the amount equal to the corporation’s total taxable income earned in Saskatchewan during the taxation year less any amounts to which the 9.5% rate is applied in accordance with clause (a).
(4.3) Notwithstanding subsection (1), with respect to taxation years ending after December 31, 1992 and before January 1, 1994, the tax payable under this Act by a corporation, other than a credit union, for a taxation year when the corporation is eligible for a deduction under section 125 of the Federal Act is equal to the sum of:

(a) an amount equal to 9% of an amount equal to that proportion of the least of the amounts determined under paragraphs 125(1)(a), (b) and (c) of the Federal Act for the taxation year that:

(i) the amount of that portion of its taxable income earned in the taxation year in Saskatchewan, determined in accordance with paragraph 124(4)(a) of the Federal Act;

bears to:

(ii) the total amount of the portions of its taxable income earned in the taxation year in all provinces, determined in accordance with paragraph 124(4)(a) of the Federal Act; and

(b) 17% of the amount equal to the corporation's total taxable income earned in Saskatchewan during the taxation year less any amounts to which the 9% rate is applied in accordance with clause (a);

(4.4) Notwithstanding subsection (1), with respect to taxation years ending after December 31, 1993 and before January 1, 1995, the tax payable under this Act by a corporation, other than a credit union, for a taxation year when the corporation is eligible for a deduction under section 125 of the Federal Act is equal to the sum of:

(a) an amount equal to 8.5% of an amount equal to that proportion of the least of the amounts determined under paragraphs 125(1)(a), (b) and (c) of the Federal Act for the taxation year that:

(i) the amount of that portion of its taxable income earned in the taxation year in Saskatchewan, determined in accordance with paragraph 124(4)(a) of the Federal Act;

bears to:

(ii) the total amount of the portions of its taxable income earned in the taxation year in all provinces, determined in accordance with paragraph 124(4)(a) of the Federal Act; and

(b) 17% of the amount equal to the corporation's total taxable income earned in Saskatchewan during the taxation year less any amounts to which the 8.5% rate is applied in accordance with clause (a);

(4.5) Notwithstanding subsection (1), with respect to taxation years ending after December 31, 1994, the tax payable under this Act by a corporation, other than a credit union, for a taxation year when the corporation is eligible for a deduction under section 125 of the Federal Act is equal to the sum of:

(a) an amount equal to 8% of an amount equal to that proportion of the least of the amounts determined under paragraphs 125(1)(a), (b) and (c) of the Federal Act for the taxation year that:

(i) the amount of that portion of its taxable income earned in the taxation year in Saskatchewan, determined in accordance with paragraph 124(4)(a) of the Federal Act;
bears to:

(ii) the total amount of the portions of its taxable income earned in the taxation year in all provinces, determined in accordance with paragraph 124(4)(a) of the Federal Act; and

(b) 17% of the amount equal to the corporation's total taxable income earned in Saskatchewan during the taxation year less any amounts to which the 8% rate is applied in accordance with clause (a);

(5) Notwithstanding subsection (1), for the taxation years ending before January 1, 1987, the tax payable under this Act by a corporation that is a credit union for a taxation year when the credit union is eligible for a deduction under subsection 125(1) or 137(3) of the Federal Act, is equal to the sum of:

(a) the amount equal to:

(i) with respect to the period commencing on January 1, 1978, and ending on December 31, 1980, 11%;

(ii) with respect to the period after December 31, 1980, 10%;

of the amount calculated by allocating to Saskatchewan:

(iii) the least of the amounts calculated under paragraphs 125(1)(a), (b) and (c) of the Federal Act and allowed for the purposes of subsection 125(1) of the Federal Act; and

(iv) the amount in respect of which an allowance is made under subsection 137(3) of the Federal Act;

on the same basis as set out in the regulations made under paragraph 124(4)(a) of the Federal Act; and

(b) with respect to the period:

(i) ending before January 1, 1984, 14%;

(ii) commencing on January 1, 1984 and ending before January 1, 1986, 16%;

(iii) commencing on January 1, 1986, 17%;

of the amount equal to the credit union's total taxable income earned in Saskatchewan during the taxation year less any amounts to which the 11% or 10% rate is applied in accordance with clause (a).

(5.1) Notwithstanding subsection (1), with respect to taxation years ending after December 31, 1986 and before January 1, 1992, the tax payable under this Act by a corporation that is a credit union for a taxation year when the credit union is eligible for a deduction under subsection 125(1) or 137(3) of the Federal Act, is equal to the sum of:

(a) an amount equal to 10% of an amount equal to that proportion of the least of the amounts calculated under paragraphs 125(1)(a), (b) and (c) of the Federal Act and the amount in respect of which an allowance is made under subsection 137(3) of the Federal Act for the taxation year that:

(i) the amount of that portion of its taxable income earned in Saskatchewan, determined in accordance with paragraph 124(4)(a) of the Federal Act;
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bears to:

(ii) the total amount of the portions of its income earned in the taxation year in all provinces, determined in accordance with paragraph 124(4)(a) of the Federal Act; and

(b) with respect to the period:

(i) ending on December 31, 1988, 17%;

(ii) commencing on January 1, 1989 and ending on December 31, 1991, 15%;

(iii) Repealed. 1992, c.55, s.6.

of the amount equal to the credit union’s total taxable income earned in Saskatchewan during the taxation year less any amounts to which the 10% rate is applied in accordance with clause (a).

(5.2) Notwithstanding subsection (1), with respect to taxation years ending after December 31, 1991 and before January 1, 1993, the tax payable under this Act by a corporation that is a credit union for a taxation year when the credit union is eligible for a deduction under subsection 125(1) or 137(3) of the Federal Act is equal to the sum of:

(a) an amount equal to 9.5% of an amount equal to that proportion of the least of the amounts calculated under paragraphs 125(1)(a), (b) and (c) of the Federal Act and the amount with respect to which an allowance is made under subsection 137(3) of the Federal Act for the taxation year that:

(i) the amount of that portion of its taxable income earned in the taxation year in Saskatchewan, determined in accordance with paragraph 124(4)(a) of the Federal Act;

bears to:

(ii) the total amount of the portions of its income earned in the taxation year in all provinces, determined in accordance with paragraph 124(4)(a) of the Federal Act; and

(b) 17% of the amount equal to the credit union’s total taxable income earned in Saskatchewan during the taxation year less any amounts to which the 9.5% rate is applied in accordance with clause (a).

(5.3) Notwithstanding subsection (1), with respect to taxation years ending after December 31, 1992 and before January 1, 1994, the tax payable under this Act by a corporation that is a credit union for a taxation year when the credit union is eligible for a deduction under subsection 125(1) or 137(3) of the Federal Act is equal to the sum of:

(a) an amount equal to 9% of an amount equal to that proportion of the least of the amounts calculated under paragraphs 125(1)(a), (b) and (c) of the Federal Act and the amount with respect to which an allowance is made under subsection 137(3) of the Federal Act for the taxation year that:

(i) the amount of that portion of its taxable income earned in the taxation year in Saskatchewan, determined in accordance with paragraph 124(4)(a) of the Federal Act;
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(bears to:

(ii) the total amount of the portions of its income earned in the taxation year in all provinces, determined in accordance with paragraph 124(4)(a) of the Federal Act; and

(b) 17% of the amount equal to the credit union's total taxable income earned in Saskatchewan during the taxation year less any amounts to which the 9% rate is applied in accordance with clause (a).

(5.4) Notwithstanding subsection (1), with respect to taxation years ending after December 31, 1993 and before January 1, 1995, the tax payable under this Act by a corporation that is a credit union for a taxation year when the credit union is eligible for a deduction under subsection 125(1) or 137(3) of the Federal Act is equal to the sum of:

(a) an amount equal to 8.5% of an amount equal to that proportion of the least of the amounts calculated under paragraphs 125(1)(a), (b) and (c) of the Federal Act and the amount with respect to which an allowance is made under subsection 137(3) of the Federal Act for the taxation year that:

(i) the amount of that portion of its taxable income earned in the taxation year in Saskatchewan, determined in accordance with paragraph 124(4)(a) of the Federal Act;

bears to:

(ii) the total amount of the portions of its income earned in the taxation year in all provinces, determined in accordance with paragraph 124(4)(a) of the Federal Act; and

(b) 17% of the amount equal to the credit union's total taxable income earned in Saskatchewan during the taxation year less any amounts to which the 8.5% rate is applied in accordance with clause (a).

(5.5) Notwithstanding subsection (1), with respect to taxation years ending after December 31, 1994, the tax payable under this Act by a corporation that is a credit union for a taxation year when the credit union is eligible for a deduction under subsection 125(1) or 137(3) of the Federal Act is equal to the sum of:

(a) an amount equal to 8% of an amount equal to that proportion of the least of the amounts calculated under paragraphs 125(1)(a), (b) and (c) of the Federal Act and the amount with respect to which an allowance is made under subsection 137(3) of the Federal Act for the taxation year that:

(i) the amount of that portion of its taxable income earned in the taxation year in Saskatchewan, determined in accordance with paragraph 124(4)(a) of the Federal Act;

bears to:

(ii) the total amount of the portions of its income earned in the taxation year in all provinces, determined in accordance with paragraph 124(4)(a) of the Federal Act; and

(b) 17% of the amount equal to the credit union's total taxable income earned in Saskatchewan during the taxation year less any amounts to which the 8% rate is applied in accordance with clause (a);
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(6) Notwithstanding subsection (1), the tax payable under this Act by a corporation to which subsection 137.1(9) of the Federal Act applies is equal to:

(a) with respect to the period commencing on January 1, 1978 and ending on December 31, 1980, 11%;

(b) with respect to the period commencing on January 1, 1981 and ending on December 31, 1991, 10%;

(c) with respect to the period commencing on January 1, 1992 and ending on December 31, 1992, 9.5%;

(d) with respect to the period commencing on January 1, 1993 and ending on December 31, 1993, 9%;

(e) with respect to the period commencing on January 1, 1994 and ending on December 31, 1994, 8.5%;

(f) with respect to the period commencing on January 1, 1995, 8%;

of the amount calculated by allocating to Saskatchewan, on the same basis as set out in the regulations made under paragraph 124(4)(a) of the Federal Act, the amount of taxable income of the corporation.

(6.1) **Repealed.** 1988-89, c.43, s.6.

(7) Notwithstanding subsections (1), (4) and (4.1), with respect to the period ending on December 31, 1988, the tax payable pursuant to this Act by a corporation for a taxation year, when the corporation is eligible for a deduction pursuant to section 125 of the Federal Act and where the corporation is eligible for a deduction pursuant to section 125.1 of the Federal Act, is equal to the tax payable by the corporation as computed pursuant to subsection (4) or (4.1), minus the product obtained by multiplying:

(a) for the period commencing on January 1, 1984, 10%; and

(b) for taxation years:

(i) ending before January 1, 1987, an amount calculated by allocating to Saskatchewan on the same basis as set out in the regulations made pursuant to paragraph 124(4)(a) of the Federal Act, the lesser of:

   (A) the corporation’s Canadian manufacturing and processing profits for the taxation year, determined pursuant to paragraph 125.1(3)(a) of the Federal Act; and

   (B) the least of the amounts calculated pursuant to paragraphs 125(1)(a), (b) and (c) of the Federal Act in respect of the corporation for the taxation year;

(ii) ending after December 31, 1986, an amount equal to that proportion of the lesser of the corporation’s Canadian manufacturing and processing profits for the taxation year, determined pursuant to paragraph 125.1(3)(a) of the Federal Act, and the least of the amounts calculated pursuant to paragraphs 125(1)(a), (b) and (c) of the Federal Act in respect of the corporation for the taxation year that:

   (A) the amount of that portion of its taxable income earned in the taxation year in Saskatchewan, determined in accordance with paragraph 124(4)(a) of the Federal Act;
bears to:

(B) the total amount of the portions of its taxable income earned in the taxation year in all provinces, determined in accordance with paragraph 124(4)(a) of the Federal Act.

NOTE: Subsection 6(7) applies to taxation years ending on or after January 1, 1987.

R.S.S. 1978, c.I-2, s.6; R.S.S. 1978 (Supp.), c.29, s.6; 1979-80, c.60, s.5; 1980-81, c.60, s.5; 1983-84, c.40, s.6; 1986, c.23, s.5; 1986-87-88, c.23, s.6; 1988-89, c.43, s.6; 1989-90, c.41, s.4; 1990-91, c.18, s.5 and c.37, s.4; 1992, c.55, s.6; 1993, c.27, s.4.

Pro-rating tax rates

6.1 For the purposes of subsections 6(4.1), (4.2), (4.3), (4.4), (5.1), (5.2), (5.3), (5.4), (5.5), (6) and (7), where a corporation’s taxation year is not a calendar year, any change in a tax rate on January 1 of a particular year is to be applied on a prorated basis to the corporation’s taxation year.

1995, c.22, s.6.

Deductions

7(1) Where the income for a taxation year of a corporation that maintained a permanent establishment in Saskatchewan at any time in the taxation year includes income described in subparagraph (i) of paragraph (b) of subsection (1) of section 126 of the Federal Act from sources in a country other than Canada (in this section referred to as “foreign investment income”) and where the corporation has claimed a deduction under subsection (1) of section 126 of the Federal Act in respect of the foreign investment income, the corporation may deduct from the tax for the year otherwise payable under this Act an amount equal to the lesser of:

(a) with respect to the period:

(i) ending before January 1, 1984, 14%;
(ii) commencing on January 1, 1984 and ending before January 1, 1986, 16%;
(iii) commencing on January 1, 1986 and ending on December 31, 1988, 17%;
(iii.1) commencing on January 1, 1989 and ending on December 31, 1991, 15%;
(iii.2) commencing on January 1, 1992, 17%;

of the product of:

(iv) the foreign investment income of the corporation for the taxation year from sources in the country; and
(v) that portion of the taxable income earned in the taxation year by the corporation that is determined to have been earned in the taxation year in Saskatchewan in accordance with the regulations made under paragraph 124(4)(a) of the Federal Act;
(b) that proportion of the amount by which such part of any non-business-income tax paid by the corporation for the year to the government of a country other than Canada, except any such tax or parts thereof that may reasonably be regarded as having been paid in respect of income from a share of the capital stock of a foreign affiliate of the corporation, exceeds the amount of the deduction claimed by the corporation under subsection (1) of section 126 of the Federal Act that:

(i) the taxable income earned in the year in Saskatchewan by the corporation is determined in accordance with regulations made under paragraph (a) of subsection (4) of section 124 of the Federal Act; is of:

(ii) the aggregate of the taxable income earned in the year in each province by the corporation as determined in accordance with regulations made under paragraph (a) of subsection (4) of section 124 of the Federal Act.

Separate deductions in certain cases

(2) Where the income of a corporation for a taxation year includes income from sources in more than one country other than Canada, subsection (1) shall be read as providing for separate deductions in respect of each of the countries other than Canada.

(3) Where an amount is to be refunded to a corporation in respect of a taxation year, pursuant to section 131 of the Federal Act, the minister shall, subject to subsection (4), at such time and in such manner as is provided in that section, refund to the corporation an amount, in this section referred to as its “capital gains refund” for the year, equal to that proportion of the amount of the refund for the year calculated under subsection (2) of section 131 of the Federal Act that:

(a) the percentage referred to in subsection (1) of section 6 for the year;

is of:

(b) the percentage referred to in subparagraph (i) of paragraph (d) of subsection (6) of section 131 of the Federal Act for the year.

(4) For the purpose of computing the capital gains refund under subsection (3) for a corporation in respect of a taxation year, where:

(a) the corporation’s taxable income earned in the year in Saskatchewan;

is less than:

(b) the corporation’s taxable income for the year;

the refund shall be that proportion of the capital gains refund for the year, otherwise determined under subsection (3) that the amount determined under clause (a) is of the amount determined under clause (b).

(5) Instead of making a refund that might otherwise be made under subsection (3), the minister may, where the corporation is liable or about to become liable to make any payment under this Act, apply the amount that would otherwise be refunded to that other liability and notify the corporation of that action.

R.S.S. 1978, c.I-2, s.7; 1986, c.23, s.6; 1989-90, c.41, s.5; 1992, c.55, s.7.
Deductions for certain corporations

7.1(1) In this section:

(a) “active business” means an active business carried on by a corporation as defined in paragraph 125(7)(a) of the Federal Act;

(b) “business connected” means business connected within the meaning of paragraph 125(9)(a) of the Federal Act as that Act existed on January 1, 1984;

(c) “corporation” means a corporation that:

(i) was incorporated and commenced business after March 26, 1986 and before April 1, 1992; and

(ii) is eligible to claim, with respect to a taxation year, a deduction under subsection 125(1) of the Federal Act;

(d) “minister” means the Minister of Finance;

(e) “non-qualifying business” means, with respect to a corporation, a business that is:

(i) the professional practice of an accountant, dentist, lawyer, medical doctor, veterinarian or chiropractor;

(ii) a business of providing services if more than two thirds of the gross revenue for the taxation year of that business:

(A) is derived from services provided to, or performed for or on behalf of, one entity related to the corporation; and

(B) can reasonably be attributed to services performed by persons who are specified shareholders of the corporation or persons related to specified shareholders of the corporation;

unless the corporation employs in the business throughout the taxation year more than five full-time employees who are not specified shareholders of the corporation or persons related to specified shareholders of the corporation; or

(iii) a business the principal purpose of which is:

(A) to provide managerial, administrative, financial, maintenance or other similar services;

(B) to lease property other than real property; or

(C) to provide any services described in paragraph (A) and to lease property other than real property;

unless the corporation employs in the business throughout the taxation year any time in the year with the corporation;

(f) “specified shareholder” means specified shareholder within the meaning of paragraph 125(9)(c) of the Federal Act as that paragraph existed on January 1, 1984.

(2) For the purposes of this section, persons and corporations are related if they are related within the meaning of section 251 of the Federal Act.
(3) Subject to subsections (4) to (10), a corporation may apply to the minister for, and the minister may allow, a deduction from the tax otherwise payable pursuant to this Part, for the first and second taxation years of a corporation, in an amount \( D \) calculated in accordance with the following formula:

\[
D = (R \times P) - \text{MPTR}
\]

where:

\( D \) is the deduction allowed;

\( R \) is:

- for the period commencing after March 26, 1986 and ending before January 1, 1992, 10%;
- for the period commencing on January 1, 1992 and ending before January 1, 1993, 9.5%;
- for the period commencing on January 1, 1993 and ending before January 1, 1994, 9%;
- for the period commencing on January 1, 1994 and ending before January 1, 1995, 8.5%;

\( P \) is the proportion of the least of the amounts determined pursuant to paragraphs 125(1)(a), (b) and (c) of the Federal Act for the taxation year that:

- the amount of that portion of the corporation’s taxable income earned in the taxation year in Saskatchewan, determined in accordance with paragraph 124(4)(a) of the Federal Act;

bears to:

with respect to taxation years:

- ending before January 1, 1987, its total taxable income attributable to all jurisdictions;
- ending after December 31, 1986, the total amount of the portions of its taxable income earned in the taxation year in all provinces, determined in accordance with paragraph 124(4)(a) of the Federal Act;

\( \text{MPTR} \) is the amount determined with respect to the corporation pursuant to clause 6(7)(b) for the taxation year.

(4) A corporation that wishes to apply for a deduction shall:

(a) apply on a form prescribed by the minister; and

(b) supply the minister with any information that the minister may require.

(5) Where the minister has received an application pursuant to subsection (3) and is satisfied that the corporation has complied with this section, he may allow the corporation to make the deduction and, where he allows the deduction for a taxation year under this section, shall provide the corporation with a completed form certified by him.
(6) A corporation is not eligible for a deduction for a taxation year under this section if it, or any predecessor corporation within the meaning of section 87 of the Federal Act, at any time since the date of its incorporation:

(a) was associated with any other business, unless the minister has waived this restriction;

(b) carried on a non-qualifying business in Canada;

(c) carried on an active business by reason of being a member of a partnership, where any other member of the partnership was not eligible for a deduction under this section for the taxation year;

(d) was a beneficiary of a trust, where any other beneficiary of the trust was not eligible for a deduction under this section for the taxation year;

(e) carried on an active business by reason of being a co-venturer in a joint venture with any other corporation, where the other corporation was not eligible for a deduction under this section for the taxation year;

(f) unless otherwise prescribed in the regulations, has purchased or otherwise acquired or leased property from another business with respect to which:

(i) any of the shareholders of the corporation or predecessor corporation; or

(ii) any persons related to the corporation or predecessor corporation or its shareholders;

beneficially owned at any time, directly or indirectly, more than 10% of the issued shares of any class of the capital stock of or more than 10% of any other equity interest in the business; or

(g) has carried on an active business by reason of having purchased or otherwise acquired or leased property in a manner prescribed by regulation or has engaged in any activities prescribed by regulations.

(7) Unless otherwise prescribed in the regulations, a corporation is not entitled to a deduction pursuant to this section for a taxation year if, at any time during the 12-month period prior to its incorporation, any of its shareholders owned directly or indirectly:

(a) more than 10% of the issued shares of any class of capital stock; or

(b) more than 10% of any other equity interest;

in a business of a similar nature.

(8) Notwithstanding any other provision of this section, a corporation is not entitled to a deduction pursuant to this section if the minister is of the opinion that:

(a) the principal purpose of a transaction or event or a series of transactions or events is to enable the corporation to claim a deduction of tax pursuant to this section that it would not otherwise be entitled to; or

(b) the corporation does not constitute a separate or independent business operation.
(9) A corporation is not entitled to a deduction under this section unless it has applied to the minister at the time and in the manner he has prescribed.

(10) Where a corporation claims a deduction for a taxation year under this section, its annual return required pursuant to this Act for the taxation year is required to be accompanied by the completed form certified by the minister and provided pursuant to subsection (5).

(11) For the purposes of carrying out the provisions of this section according to their intent, the Lieutenant Governor in Council may make regulations:

   (a) defining, restricting or enlarging the meaning of any word or expression used in this section;

   (b) governing any deduction to be allowed pursuant to this section and any restrictions, limitations, terms and conditions relating to any deduction.

(12) A regulation made pursuant to this section may be made retroactive to a day not earlier than January 1, 1986.

NOTE: Subsection 7.1(3) applies on and after January 1, 1992.

Manufacturing and processing tax credit

7.2(1) In this section:

   (a) “amalgamation” means an amalgamation as defined in subsection 87(1) of the Federal Act;

   (b) “Canadian-controlled private corporation” means a Canadian-controlled private corporation as defined in paragraph 125(7)(b) of the Federal Act;

   (c) “manufacturing or processing” means manufacturing or processing within the meaning of subsection 125.1(3) of the Federal Act, and includes qualified activities as defined in the Federal Regulations made for the purposes of subsection 125.1(3) of the Federal Act;

   (d) “manufacturing and processing tax credit” means the tax credit calculated pursuant to subsection (3);

   (e) “qualified property” means property of a Canadian-controlled private corporation that:

      (i) is prescribed machinery and equipment, as prescribed for the purposes of the definition of qualified property in subsection 127(9) of the Federal Act;

      (ii) is acquired after March 31, 1993 and before January 1, 1994;

      (iii) was not used, or acquired for use or lease, for any purpose before it was acquired by the corporation; and

      (iv) is used in Saskatchewan by the corporation primarily for manufacturing or processing goods for lease or sale;

   (f) “winding-up” means a winding-up of a corporation to which subsection 88(1) of the Federal Act applies.
(2) A Canadian-controlled private corporation may deduct from its tax otherwise payable pursuant to this Act for a taxation year an amount not more than the lesser of:

(a) its manufacturing and processing tax credit at the end of the taxation year; and

(b) its tax otherwise payable pursuant to this Act for the taxation year.

(3) The manufacturing and processing tax credit for a Canadian-controlled private corporation at the end of a taxation year is the amount MPTC, if it is positive, calculated in accordance with the following formula:

\[ MPTC = (CC + CCPY + OA + OAPY) - PD \]

where:

MPTC is the amount of the manufacturing and processing tax credit;

CC is 8% of the sum of all amounts, each of which is the capital cost to the corporation of qualified property acquired by it in the taxation year determined without reference to subsection 13(7.1) of the Federal Act;

CCPY is 8% of the sum of all amounts, each of which is the capital cost to the corporation of qualified property acquired by it in the 10 taxation years preceding or the three taxation years following that taxation year determined without reference to subsection 13(7.1) of the Federal Act;

OA is the sum of all amounts, each of which is an amount required by subsection (4) or (6) to be added in computing the corporation's manufacturing and processing tax credit at the end of the taxation year;

OAPY is the sum of all amounts, each of which is an amount required by subsection (4) or (6) to be added in computing the corporation's manufacturing and processing tax credit at the end of any of the 10 taxation years preceding or the three taxation years following that taxation year;

PD is the sum of all amounts, each of which:

- is an amount deducted pursuant to this section from tax otherwise payable pursuant to this Act by the corporation for a preceding taxation year; and
- is related to property acquired in the taxation year, in the 10 taxation years preceding that taxation year or in the two taxation years following that taxation year.

(4) When computing its manufacturing and processing tax credit at the end of a taxation year, a corporation that is a beneficiary under a trust shall add its share of the amount that the trust, if the trust were a taxpayer, would be required to calculate as the amounts CC and CCPY pursuant to subsection (3) for that taxation year.

(5) For the purposes of subsection (4), a corporation's share is the amount that would reasonably be considered as its share, having regard to all circumstances including the terms and conditions of the trust.
(6) When computing its manufacturing and processing tax credit at the end of a taxation year, a corporation that is a partner shall add its share of the amount that the partnership, if the partnership were a taxpayer, would be required to calculate as the amounts CC and CCPY pursuant to subsection (3) for that taxation year.

(7) For the purposes of subsection (6), a corporation’s share is the amount that would reasonably be considered as its share, having regard to all circumstances.

(8) For the purposes of calculating the manufacturing and processing tax credit of a new corporation that is the result of an amalgamation, the new corporation is deemed to be the continuation of each of its predecessor corporations if:

(a) the amalgamation took place after March 31, 1993;

(b) the new corporation is a Canadian-controlled private corporation; and

(c) one of its predecessor corporations had a manufacturing and processing tax credit, any portion of which was not deducted in any taxation year by the predecessor corporation in computing its tax otherwise payable pursuant to this Act.

(9) For the purposes of calculating the manufacturing and processing tax credit of a parent corporation a subsidiary of which has been wound-up, the parent corporation is deemed to be the continuation of its subsidiary if:

(a) the winding-up took place after March 31, 1993;

(b) the parent corporation is a Canadian-controlled private corporation; and

(c) the subsidiary corporation had a manufacturing and processing tax credit, any portion of which was not deducted in any taxation year by the subsidiary corporation in computing its tax otherwise payable pursuant to this Act.

(10) A Canadian-controlled private corporation may renounce its manufacturing and processing tax credit on or before the date by which the Canadian-controlled private corporation is required to file its return of income for the year pursuant to section 150 of the Federal Act.

(11) If a Canadian-controlled private corporation renounces its manufacturing and processing tax credit pursuant to subsection (10), that Canadian-controlled private corporation is deemed for all purposes never to have received, have been entitled to receive or have had a reasonable expectation of receiving that tax credit.

NOTE: Section 7.2 applies on and after April 1, 1993.

1993, c.27, s.6; 1995, c.22, s.7; 1998, c.25, s.4.

Investment tax credit for manufacturing and processing

7.3(1) In this section:

(a) “amalgamation” means an amalgamation as defined in subsection 87(1) of the Federal Act;

(b) “investment tax credit” means the investment tax credit calculated pursuant to subsection (4);
(c) “manufacturing or processing” means manufacturing or processing within the meaning of subsection 125.1(3) of the Federal Act, and includes qualified activities as defined in the Federal Regulations made for the purposes of subsection 125.1(3) of the Federal Act;

(d) “qualified property” means property of a corporation that:

(i) is qualified property within the meaning of subsections 127(9), (11) and (11.1) of the Federal Act;

(ii) is acquired after February 16, 1995;

(iii) was not used, or acquired for use or lease, for any purpose before it was acquired by the corporation; and

(iv) is:

(A) used in Saskatchewan by the corporation primarily for manufacturing or processing goods for lease or sale; or

(B) leased by the corporation to a lessee, other than a person exempt from tax by virtue of section 149 of the Federal Act, who can reasonably be expected to use the property in Saskatchewan primarily for manufacturing or processing goods for lease or sale, but this paragraph does not apply to property that is machinery and equipment unless the property is leased by the corporation in the ordinary course of carrying on business in Saskatchewan and the principal business of the corporation is manufacturing property that it sells or leases;

(e) “winding-up” means the winding-up of a corporation to which subsection 88(1) of the Federal Act applies.

(2) For the purposes of this section, property is acquired on the earlier of:

(a) the date on which title to the property is obtained; and

(b) the date on which the corporation has all the incidents of ownership of the property, including possession, use and risk, notwithstanding that legal title remains with the vendor as security for the purchase price.

(3) A corporation may deduct from its tax otherwise payable pursuant to this Act for a taxation year an amount not more than the lesser of:

(a) its investment tax credit at the end of the taxation year; and

(b) its tax otherwise payable pursuant to this Act for the taxation year.

(4) The investment tax credit for a corporation at the end of a taxation year is the amount ITCMP, if it is positive, calculated in accordance with the formula:

$$ITCMP = (CC + CCPY + OA + OAPY) - PD$$

where:

ITCMP is the amount of the investment tax credit;

CC is the total of:

(a) with respect to qualified property acquired by the corporation on or before March 20, 1997, 9% of the sum of all amounts, each of which is the capital cost to the corporation of qualified property acquired by it in the taxation year, determined without reference to subsection 13(7.1) of the Federal Act;
(b) with respect to qualified property acquired by the corporation after March 20, 1997 and before March 27, 1999, 7% of the sum of all amounts, each of which is the capital cost to the corporation of qualified property acquired by it in the taxation year, determined without reference to subsection 13(7.1) of the Federal Act; and

(c) with respect to qualified property acquired by the corporation after March 26, 1999, 6% of the sum of all amounts, each of which is the capital cost to the corporation of qualified property acquired by it in the taxation year, determined without reference to subsection 13(7.1) of the Federal Act;

CCPY is the total of:

(a) with respect to qualified property acquired by the corporation on or before March 20, 1997, 9% of the sum of all amounts, each of which is the capital cost to the corporation of qualified property acquired by it in any of the seven taxation years preceding or any of the three taxation years following the taxation year, determined without reference to subsection 13(7.1) of the Federal Act;

(b) with respect to qualified property acquired by the corporation after March 20, 1997 and before March 27, 1999, 7% of the sum of all amounts, each of which is the capital cost to the corporation of qualified property acquired by it in any of the seven taxation years preceding or any of the three taxation years following the taxation year, determined without reference to subsection 13(7.1) of the Federal Act; and

(c) with respect to qualified property acquired by the corporation after March 26, 1999, 6% of the sum of all amounts, each of which is the capital cost to the corporation of qualified property acquired by it in any of the seven taxation years preceding or any of the three taxation years following the taxation year, determined without reference to subsection 13(7.1) of the Federal Act;

OA is the sum of all amounts, each of which is an amount required by subsection (5) or (7) to be added in computing the corporation’s investment tax credit at the end of the taxation year;

OAPY is the sum of all amounts, each of which is an amount required by subsection (5) or (7) to be added in computing the corporation’s investment tax credit at the end of any of the seven taxation years preceding or any of the three taxation years following the taxation year; and

PD is the sum of all amounts, each of which:

(a) is an amount deducted pursuant to this section from tax otherwise payable pursuant to this Act by the corporation for a preceding taxation year; and

(b) is related to qualified property acquired in the taxation year, in any of the seven taxation years preceding the taxation year or any of the three taxation years following the taxation year.
(5) When computing its investment tax credit at the end of a taxation year, a corporation that is a beneficiary under a trust shall add its share of the amount that the trust, if the trust were a taxpayer, would be required to calculate as the amounts CC and CCPY pursuant to subsection (4) for that taxation year.

(6) For the purposes of subsection (5), a corporation's share is the amount that would reasonably be considered as its share, having regard to all circumstances, including the terms and conditions of the trust.

(7) When computing its investment tax credit at the end of a taxation year, a corporation that is a partner shall add its share of the amount that the partnership, if the partnership were a taxpayer, would be required to calculate as the amounts CC and CCPY pursuant to subsection (4) for that taxation year.

(8) For the purposes of subsection (7), a corporation's share is the amount that would reasonably be considered as its share, having regard to all circumstances.

(9) For the purposes of calculating the investment tax credit of a new corporation that is the result of an amalgamation, the new corporation is deemed to be the continuation of each of its predecessor corporations if:

   (a) the amalgamation took place after February 16, 1995; and
   (b) one of its predecessor corporations had an investment tax credit, any portion of which was not deducted in any taxation year by the predecessor corporation in computing its tax otherwise payable pursuant to this Act.

(10) For the purpose of calculating the investment tax credit of a parent corporation, a subsidiary of which has been wound-up, the parent corporation is deemed to be a continuation of its subsidiary if:

   (a) the winding-up took place after February 16, 1995; and
   (b) the subsidiary corporation had an investment tax credit, any portion of which was not deducted in any taxation year by the subsidiary corporation in computing its tax otherwise payable pursuant to this Act.

(11) A corporation may renounce its investment tax credit that would otherwise be claimable with respect to all qualified property acquired by it in a taxation year on or before the date by which the corporation is required to file its return of income for that taxation year pursuant to section 150 of the Federal Act.

(12) If a corporation renounces its investment tax credit pursuant to subsection (11) with respect to all qualified property acquired by it in a taxation year:

   (a) the qualified property shall not be taken into account in calculating the investment tax credit for the corporation at the end of that or any other taxation year; and
   (b) the corporation is deemed for all purposes never to have received, never to have been entitled to receive and never to have had a reasonable expectation of receiving that investment tax credit.

1995, c.22, s.8; 1997, c.39, s.5; 1998, c.25, s.5; 1999, c.18, s.3.
Investment tax credit for manufacturing and processing – used equipment

7.31(1) In this section:

(a) “amalgamation” means an amalgamation as defined in subsection 87(1) of the Federal Act;

(b) “investment tax credit” means an investment tax credit determined pursuant to this section;

(c) “manufacturing or processing” means manufacturing or processing within the meaning of subsection 125.1(3) of the Federal Act, and includes qualified activities as defined in the Federal Regulations made for the purposes of subsection 125.1(3) of the Federal Act;

(d) “qualified property” means property of a corporation that:

(i) is not qualified property as defined in clause 7.3(1)(d);

(ii) is qualified property within the meaning of subsections 127(9), (11) and (11.1) of the Federal Act, but excluding the requirement that the property has not been used, or acquired for use or lease, for any purpose whatsoever before it was acquired by the corporation;

(iii) has been acquired in Saskatchewan, or brought into Saskatchewan, by the corporation after February 16, 1995, resulting in the corporation being subject to tax pursuant to The Education and Health Tax Act or The Provincial Sales Tax Act computed on the value of the property or computed on the basis of the rent payable pursuant to a capital lease of the property, other than tax payable pursuant to subsection 5(9.1) of that Act; and

(iv) is being used in Saskatchewan by the corporation primarily for manufacturing or processing goods for lease or sale;

(e) “rebate” means a rebate described in subsection (7);

(f) “winding-up” means the winding-up of a corporation to which subsection 88(1) of the Federal Act applies.

(2) For the purposes of this section, property is acquired on the earlier of:

(a) the date on which title to the property is obtained; and

(b) the date on which the corporation has all the incidents of ownership of the property, including possession, use and risk, notwithstanding that legal title remains with the vendor as security for the purchase price.

(3) A corporation may apply to the Minister of Finance for, and the Minister of Finance may allow to the corporation, an investment tax credit for a taxation year in an amount not exceeding the total of the amounts determined pursuant to subsections (4) and (5).
(4) Where a corporation has acquired in Saskatchewan, or brought into Saskatchewan, qualified property in a taxation year, resulting in the corporation being subject to and paying tax pursuant to *The Education and Health Tax Act* or *The Provincial Sales Tax Act* computed on the value of the qualified property, other than tax payable pursuant to subsection 5(9.1) of that Act, the amount to be determined pursuant to this subsection that may be allowed to the corporation for the taxation year pursuant to subsection (3) is equal to the total of:

(a) subject to clauses (11)(a) and (13)(a), the tax paid by the corporation pursuant to *The Education and Health Tax Act* or *The Provincial Sales Tax Act* computed on the value of the qualified property, other than tax payable pursuant to subsection 5(9.1) of that Act; and

(b) subject to clauses (11)(b) and (13)(b), the total of:

(i) with respect to qualified property acquired in Saskatchewan, or brought into Saskatchewan, by the corporation on or before March 20, 1997, 9% of the sum of all amounts, each of which:

(A) is an expenditure incurred by the corporation in the taxation year to install the qualified property or otherwise make it initially available for use in Saskatchewan, other than amounts included in the value of the qualified property on which tax was computed pursuant to *The Education and Health Tax Act*; and

(B) forms part of the capital cost to the corporation of the qualified property, determined without reference to subsection 13(7.1) of the Federal Act;

(ii) with respect to qualified property acquired in Saskatchewan, or brought into Saskatchewan, by the corporation after March 20, 1997 and before March 27, 1999, 7% of the sum of all amounts, each of which:

(A) is an expenditure incurred by the corporation in the taxation year to install the qualified property or otherwise make it initially available for use in Saskatchewan, other than amounts included in the value of the qualified property on which tax was computed pursuant to *The Education and Health Tax Act*; and

(B) forms part of the capital cost to the corporation of the qualified property, determined without reference to subsection 13(7.1) of the Federal Act; and

(iii) with respect to qualified property acquired in Saskatchewan, or brought into Saskatchewan, by the corporation after March 26, 1999, 6% of the sum of all amounts, each of which:

(A) is an expenditure incurred by the corporation in the taxation year to install the qualified property or otherwise make it initially available for use in Saskatchewan, other than amounts included in the value of the qualified property on which tax was computed pursuant to *The Education and Health Tax Act* or *The Provincial Sales Tax Act*; and

(B) forms part of the capital cost to the corporation of the qualified property, determined without reference to subsection 13(7.1) of the Federal Act.
(5) Where a corporation has acquired in Saskatchewan, or brought into Saskatchewan, qualified property pursuant to a capital lease and pays tax payable pursuant to *The Education and Health Tax Act* or *The Provincial Sales Tax Act* computed on the basis of the rent payable pursuant to the capital lease rather than computed on the value of the qualified property:

(a) subject to clauses (11)(c) and (13)(c), the amount to be determined pursuant to this subsection that may be allowed to the corporation for the taxation year pursuant to subsection (3) is equal to the total of:

(i) with respect to the tax payable pursuant to *The Education and Health Tax Act* on or before March 20, 1997, 1.09 times the sum of all amounts, each of which:

(A) is tax payable pursuant to *The Education and Health Tax Act* computed on the basis of the rent payable pursuant to the capital lease; and

(B) is paid during the taxation year by the corporation;

(ii) with respect to the tax payable pursuant to *The Education and Health Tax Act* after March 20, 1997 and before March 27, 1999, 1.07 times the sum of all amounts, each of which:

(A) is tax payable pursuant to *The Education and Health Tax Act* computed on the basis of the rent payable pursuant to the capital lease; and

(B) is paid during the taxation year by the corporation; and

(iii) with respect to the tax payable pursuant to *The Education and Health Tax Act* or *The Provincial Sales Tax Act* after March 26, 1999, 1.06 times the sum of all amounts, each of which:

(A) is tax payable pursuant to *The Education and Health Tax Act* or *The Provincial Sales Tax Act* computed on the basis of the rent payable pursuant to the capital lease; and

(B) is paid during the taxation year by the corporation; and

(b) an amount determined in accordance with clause (a) may be allowed to the corporation pursuant to subsection (3) for each taxation year in which the corporation continues to lease the qualified property.

(6) A corporation that wishes to apply for an investment tax credit for a taxation year pursuant to subsection (3) shall:

(a) apply on a form acceptable to the Minister of Finance; and

(b) supply the Minister of Finance with any information that the Minister of Finance may require.

(7) Subject to subsection (8), a corporation may apply to the Minister of Finance for, and the Minister of Finance may allow to the corporation, a rebate of the corporation’s tax otherwise payable pursuant to this Act for a taxation year in an amount that does not exceed the lesser of:

(a) the corporation’s investment tax credit at the end of the taxation year determined pursuant to subsection (10); and
(b) the corporation’s tax otherwise payable pursuant to this Act for the taxation year.

(8) No rebate pursuant to subsection (7) shall be allowed to a corporation for a taxation year unless the corporation has already fully utilized any deduction to which it is entitled for the taxation year pursuant to section 7.3.

(9) A corporation that wishes to apply for a rebate pursuant to subsection (7) shall:

   (a) apply on a form acceptable to the Minister of Finance; and
   
   (b) supply the Minister of Finance with any information that the Minister of Finance may require.

(10) The investment tax credit for a corporation at the end of a taxation year is the amount RMP, if it is positive, calculated in accordance with the formula:

\[
RMP = CY + PY - PD
\]

where:

- **RMP** is the amount of the investment tax credit;
- **CY** is the amount of any investment tax credit allowed to the corporation pursuant to subsection (3) for the taxation year;
- **PY** is the sum of all amounts, each of which is the amount of any investment tax credit allowed to the corporation pursuant to subsection (3) for any of the seven taxation years preceding or any of the three taxation years following the taxation year; and
- **PD** is the sum of all amounts, each of which is the amount of any rebate allowed to the corporation pursuant to subsection (7) for any of the seven taxation years preceding or any of the three taxation years following the taxation year.

(11) A corporation that is a beneficiary under a trust during a taxation year:

   (a) when determining the amount pursuant to clause (4)(a) for the corporation for the taxation year, shall add to the amount otherwise determined its share of any tax mentioned in clause (4)(a) paid by the trust resulting from qualified property acquired in Saskatchewan, or brought into Saskatchewan, by the trust in the taxation year;

   (b) when determining the respective amounts pursuant to clause (4)(b) for the corporation for the taxation year, shall add to the respective amounts otherwise determined its share of the respective amounts that would be determined pursuant to clause (4)(b) for the trust for the taxation year if the trust were a taxpayer; and

   (c) when determining the respective amounts pursuant to clause (5)(a) for the corporation for the taxation year, shall add to the respective amounts otherwise determined its share of any tax mentioned in clause (5)(a) paid by the trust during the taxation year resulting from qualified property acquired in Saskatchewan, or brought into Saskatchewan, pursuant to a capital lease by the trust.
(12) For the purposes of subsection (11), a corporation's share is the amount that would reasonably be considered as its share, having regard to all circumstances, including the terms and conditions of the trust.

(13) A corporation that is a partner during a taxation year:

(a) when determining the amount pursuant to clause (4)(a) for the corporation for the taxation year, shall add to the amount otherwise determined its share of any tax mentioned in clause (4)(a) paid by the partnership resulting from qualified property acquired in Saskatchewan, or brought into Saskatchewan, by the partnership in the taxation year;

(b) when determining the respective amounts pursuant to clause (4)(b) for the corporation for the taxation year, shall add to the respective amounts otherwise determined its share of the respective amounts that would be determined pursuant to clause (4)(b) for the partnership for the taxation year if the partnership were a taxpayer; and

(c) when determining the respective amounts pursuant to clause (5)(a) for the corporation for the taxation year, shall add to the respective amounts otherwise determined its share of any tax mentioned in clause (5)(a) paid by the partnership during the taxation year resulting from qualified property acquired in Saskatchewan, or brought into Saskatchewan, pursuant to a capital lease by the partnership.

(14) For the purposes of subsection (13), a corporation's share is the amount that would reasonably be considered as its share, having regard to all circumstances.

(15) For the purposes of calculating the investment tax credit at the end of a taxation year for a new corporation that is the result of an amalgamation, the new corporation is deemed to be the continuation of each of its predecessor corporations if:

(a) the amalgamation took place after February 16, 1995; and

(b) one of its predecessor corporations had an investment tax credit allowed pursuant to subsection (3), for any portion of which a rebate has not been allowed pursuant to subsection (7).

(16) For the purpose of calculating the investment tax credit at the end of a taxation year for a parent corporation, a subsidiary of which has been wound up, the parent corporation is deemed to be a continuation of its subsidiary if:

(a) the winding-up took place after February 16, 1995; and

(b) the subsidiary corporation had an investment tax credit allowed pursuant to subsection (3), for any portion of which a rebate has not been allowed pursuant to subsection (7).

(17) A corporation may renounce its investment tax credit at the end of a taxation year on or before the date by which the corporation is required to file its return of income for the taxation year pursuant to section 150 of the Federal Act.
(18) If a corporation renounces its investment tax credit at the end of a taxation year pursuant to subsection (17):

(a) the corporation is deemed to have renounced any investment tax credit that might have been allowed to it pursuant to subsection (3) for any preceding taxation year for which the corporation has not applied for an investment tax credit; and

(b) the corporation is deemed for all purposes never to have received, never to have been entitled to receive and never to have had a reasonable expectation of receiving the investment tax credit renounced or deemed to have been renounced.

1997, c.39, s.6; 1998, c.25, s.6; 1999, c.18, s.4; 2000, c.41, s.15.

Manufacturing and processing profits tax reduction
7.4(1) In this section:

(a) “Canadian manufacturing and processing profits” means Canadian manufacturing and processing profits as defined in subsection 125.1(3) of the Federal Act;

(b) “eligible Canadian manufacturing and processing profits” means the lesser of:

(i) the amount, if any, by which the corporation’s Canadian manufacturing and processing profits for the taxation year exceeds, if the corporation was a Canadian-controlled private corporation throughout the taxation year, the least of the amounts determined pursuant to paragraphs 125(1)(a) to (c) of the Federal Act with respect to the corporation for the taxation year; and

(ii) the amount, if any, by which the corporation’s taxable income for the taxation year exceeds the total of:

(A) if the corporation was a Canadian-controlled private corporation throughout the taxation year, the least of the amounts determined pursuant to paragraphs 125(1)(a) to (c) of the Federal Act with respect to the corporation for the taxation year;

(B) 10/4 of the total of amounts deducted pursuant to subsection 126(2) of the Federal Act from the tax for the taxation year otherwise payable under Part I of the Federal Act by the corporation; and

(C) if the corporation was a Canadian-controlled private corporation throughout the taxation year, its aggregate investment income, as defined in subsection 129(4) of the federal Act, for the taxation year;

(c) “eligible Saskatchewan manufacturing and processing profits” means the amount calculated by allocating to Saskatchewan the corporation’s eligible Canadian manufacturing and processing profits on the same basis as set out in the regulations made under subsection 124(4) of the Federal Act;

(d) “maximum reduction allowance” is 7%;
(e) “qualifying reduction rate” means the amount calculated by allocating to Saskatchewan the maximum reduction allowance on the same basis as set out in the regulations made under subsection 124(4) of the Federal Act.

(2) Subject to the other provisions of this section, where a portion of the taxable income of a corporation for a taxation year is Canadian manufacturing and processing profits, a corporation may apply to the Minister of Finance for, and that Minister may allow, a reduction of the tax otherwise payable by the corporation pursuant to this Act for a taxation year in an amount equal to the product of:

(a) the corporation’s eligible Saskatchewan manufacturing and processing profits for the taxation year; and

(b) the corporation’s qualifying reduction rate for the taxation year.

(3) Where a corporation has a taxation year part of which precedes July 1, 1995 and part of which follows June 30, 1995, the reduction of tax pursuant to subsection (2) for the taxation year shall be calculated as follows:

(a) divide the taxation year into two notional taxation years, the first ending on June 30, 1995, and the second beginning on July 1, 1995;

(b) apportion the amount of the reduction of tax that would otherwise be determined pursuant to subsection (2) for the taxation year between the two notional taxation years proportionately according to the number of days in each;

and the amount determined pursuant to clause (b) that is attributable to the notional taxation year beginning on July 1, 1995 is the total amount of the reduction of tax allowable pursuant to subsection (2) for the taxation year.

(4) With respect to taxation years ending on or before December 31, 1999, a corporation that wishes to apply for a reduction shall:

(a) apply on a form acceptable to the Minister of Finance; and

(b) supply the Minister of Finance with any information that he or she may require.

(5) With respect to taxation years ending on or before December 31, 1999, where the Minister of Finance has received an application pursuant to subsection (4) and is satisfied that the corporation has complied with this section, the Minister of Finance may reduce the corporation’s tax otherwise payable pursuant to this Act for a taxation year in accordance with this section.

(6) With respect to taxation years ending on or before December 31, 1999, a corporation is not eligible for a reduction of tax pursuant to this section for a taxation year unless it has applied to the Minister of Finance within three years of the date by which, pursuant to section 11 of this Act, it is required to file its return of income for the taxation year.

(7) With respect to taxation years ending on or before December 31, 1999, when computing:

(a) Canadian manufacturing and processing profits;
(b) eligible Saskatchewan manufacturing and processing profits; or
(c) qualifying reduction rates;

no account shall be taken of any transaction that would unduly or artificially increase the Canadian manufacturing and processing profits, eligible Saskatchewan manufacturing and processing profits or qualifying reduction rates, as the case may be.

(8) With respect to taxation years ending on or before December 31, 1999, if the Minister of Finance believes that one of the purposes of a transaction or event or series of transactions or events is to unduly or artificially increase any reduction of tax provided for in this section, the Minister of Finance may calculate the reduction of tax as if the transaction, event, or series of transactions or events had not occurred.

NOTE: Paragraph 7.4(1)(b)(ii)(C) applies to taxation years ending after June 1995.

Mining reclamation trust tax credit
7.5(1) This section applies to mining reclamation trusts that relate to mines situated in Saskatchewan.

(2) For each taxation year, a mining reclamation trust shall pay a tax equal to 17% of its income that is subject to tax pursuant to Part XII.4 of the Federal Act for that taxation year, and for the purposes of this section, Part XII.4 of the Federal Act applies, with any necessary modification.

(3) A taxpayer who is a beneficiary of a mining reclamation trust may deduct from the tax otherwise payable pursuant to this Act for a taxation year of the taxpayer an amount not exceeding the taxpayer's mining reclamation trust tax credit for that taxation year calculated in accordance with subsection (4).

(4) A taxpayer's mining reclamation trust tax credit for a taxation year is the total of the amounts calculated pursuant to clauses (a) and (b):

(a) the total of all amounts, each of which is an amount A calculated in accordance with the following formula:

\[ A = \text{trust tax} \times \frac{\text{beneficiary's income}}{\text{trust income}} \]

where:

trust tax is the tax payable pursuant to subsection (2) by the mining reclamation trust for the taxation year of the trust that ends in the taxation year of the taxpayer;

beneficiary's income is the amount, if any, by which:

(i) the total of all amounts with respect to the trust that, pursuant to subsection 107.3(1) of the Federal Act, are included in computing the taxpayer's income for the taxation year, other than amounts included because of the taxpayer being a member of a partnership;
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INCOME TAX

exceeds:

(ii) the total of all amounts with respect to the trust that, pursuant to subsection 107.3(1) of the Federal Act, are deducted in computing the taxpayer’s income for the taxation year, other than amounts deducted because of the taxpayer being a member of a partnership; and

trust income is the trust’s income for the taxation year of the trust that ends in the taxation year of the taxpayer, computed without reference to subsections 104(4) to (31) of the Federal Act;

(b) with respect to all partnerships of which the taxpayer is a member, the total of all amounts, each of which is the amount that can reasonably be considered to be the taxpayer’s share of the relevant credit with respect to the partnership.

(5) For the purposes of clause (4)(b), the relevant credit with respect to a partnership is the amount that would, if the partnership were a person and if its fiscal period were its taxation year, be its mining reclamation trust tax credit calculated pursuant to subsection (4) for its taxation year that ends in the taxation year of the taxpayer.

(6) If all or any part of a taxpayer’s mining reclamation trust tax credit calculated pursuant to subsection (4) remains unused after the deduction pursuant to subsection (3), the minister shall pay to the taxpayer an amount equal to the unused portion of the tax credit.

1997, c.39, s.7.

Certain dispositions of property

7.6(1) In this section:

(a) “taxpayer” means a person who or partnership that enters into a transaction described in subclause (2)(a)(i), whether or not the person or partnership is a taxpayer within the meaning of clause 60(1)(bb) at the time of the transaction;

(b) “untaxed income”, in relation to a disposition of property, means the total of all amounts, each of which is the portion of the transferor’s income or taxable income earned in the transferor’s taxation year in a province other than Saskatchewan, as determined pursuant to subsection 120(4) or 124(4) of the Federal Act, that:

(i) is attributable to the disposition; and

(ii) because of a difference between the transferor’s cost or adjusted cost base of the property pursuant to the Federal Act and the transferor’s cost or adjusted cost base of the property pursuant to the income tax statute of that province, is not included in the transferor’s income for the transferor’s taxation year pursuant to the income tax statute of that province.

(2) This section applies to a series of transactions or events, the first of which occurs on or after January 1, 1992, in which:

(a) in one transaction:

(i) a taxpayer disposes of property to a person or partnership with whom the taxpayer is not dealing at arm’s length; and
(ii) the proceeds of disposition are less than the fair market value of the property at the time of the disposition; and

(b) in a subsequent transaction, either:

(i) the property mentioned in clause (a); or

(ii) other property:

(A) that has a fair market value derived primarily from the property mentioned in clause (a); or

(B) that is acquired by any person or partnership other than the taxpayer in substitution for the property mentioned in clause (a);

is disposed of, and the proceeds of disposition are greater than the adjusted cost base of the property pursuant to the Federal Act.

(3) Where a series of transactions or events described in subsection (2) occurs, any untaxed income arising from the subsequent transaction shall be added to the taxpayer’s proceeds of disposition mentioned in subclause (2)(a)(ii).

(4) Notwithstanding any other provision of this Act or the Federal Act, as it applies for the purposes of this Act, where subsection (3) applies to a disposition of property, all amounts that are required to be determined pursuant to this Act or the Federal Act for the purpose of determining the tax payable pursuant to this Act shall be determined as if the proceeds of disposition were equal to the proceeds of disposition determined pursuant to subsection (3).

1997, c.39, s.7.

Research and development tax credit

7.7 In this section:

(a) “amalgamation” means an amalgamation as defined in subsection 87(1) of the Federal Act;

(b) “eligible expenditure” means an expenditure with respect to scientific research and experimental development carried out in Saskatchewan that:

(i) was incurred after March 19, 1998 by a corporation that has a permanent establishment in Saskatchewan; and

(ii) is a qualified expenditure within the meaning of subsections 127(9), (11.1), (11.5), (18), (19) and (20) of the Federal Act, but includes only the portion of the corporation’s prescribed proxy amount pursuant to paragraph (b) of the definition of qualified expenditure in subsection 127(9) of the Federal Act that can reasonably be considered to relate to scientific research and experimental development carried out in Saskatchewan;

(c) “research and development tax credit” means the amount calculated pursuant to subsection (3);

(d) “winding-up” means a winding-up of a corporation to which subsection 88(1) of the Federal Act applies.
(2) A corporation may deduct from its tax otherwise payable pursuant to this Act for a taxation year ending after March 19, 1998 an amount not more than the lesser of:

(a) its research and development tax credit at the end of the taxation year; and

(b) its tax otherwise payable pursuant to this Act for the taxation year.

(3) The research and development tax credit of a corporation at the end of a taxation year is the amount RDTC, if it is positive, calculated in accordance with the following formula:

\[ RDTC = (RD + RDPY + OA + OAPY) - PD \]

where:

RD is 15% of the sum of all amounts, each of which is an eligible expenditure incurred by the corporation in the taxation year, determined without reference to subsection 13(7.1) of the Federal Act;

RDPY is 15% of the sum of all amounts, each of which is an eligible expenditure incurred by the corporation in any of the seven taxation years preceding or the three taxation years following that taxation year, determined without reference to subsection 13(7.1) of the Federal Act;

OA is the sum of all amounts, each of which is an amount required by subsection (4) or (6) to be added in computing the corporation’s research and development tax credit at the end of the taxation year;

OAPY is the sum of all amounts, each of which is an amount required by subsection (4) or (6) to be added in computing the corporation’s research and development tax credit at the end of any of the seven taxation years preceding or the three taxation years following that taxation year; and

PD is the sum of all amounts, each of which:

(a) is an amount deducted pursuant to this section from tax otherwise payable pursuant to this Act by the corporation for a preceding taxation year; and

(b) is related to an eligible expenditure incurred in the taxation year, in any of the seven taxation years preceding the taxation year or the three taxation years following the taxation year.

(4) In calculating its research and development tax credit at the end of a taxation year, a corporation that is a beneficiary under a trust shall add its share of the amount that the trust would be required to calculate as the amounts RD and RDPY pursuant to subsection (3) for that taxation year if the trust were a taxpayer.

(5) For the purposes of subsection (4), a corporation’s share is the amount that would reasonably be considered as its share, having regard to all circumstances including the terms and conditions of the trust.
(6) In calculating its research and development tax credit at the end of a taxation year, a corporation that is a partner shall add its share of the amount that the partnership would be required to calculate as the amounts RD and RDPY pursuant to subsection (3) for that taxation year if the partnership were a taxpayer.

(7) For the purposes of subsection (6), a corporation's share is the amount that would reasonably be considered as its share, having regard to all circumstances including the terms and conditions of the partnership.

(8) For the purposes of calculating the research and development tax credit of a new corporation that is the result of an amalgamation, the new corporation is deemed to be the continuation of each of its predecessor corporations if:

(a) the amalgamation took place after March 19, 1998; and

(b) one of its predecessor corporations had a research and development tax credit, any portion of which was not deducted in any taxation year by the predecessor corporation in calculating its tax otherwise payable pursuant to this Act.

(9) For the purposes of calculating the research and development tax credit of a parent corporation a subsidiary of which has been wound-up, the parent corporation is deemed to be the continuation of its subsidiary if:

(a) the winding-up took place after March 19, 1998; and

(b) the subsidiary corporation had a research and development tax credit, any portion of which was not deducted in any taxation year by the subsidiary corporation in calculating its tax otherwise payable pursuant to this Act.

(10) A corporation may renounce its research and development tax credit that would otherwise be claimable with respect to all or any of its eligible expenditures incurred during a taxation year on or before the date by which the corporation is required to file its return of income for that taxation year pursuant to section 150 of the Federal Act.

(11) If a corporation renounces its research and development tax credit pursuant to subsection (10) with respect to all or any of its eligible expenditures incurred during a taxation year:

(a) the eligible expenditures shall not be taken into account in calculating the research and development tax credit for the corporation at the end of that or any other taxation year; and

(b) the corporation is deemed for all purposes never to have received, never to have been entitled to receive and never to have had a reasonable expectation of receiving that research and development tax credit.

(12) Notwithstanding clause (1)(b), for the purpose of determining the research and development tax credit of a corporation, the amount of a contract payment paid or payable by a person to the corporation for an eligible expenditure made by the corporation is deemed to be nil if:

(a) the person is not entitled to treat the contract payment as an eligible expenditure pursuant to this section; or
(b) the person is a corporation that has renounced the research and development tax credit with respect to the contract payment pursuant to subsection (10).

(13) No research and development tax credit of a corporation is eligible to be deducted for a taxation year of the corporation that ends before March 20, 1998.

1998, c.25, s.7; 1999, c.18, s.6.

SASKATCHEWAN ROYALTY TAX REBATE

Royalty tax rebate

8(1) For the purpose of giving the effect of allowing the deduction, as an expense, of royalties and like payments paid to the Crown, there may be deducted from the tax payable under this Act for a taxation year such royalty tax rebate in respect of oil or gas wells in Canada or mineral resources in Canada as may be allowed to the taxpayer by regulation.

(2) For the purpose of carrying out the provisions of subsection (1) according to their intent, the Lieutenant Governor in Council may make regulations not inconsistent with the provisions and intent of this section that shall have the same force and effect as if enacted in this Act and, without restricting the generality of the foregoing, the Lieutenant Governor in Council may make regulations:

(a) prescribing anything that by this section is to be prescribed or is to be determined or regulated by regulation; and

(b) defining, for the purpose of this section and the regulations, any word or expression not defined in this Act.

(3) Any regulations made under this section may be expressed to have a retroactive operation and thereupon shall have such operation but no regulation made under this section shall come into force on or before the sixth day of May, 1974.

R.S.S. 1978, c.I-2, s.8.

8.1 Repealed. 1982-83, c.3, s.2.

8.2 Repealed. 1986, c.23, s.8.

NOTE: Subsection 8(2) of The Income Tax Amendment Act, 1986 (No.2) provides:

“(2) ... section 8.2 remains in force to the extent necessary to determine payments under that section to taxpayers with respect to taxable capital gains arising before the date that this section comes into force”.
SASKATCHEWAN TAX INCENTIVES

Section 8.3

(1) Subject to subsections (2) and (3), for the 1984 and subsequent taxation years, there may be deducted from the tax otherwise payable pursuant to this Act for a taxation year:

(a) by an individual residing in Saskatchewan on the last day of the taxation year, pursuant to sections 3, 3.1, 4, 5 and 5.1 but without reference to section 120.1 of the Federal Act; or

(b) by a corporation residing in Saskatchewan on the last day of the taxation year, pursuant to sections 6, 7 and 8;

an amount equal to the aggregate of:

(c) the tax credit allowed for the taxation year pursuant to:

(i) Repealed. 2000, c.16, s.12.

(ii) section 4 of The Livestock Investment Tax Credit Act;

(iii) section 4 of The Livestock Facilities Tax Credit Act;

(iv) Repealed. 2000, c.16, s.11.

(v) section 12 of The Labour-sponsored Venture Capital Corporations Act;

(vi) section 12 of The Film Employment Tax Credit Act; and

(vii) subject to subsection (5), section 4 of The Post-Secondary Graduate Tax Credit Act.

(d) the tax credits mentioned in subclauses (c)(i) to (iv) that were allowed for any of the immediately preceding seven taxation years to the extent that the tax credits have not been previously deducted pursuant to this section;

(d.1) the tax credit mentioned in subclause (c)(vii) that was allowed for any of the immediately preceding four taxation years to the extent that the tax credit has not been previously deducted pursuant to this section; and

(e) the amounts required by subsection 10(7) to be added in computing the amount deductible under this subsection:

(i) for the taxation year; and

(ii) for any of the immediately preceding seven taxation years to the extent that those amounts have not been previously deducted pursuant to this subsection.

(2) The amount of the tax credit allowed to be deducted pursuant to subsection (1) is required to be deducted in the taxation year for which the tax credit is allowed to the extent that the taxpayer has tax otherwise payable in that taxation year against which the amount of the tax credit can be deducted.

(3) The Minister of Finance may set any procedures that he considers appropriate with respect to the manner in which a tax credit mentioned in subsection (1) is to be claimed.
(4) If all or any part of a corporation’s film employment tax credits allowed pursuant to section 12 of The Film Employment Tax Credit Act for a taxation year remains unused after the deduction pursuant to subsection (1), the minister shall:

(a) apply the unused portion to pay:

(i) any tax, interest or penalty owing by the corporation for that or any prior taxation year pursuant to this Act, the Federal Act or the corporation income tax legislation of any agreeing province;

(ii) any contribution, interest or penalty owing by the corporation for that or any prior taxation year pursuant to the Canada Pension Plan; and

(iii) any premium, interest or penalty owing by the corporation for that or any prior taxation year pursuant to the Employment Insurance Act (Canada); and

(b) pay any of the unused portion not applied pursuant to clause (a) to the corporation.

(5) In his or her lifetime, an individual may deduct only one tax credit that has been allowed pursuant to section 4 of The Post-Secondary Graduate Tax Credit Act.

NOTE: Clause 8.3(1)(a) applies to the 1992 and subsequent taxation years.

1983-84, c.40, s.7; 1984-85-86, c.78, s.7; 1986, c.23, s.9; 1989-90, c.41, s.7; 1990-91, c.37, s.5; 1995, c.22, s.9; 1998, c.25, s.8; 2000, c.48, s.4; 2000, c.16, s.11 and s.12; 2003, c.26, s.7.

8.31 Repealed. 1991, c.3, s.2.

NOTE: Subsection 2(2) of The Income Tax Amendment Act, 1991 (No. 2) states:

“(2) Notwithstanding any other Act or law, no amount is deemed to be paid or to have been paid pursuant to section 8.31 of The Income Tax Act, as that section existed on the day before the coming into force of this Act, after November 1, 1991”.

8.4 Repealed. 1984-85-86, c.95, s.2.

Mineral exploration tax credit

8.41(1) Subject to subsections (2) and (3), there may be deducted from tax otherwise payable for a taxation year pursuant to this Act by an individual, other than a trust, a mineral exploration tax credit in an amount equal to the aggregate of:

(a) the tax credit allowed for the taxation year pursuant to section 10.1 of The Mineral Resources Act, 1985; and

(b) the tax credits allowed pursuant to section 10.1 of The Mineral Resources Act, 1985 for the immediately preceding 10 taxation years and the immediately following three taxation years to the extent that the tax credits have not been previously deducted pursuant to this section or section 34.1 of The Income Tax Act, 2000.

(2) The amount of the mineral exploration tax credit allowed to be deducted pursuant to subsection (1) for a taxation year is required to be deducted in the taxation year to the extent that the individual has tax otherwise payable in the taxation year against which the amount of the credit can be deducted.
(3) The minister may set any procedures that the minister considers appropriate with respect to the manner in which the tax credit mentioned in subsection (1) is to be claimed.

2001, c.22, s.3.

Saskatchewan Child Benefit

8.5(1) In this section:

(a) “adjusted income” means adjusted income as defined in section 122.6 of the Federal Act;

(b) “base taxation year” means the base taxation year as defined in section 122.6 of the Federal Act;

(c) “cohabiting spouse” means cohabiting spouse as defined in section 122.6 of the Federal Act;

(d) “eligible individual” means an individual who is an eligible individual as defined in section 122.6 of the Federal Act;

(e) “government institution” means a government institution as defined in The Freedom of Information and Protection of Privacy Act;

(f) “qualified dependant” means a qualified dependant as defined in section 122.6 of the Federal Act;

(g) “return of income” means a return of income as defined in section 122.6 of the Federal Act.

(2) Clause 60(9)(h) does not apply with respect to references to Canada in applying the following provisions of the Federal Act for the purposes of this section:

(a) the definitions of “eligible individual” and “return of income” in section 122.6;

(b) paragraph 122.61(3)(a) and the portion of subsection 122.61(3) that precedes paragraph (a) when read for the purposes of applying paragraph (a).

(3) Subject to subsection (4), an overpayment on account of an individual’s liability pursuant to this Act for a taxation year is deemed to have arisen during a month in relation to which the taxation year is the base taxation year, in an amount determined in accordance with the regulations made pursuant to subsection (7) where:

(a) the individual has filed a return of income for the taxation year;

(b) if the Minister of Finance so demands, the individual’s cohabiting spouse at the end of the taxation year has filed a return of income for the taxation year; and

(c) the individual was resident in Saskatchewan for a period that commenced before the first day of the month and that included that day.

(4) No overpayment is deemed to have arisen pursuant to this section in any month prior to July 1, 1998.

(5) Subsection 122.61(2), paragraph 122.61(3)(a) and subsections 122.61(3.1) and 122.62(1), (2), (4), (5) and (6) of the Federal Act apply for the purposes of this section.
(6) A refund of an amount deemed by this section to be an overpayment on account of a person’s liability pursuant to this Act for a taxation year:

(a) cannot be charged or given as security;
(b) cannot be assigned except pursuant to a prescribed Act;
(c) cannot be garnished or attached;
(d) is exempt from execution and seizure; and
(e) cannot be retained by way of deduction or set-off pursuant to *The Financial Administration Act, 1993*.

(7) The Lieutenant Governor in Council may make regulations:

(a) defining, enlarging or restricting the meaning of any word or expression used in this section but not defined in this section;
(b) designating additional provisions of the Federal Act that apply for the purposes of this section;
(c) limiting the application of section 60 with respect to any provisions of the Federal Act that apply for the purposes of this section;
(d) governing the interpretation of any provisions of the Federal Act that apply for the purposes of this section;
(e) prescribing Acts for the purposes of clause (6)(b);
(f) governing the determination of the amount of an individual’s deemed overpayment pursuant to subsection (3);
(g) prescribing any matter or thing required or authorized by this section to be prescribed in the regulations;
(h) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this section.

(8) Regulations pursuant to subsection (7) may be made retroactive to a day not earlier than July 1, 1998.

(9) The minister may specify forms that are to be used for the purposes of this section.

(10) Where this section is administered by the Government of Canada on behalf of Saskatchewan, any government institution may provide to officials of the Government of Canada information required by the Government of Canada to administer this section or co-ordinate the application of this section with the application of sections 122.6 to 122.64 of the Federal Act.

1998, c.25, s.9.

**Saskatchewan sales tax credit**

8.6(1) In this section:

(a) “*adjusted income*” means adjusted income as defined in subsection 122.5(1) of the Federal Act;

(b) “*eligible individual*” means an individual who is an eligible individual as defined in subsection 122.5(1) of the Federal Act and who is not excluded from this definition by virtue of subsection 122.5(2) of the Federal Act;
(c) “qualified dependant” means a qualified dependant as defined in subsection 122.5(1) of the Federal Act and who is not excluded from this definition by virtue of subsection 122.5(2) of the Federal Act;

(d) “qualified relation” means a qualified relation as defined in subsection 122.5(1) of the Federal Act and who is not excluded from this definition by virtue of subsection 122.5(2) of the Federal Act.

(2) Clause 60(9)(h) does not apply with respect to references to Canada in applying the definition of eligible individual in subsection 122.5(1) of the Federal Act for the purposes of this section.

(3) Subject to subsections (8), (9), (10) and (14), an amount determined in accordance with subsection (4) is deemed to be an amount paid by an individual on account of the individual’s tax payable pursuant to this Act for a taxation year during each of the months specified for that year pursuant to subsection (7) where the individual:

(a) is an eligible individual;

(b) has filed a return of income for the taxation year pursuant to Part I of the Federal Act, other than a return of income filed pursuant to subsection 70(2), paragraph 104(23)(d) or 128(2)(e) or subsection 150(4) of the Federal Act; and

(c) has applied for the taxation year pursuant to subsection 122.5(3) of the Federal Act.

(4) The amount described in subsection (3) is the amount A calculated in accordance with the following formula:

\[ A = \frac{1}{4} \times (B - C) \]

where:

- \( B \) is the amount B for the taxation year determined in accordance with subsection (5); and

- \( C \) is the amount C for the taxation year determined in accordance with subsection (6).

(5) For the purposes of subsection (4), the amount B is the total of:

(a) one per cent of the individual’s income for the year, not including any amount with respect to a gain from a disposition of property to which section 79 of the Federal Act applies in computing that income, to a maximum of $77;

(b) $77 where the individual has a qualified relation for the taxation year;

(c) $77 where the individual:

   (i) has no qualified relation for the taxation year; and

   (ii) is entitled to deduct an amount for the taxation year pursuant to subsection 118(1) of the Federal Act because of paragraph (b) of the description of B in that subsection with respect to a qualified dependant of the individual for the taxation year; and
(d) the product obtained when $55 is multiplied by the number of qualified dependants of the individual for the taxation year, not including a qualified dependant with respect to whom the amount set out in clause (c) is included in computing the amount B for the taxation year, to a maximum of $110.

(6) For the purposes of subsection (4), the amount C is equal to one per cent of the amount, if any, by which the individual’s adjusted income for the taxation year exceeds:

(a) $8,600 where $110 has been included in computing the amount B by reason of clause (5)(d);
(b) $14,100 where $55 has been included in computing the amount B by reason of clause (5)(d);
(c) $19,600 where, in computing the amount B, no amount has been included by reason of clause (5)(d) but an amount has been included by reason of clause (5)(b) or (c); or
(d) $27,300 where no amount has been included in computing the amount B by reason of clause (5)(b), (c) or (d).

(7) For the purposes of this section, the months specified for a taxation year are July and October of the immediately following taxation year and January and April of the second immediately following taxation year.

(8) Where an individual is a qualified relation of another individual for a taxation year, subsection (3) applies to only one of the individuals.

(9) Where the total of all amounts deemed pursuant to subsection (3) to be paid by an individual for a taxation year during months specified for the taxation year is less than $44.76, the total is deemed to be paid by the individual during the first month specified for the taxation year, and no other amount shall be deemed to be paid pursuant to subsection (3) by the individual for that taxation year.

(10) Subject to subsection (11), no amount shall be deemed to be paid pursuant to subsection (3) by an individual for a taxation year during a month specified for that taxation year where:

(a) the individual died before that month; or
(b) the individual was not resident in Saskatchewan at the beginning of that month.

(11) On the written application pursuant to subsection 122.5(6) of the Federal Act of an individual who is the qualified relation of an individual described in clause (10)(a) and to whom clause (10)(a) does not apply, each amount that would, but for that clause, be deemed pursuant to subsection (3) to be paid by the deceased individual during a month specified for a taxation year is deemed to be paid during the month on account of the applicant’s tax payable pursuant to this Act for the taxation year.
(12) For the purposes of this section, where an individual becomes bankrupt in a taxation year, the individual's income for the year includes the individual's income for the taxation year that begins on January 1 of the calendar year that includes the date of the bankruptcy.

(13) A refund of an amount deemed by this section to be paid by an individual on account of the individual's tax payable pursuant to this Act for a taxation year:

(a) cannot be charged or given as security;
(b) cannot be assigned except pursuant to a prescribed Act;
(c) cannot be garnished or attached;
(d) is exempt from execution and seizure; and
(e) cannot be retained by way of deduction or set-off pursuant to The Financial Administration Act, 1993.

(14) No amount is deemed to have been paid by an individual on account of the individual's tax payable pursuant to this Act for a taxation year during any month prior to July, 2000.

(15) An additional amount equal to any amount that is deemed pursuant to subsection (3) to have been paid by the individual during July, 2000 is deemed to have been paid by the individual during October, 2000.

(16) Notwithstanding subsections (3) and (9), all amounts that would otherwise be deemed by this section to have been paid by the individual during July, 2000 are instead deemed to have been paid by the individual during October, 2000.

2000, c.48, s.5.

EXEMPTIONS

Exemption of certain individuals and corporations
9 No tax is payable under this Act by any person for a period when that person:

(a) was exempt from tax by virtue of subsection (1) of section 149 of the Federal Act; or
(b) was a non-resident-owned investment corporation;

and any definitions or descriptions in the Federal Act applying to any such person shall apply mutatis mutandis for the purposes of this Act unless otherwise provided.

R.S.S. 1978, c.I-2, s.9.
Farmers' averaging

10(1) Where an individual whose chief source of income has been farming or fishing during a taxation year (in this section referred to as the “year of averaging”) has filed an election in accordance with subsection (1) of section 119 of the Federal Act for the year of averaging, the tax payable under this Part for the year of averaging is an amount determined by the following rules:

(a) determine the amount (in this section referred to as the “average tax”) for each year in the averaging period (which, in this section, has the meaning given to that expression under section 119 of the Federal Act) equal to the tax that would be payable under the Federal Act, within the meaning of section 3 of this Act, if the taxable income for the year were the average net income for the year within the meaning of paragraph (c) of subsection (1) of section 119 of the Federal Act;

(b) determine the amount (in this section referred to as the “provincial tax”) for each year in the averaging period equal to the tax that would be payable under this Part for the year if the tax that would be payable under the Federal Act for the year, within the meaning of section 3 of this Act, were the average tax for the year and no amounts were deductible under subsection 8.3(1) for the year;

(b.1) determine the amount, if any, by which the aggregate of the provincial taxes as determined under clause (b) for the years in the averaging period exceeds the aggregate of all amounts, each of which is an amount deducted under subsection 8.3(1) in computing the tax payable for the preceding years, which, in this section, has the meaning given to that expression under section 119 of the Federal Act; and

(c) deduct from the amount determined under clause (b.1) the aggregate of taxes payable less credits claimed under this Part for the preceding years.

and the remainder obtained under clause (c) is the tax payable under this Part for the year of averaging.

(2) Subsection (1) applies only in the case of an individual whose chief source of income throughout the averaging period is from farming or fishing.

(3) For the purposes of this Act, where the tax payable by an individual under this Part for the year of averaging would, but for subsection (2), be an amount determined under subsection (1), the tax that would have been payable by the individual under the Federal Act for the year of averaging, within the meaning of section 3 of this Act, had no election been made by him under section 119 of the Federal Act for that year, shall be deemed to be the tax payable under the Federal Act by the individual for the year of averaging.

(4) Where this section, except subsection (3), is applicable to the computation of a taxpayer’s tax for a taxation year and the aggregate of the taxes payable under this Part for the preceding years exceeds the amounts determined under clause (1)(b.1), the excess is deemed to be an overpayment made when the notice of assessment for the year of averaging was mailed.
(5) The provisions of this Part relating to the assessment of tax, interest and penalties apply mutatis mutandis to an assessment whereby, for the purposes of this section, it is determined by the Minister of Finance that no tax is payable under this Part for the year of averaging or that an overpayment has been made as described in subsection (4).

(6) Where an election for a year of averaging filed under subsection (1) of section 119 of the Federal Act has been revoked by the taxpayer in accordance with subsection (5) of section 119 of the Federal Act, subsection (1) of this section is not applicable in determining the tax payable under this Part for the year of averaging.

(7) Where this section is applicable to the computation of an individual’s tax payable under this Part for a taxation year, the amount, if any, by which the aggregate of all amounts deducted under subsection 8.3(1) in computing the individual’s tax payable for the preceding years exceeds the aggregate of the provincial taxes as determined under clause (1)(b) is to be added in computing tax credits allowed pursuant to subsection 8.3(1).

R.S.S. 1978, c.I-2, s.10; 1986, c.23, s.10.

DIVISION D — RETURNS, ASSESSMENTS, PAYMENT AND OBJECTIONS TO ASSESSMENTS

Return

11 Sections 150 and 151 of the Federal Act apply, with any necessary modification, for the purposes of this Act.

1990-91, c.18, s.7.

Assessment

12 Subsections 152(1), (1.2) and (2) to (8) of the Federal Act apply, with any necessary modification, for the purposes of this Act.

1993, c.27, s.8; 1998, c.25, s.10.

NOTE: The reference to subsection (4.2) in section 12 applies to assessments made for the 1985 and subsequent taxation years.

Withholding

13 Subsections 153(1) to (3) of the Federal Act apply, with any necessary modification, for the purposes of this Act.

1993, c.27, s.8.
Reassessment

14(1) Where a collection agreement is in effect and notwithstanding that the normal reassessment period for a taxpayer with respect to a taxation year has elapsed, if a taxpayer's tax payable pursuant to Part 1 of the Federal Act for the year is reassessed, the Minister of Finance shall:

(a) reassess;
(b) make additional assessments; or
(c) assess tax, interest or penalties;

as the case may be.

(2) Notwithstanding that the normal reassessment period for a taxpayer with respect to a taxation year has elapsed, the Minister of Finance may redetermine:

(a) the amount, if any, deemed pursuant to section 8.5 to be an overpayment on account of the individual's liability pursuant to this Act for the taxation year; or
(b) the amount, if any, deemed pursuant to section 8.6 to be paid by an individual on account of the individual's tax payable pursuant to this Act for the taxation year.

1993, c.27, s.8; 1998, c.25, s.11; 2000, c.48, s.6.

NOTE: Sections 12 to 14 apply after April 27, 1989 except with respect to any taxation year of a taxpayer for which a notification of original assessment pursuant to The Income Tax Act, or a notification that no tax is payable by the taxpayer for the taxation year, was mailed on or before April 27, 1986.

Farmers and fishermen

15(1) Subject to subsection 16(3), every individual whose chief source of income is farming or fishing, other than an individual to whom subsection 153(2) of the Federal Act applies for the purposes of this Act, shall pay to the Minister of Finance, with respect to each taxation year:

(a) on or before December 31 in the taxation year, two-thirds of:
   (i) the amount estimated by the individual pursuant to section 151 of the Federal Act, as it applies for the purposes of this Act, to be the tax payable pursuant to this Act by the individual for the year; or
   (ii) the tax payable pursuant to this Act by the individual for the immediately preceding taxation year; and
(b) on or before the individual's balance due day for the year, the remainder of the individual's tax as estimated pursuant to section 151 of the Federal Act, as it applies for the purposes of this Act.
(2) Where a collection agreement is entered into, an individual to whom subsection (1) applies shall pay the amount that is:

(a) required pursuant to clause (1)(a); and

(b) computed with respect to the same year that the amount that the individual is liable to pay pursuant to paragraph 155(1)(a) of the Federal Act is computed.

NOTE:  Section 15 applies to the 1990 and subsequent taxation years.

1993, c.27, s.9.

Other individuals

16(1) Subject to subsection (3), every individual, other than an individual to whom subsection 153(2) of the Federal Act applies for the purposes of this Act or to whom section 15 applies, shall pay to the Minister of Finance, with respect to each taxation year:

(a) on or before March 15, June 15, September 15 and December 15 in the taxation year, one-quarter of:

(i) the amount estimated by the individual pursuant to section 151 of the Federal Act, as it applies for the purposes of this Act, to be the tax payable pursuant to this Act by the individual for the year; or

(ii) the tax payable pursuant to this Act by the individual for the immediately preceding taxation year; and

(b) on or before the individual’s balance due day for the year, the remainder of the individual’s tax as estimated pursuant to section 151 of the Federal Act, as it applies for the purposes of this Act.

(2) Where a collection agreement is entered into, an individual to whom subsection (1) applies shall pay the amount that is:

(a) required pursuant to clause (1)(a); and

(b) computed with respect to the same year that the amount that the individual is liable to pay pursuant to paragraph 156(1)(a) of the Federal Act is computed.

(3) Where no federal instalments are required pursuant to section 156.1 of the Federal Act for a taxation year, the individual:

(a) is not required to pay instalments pursuant to section 15 or 16 of this Act for the taxation year; and

(b) on or before the individual’s balance due day for the taxation year, shall pay to the Minister of Finance the individual’s tax as estimated pursuant to section 151 of the Federal Act, as it applies for the purposes of this Act, for the taxation year.

NOTE:  Section 16 applies to the 1990 and subsequent taxation years.

1993, c.27, s.9.
Corporations

17(1) Subsections 157(1), (2), (2.1) and (4) of the Federal Act apply, with any necessary modification, for the purposes of this Act.

(2) Where a collection agreement is in effect, a corporation that:

(a) pays amounts with respect to a taxation year computed pursuant to subparagraph 157(1)(a)(i), (ii) or (iii) of the Federal Act; and

(b) is required to make payments pursuant to subsection 157(1) of the Federal Act, as it applies for the purposes of this Act;

shall pay amounts with respect to the year computed pursuant to the same subparagraph of the Federal Act, as it applies for the purposes of this Act.

1990-91, c.18, s.10.

18 Repealed. 1989-90, c.41, s.8.

Application of certain provisions of Federal Act

19(1) Subject to subsection (2) and section 20 of this Act, subsections 70(2) and 104(2), paragraph 104(23)(e), sections 158 to 160, subsections 160.1(1), (1.1), (2.1), (3) and (4), sections 160.2 and 160.3 and subsections 161(1) to (7), (9) and (11) of the Federal Act apply, with any necessary modification, to the payment of tax pursuant to this Act.

(2) In applying subsections 160.1(1), (1.1), (2.1), (3) and (4) of the Federal Act pursuant to subsection (1), “refund” includes a refund that arises by reason of a provision of this Act that:

(a) allows a taxpayer to deduct an amount from the tax payable pursuant to this Act; or

(b) deems an amount to have been paid by a taxpayer as or on account of the tax payable pursuant to this Act by the taxpayer.

NOTE: Subsection 19(1) applies to the 1988 and subsequent taxation years.

1989-90, c.41, s.9; 1993, c.27, s.10; 1998, c.25, s.12; 2000, c.48, s.7

Interest on instalments

20 Where:

(a) a collection agreement is in effect; and

(b) a taxpayer is deemed pursuant to subsection 161(4) of the Federal Act to be liable to pay, with respect to his or her tax payable pursuant to Part I of the Federal Act for a taxation year, a part or instalment computed by reference to an amount described in paragraph 161(4)(c) or (d) of the Federal Act; notwithstanding subsection 161(4) of the Federal Act, as it applies for the purposes of this Act, in applying subsection 161(2) of the Federal Act pursuant to subsection 19(1), the taxpayer is deemed to be liable to pay, with respect to his or her tax payable pursuant to this Act for the taxation year, a part or instalment computed by reference to an amount described in the paragraph of the Federal Act that is applied pursuant to clause (b).

1989-90, c.41, s.9.
PENALTIES

Returns

21(1) Subsections 162(1) to (3), (5), (7) and (11) and section 235 of the Federal Act apply, with any necessary modification, to this Act.

(2) Where a collection agreement is in effect, the Minister of Finance may refrain from levying or reduce a penalty provided in this section if the person who is liable to the penalty is required to pay a penalty pursuant to section 162 of the Federal Act with respect to the same failure.

NOTE: Subsection 21(1) applies on and after December 17, 1991. Subsection 21(2) applies to amounts referred to in paragraph 161(7)(a) of the Income Tax Act (Canada) with respect to subsequent taxation years referred to in that paragraph ending after July 13, 1990.

1993, c.27, s.11 and 12.

Failure to report and false statements

22(1) Subsection 163(1), paragraph 163(2)(a), as it would apply without reference to subsection 120(2) of the Federal Act, and subsections 163(2.1), (3) and (4) of the Federal Act apply, with any necessary modification, for the purposes of this Act.

(2) Where a collection agreement is in effect, the Minister of Finance may refrain from levying or reduce a penalty provided in this section if the person who is liable to the penalty is required to pay a penalty pursuant to section 163 of the Federal Act with respect to the same failure or the same false statement or omission, as the case may be.

NOTE: Section 22 applies to amounts referred to in subsection 163(4) of the Income Tax Act (Canada) with respect to subsequent taxation years ending after July 13, 1990.

1993, c.27, s.13.

22.1 Repealed. 1993, c.27, s.13.

Penalty re instalments

22.2 Section 163.1 of the Federal Act applies, with any necessary modification, for the purposes of this Act.

1993, c.27, s.14.
REFUND OF OVERPAYMENT

Refunds

23(1) Subsections 164(1) to (1.31), (1.5), (2), (2.2) and (3) to (7) of the Federal Act apply, with any necessary modification, to the payment of tax pursuant to this Act.

(1.1) Notwithstanding subsection (1), subsection 164(2) of the Federal Act applies with respect to a refund arising pursuant to section 8.6 of this Act only to the extent that the individual’s liability mentioned in subsection 164(2) of the Federal Act arises from the operation of paragraph 160.1(1)(a) of the Federal Act as it applies for the purposes of this Act with respect to an amount refunded to the individual in excess of the amount to which the individual is entitled pursuant to section 8.6.

(2) Where:

(a) a collection agreement is in effect; and

(b) by reason of a decision mentioned in subsection 164(4.1) of the Federal Act:

(i) a repayment of tax, interest or penalties pursuant to that Act for a taxation year is made to a taxpayer; or

(ii) any security accepted pursuant to that Act for any tax, interest or penalty pursuant to that Act is surrendered to a taxpayer;

subsection 164(4.1) of the Federal Act applies, with any necessary modification, to any overpayment of tax, interest or penalties pursuant to this Act for the year that arises by reason of the decision.

NOTE: Subsection 23(1) applies to refunds for the 1985 and subsequent taxation years.

1989-90, c.41, s.11; 1993, c.27, s.15; 1998, c.25, s.13; 2000, c.48, s.8.

Assignment of income tax refund

24(1) In this section:

(a) “actual consideration” means the consideration given by an assignee to an assignor for an assignment of an entitlement to receive a refund of income tax, less any amount deducted by the assignee for:

(i) the service of completing the income tax return of the assignor; and

(ii) any other service the assignee provides which is directly related to the assignment;

(b) “assignee” means a person to whom an assignor assigns his entitlement to receive a refund of income tax, and includes a person acting on behalf of an assignee;

(c) “assignor” means a person who is entitled to receive a refund of income tax and who makes an assignment of the entitlement.
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(2) No assignment by an assignor of his entitlement to receive a refund of income tax is valid when the actual consideration is less than 85% of the amount of the refund payable to the assignor.

(3) Every assignee who takes an assignment in the course of his business shall keep posted in a prominent location on his business premises a notice which must:

(a) be in accordance with any form and wording that the Minister of Finance may prescribe; and

(b) contain the provisions of this section.

(4) The Minister of Finance may prescribe the form and wording of a notice required pursuant to subsection (3).

(5) Any person who contravenes subsection (3) is guilty of an offence and is liable on summary conviction to a fine of not more than $1,000.

1979-80, c.83, s.5.

OBJECTIONS TO ASSESSMENTS

Objection to assessment

25 Sections 165, 166.1 and 166.2 of the Federal Act apply, with any necessary modification, for the purposes of this Act.

NOTE: Section 25 applies to applications filed after January 16, 1992.

1990-91, c.18, s.13; 1993, c.27, s.16.

DIVISION E — APPEALS TO THE COURT OF QUEEN'S BENCH

Right of appeal

26(1) Section 169 of the Federal Act applies, with any necessary modification, for the purposes of this Act.

Questions respecting which appeals may be taken

(2) An appeal from an assessment under this Act may be taken in respect of any question relating:

(a) in the case of an individual, to the determination of:

(i) his residence for the purposes of this Act;

(ii) his income earned in the taxation year in Saskatchewan as defined in clause (b) of subsection (6) of section 3;

(iii) the amount of tax payable for a taxation year based on the tax payable under the Federal Act for that year as defined in clause (a) of subsection (6) of section 3; or
(iv) the amount that, pursuant to subsection 122.62(5) or (6) of the Federal Act as it applies for the purposes of section 8.5 of this Act, is deemed to be the individual's adjusted income; and

(b) in the case of a corporation, to the determination of:

(i) its taxable income earned in the year in Saskatchewan as defined in subsection (3) of section 6; or

(ii) the amount of tax payable for a taxation year based on the taxable income of the corporation for that year;

but no appeal from an assessment lies in respect of the computation of the tax payable under the Federal Act as defined in clause (a) of subsection (6) of section 3 or of the taxable income of a corporation.

How appeal instituted

(3) An appeal to the court shall be instituted by serving upon the Minister of Finance a notice of appeal in duplicate in prescribed form and by filing a copy thereof with any local registrar of the court.

Service of notice

(4) A notice of appeal shall be served upon the Minister of Finance by being sent by registered mail addressed to the deputy head.

Statement of allegations

(5) The taxpayer appealing shall set out in the notice of appeal a statement of the allegations of fact, the statutory provisions and the reasons that he intends to submit in support of his appeal.

Fee upon filing notice

(6) The taxpayer appealing shall pay to the local registrar a fee of $15 upon the filing of the copy of the notice of appeal with him.

R.S.S. 1978, c.I-2, s.26; 1986, c.23, s.17; 1990-91, c.18, s.14; 1993, c.27, s.17; 1998, c.25, s.14.

Reply to appeal

(1) The Minister of Finance shall, within sixty days from the day the notice of appeal is received, or within such further time as the court or a judge thereof may either before or after the expiration of that time allow, serve on the appellant and file in the court a reply to the notice of appeal admitting or denying the facts alleged and containing a statement of such further allegations of fact and of such statutory provisions and reasons as he intends to rely on.

Amendment of notice of appeal

(2) The court or a judge may, in its or his discretion, strike out a notice of appeal or any part thereof for failure to comply with subsection (5) of section 26 and may permit an amendment to be made to a notice of appeal or a new notice of appeal to be substituted for the one struck out.
Amendment of reply
   (3) The court or a judge may, in its or his discretion:
      (a) strike out any part of a reply for failure to comply with this section or permit the amendment of a reply; and
      (b) strike out a reply for failure to comply with this section and order a new reply to be filed within a time to be fixed by the order.

Disposal of appeal in certain circumstances
   (4) Where a notice of appeal is struck out for failure to comply with subsection (5) of section 26 and a new notice of appeal is not filed as and when permitted by the court or a judge, the court or a judge thereof may, in its or his discretion, dispose of the appeal by dismissing it.

Same
   (5) Where a reply is not filed as required by this section or is struck out under this section and a new reply is not filed as ordered by the court or a judge within the time ordered, the court may dispose of the appeal ex parte or after a hearing on the basis that the allegations of fact contained in the notice of appeal are true.

R.S.S. 1978, c.I-2, s.27.

Appeal deemed matter in court
   28(1) Upon the filing of the material referred to in sections 26 and 27, the matter shall be deemed to be an action in the court and, unless the court otherwise orders, ready for hearing.

Facts not set out may be pleaded
   (2) Any fact or statutory provision not set out in the notice of appeal or reply may be pleaded or referred to in such manner and upon such terms as the court may direct.

   (3) Repealed. 1990-91, c.18, s.15.

   (4) Repealed. 1990-91, c.18, s.15.

R.S.S. 1978, c.I-2, s.28; 1990-91, c.18, s.15..

Proceedings pursuant to Division
   29 Sections 166, 167, 171 and 179 of the Federal Act apply, with any necessary modification, for the purposes of this Act.

1990-91, c.18, s.16; 1993, c.27, s.18.

Practice and procedure of court applicable to appeal
   30 Except as provided in regulations prescribed by the Lieutenant Governor in Council, the practice and procedure of the court apply to every matter deemed under section 28 to be an action, and every judgment or order given or made in any such action may be enforced in the same manner and by the like process as a judgment or order given or made in an action commenced in the court.


31 Repealed. 1990-91, c.18, s.17.

31.1 Repealed. 1983-84, c.40, s.11.
PART II
Administration and Enforcement

Administration and enforcement

32 Sections 220, 221.1, 224, 225.1 and 225.2 of the Federal Act apply, with any necessary modification, for the purposes of this Act.

NOTE: Section 32 applies on and after January 1, 1990.

1990-91, c.18, s.18; 1993, c.27, s.19.

Remission orders

32.1(1) Where a collection agreement is entered into, the minister may grant remission, not exceeding $5,000, of any tax, interest or penalty that is imposed on an individual pursuant to this Act, where:

(a) pursuant to the Financial Administration Act (Canada), remission is granted by the Governor in Council to the individual of any tax, interest or penalty imposed pursuant to the Federal Act because:

(i) the collection of the tax or interest or the enforcement of the penalty would cause extreme hardship to the individual; or

(ii) the individual received incorrect advice from the Department of National Revenue with respect to the tax in relation to which the remission is granted;

(b) the remission order granting the remission described in clause (a) applies to the individual because the individual is named in the order and not because the individual is a member of a class described in the order; and

(c) the circumstances giving rise to the remission are the same as the circumstances that give rise to the remission described in clause (a) granted to the individual.

(2) A remission granted pursuant to this section may be total or partial and may be conditional or unconditional.

(3) Where a remission is granted subject to a condition and the condition is not fulfilled, the remission is deemed to be void and the minister may take any proceedings that the minister considers necessary to recover the amount with respect to which remission had been conditionally granted.

(4) A remission granted pursuant to this section may be paid out of taxes collected pursuant to the collection agreement and may be accounted for as a reduction of the amount of taxes collected.

(5) The Minister of Finance shall cause a detailed statement of remissions granted pursuant to this section to be incorporated annually in the public accounts prepared pursuant to section 18 of The Financial Administration Act, 1993.

1997, c.39, s.8.
Regulations
33(1) The Lieutenant Governor in Council may make regulations:
   (a) prescribing anything that, by this Act, is to be prescribed or is to be
determined or regulated by regulation;
   (b) providing in any case of doubt the circumstances in which, and extent to
which, the Federal Regulations apply; and
   (c) generally to carry out the purposes and the provisions of this Act.

Application of Federal Regulations
(2) Except to the extent that they are inconsistent with any regulations made
under subsection (1) or are expressed by any regulations made under
subsection (1) to be inapplicable, the Federal Regulations made under section 221
of the Federal Act apply mutatis mutandis for the purposes of this Act with respect
to all matters enumerated in that section.

Publication
(3) No regulation made under this Act or under the Federal Act where it is
applicable mutatis mutandis has effect for the purposes of this Act until it has been
published in The Saskatchewan Gazette or the Canada Gazette, as the case may
require, but, when so published, a regulation shall, if it so provides, be effective
with reference to a period before it was published.

R.S.S. 1978, c.I-2, s.33.

ENFORCEMENT

Taxes are debts due to Her Majesty
34 Section 222 of the Federal Act applies, with any necessary modification, for the
purposes of this Act.

1993, c.27, s.20.

Certificates
35(1) Subsections 223(2) to (4) of the Federal Act apply, with any necessary
modification, for the purposes of this Act.

(2) Where a collection agreement is in effect, subsection (1) does not apply, but the
Minister of Finance may proceed pursuant to section 223 of the Federal Act for the
purpose of collecting any amount payable pursuant to this Act by a taxpayer.

1993, c.27, s.20.

Warrant to sheriff for amount payable
36 The Minister of Finance may issue a warrant directed to any sheriff for the
amount of the tax, interest and penalty, or any of them, owing by a taxpayer,
together with interest thereon from the date of the issue of the warrant and the
costs, expenses and poundage of the sheriff, and such a warrant shall have the
same force and effect as enforcement instructions for a judgment.


37 Repealed. 1990-91, c.18, s.20.
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Seizure

38  Section 225 of the Federal Act applies, with any necessary modification, for the purposes of this Act.

1993, c.27, s.21.

Taxpayer leaving Canada or Saskatchewan

39  Section 226 of the Federal Act applies, with any necessary modification, for the purposes of this Act.

NOTE:  Section 39 applies on and after December 17, 1991.

1993, c.27, s.22.

Withholding

40(1)  Subsections 227(1) to (5), (8), (8.2) to (9), (9.2), (9.4), (9.5) and (11) to (13) of the Federal Act apply, with any necessary modification, for the purposes of this Act.

(2) to (7)  Repealed. 1990-91, c.18, s.23.

(8)  The Minister of Finance may assess any person for any amount that:

(a)  has been deducted or withheld by that person pursuant to:

(i)  this Act or the regulations; or

(ii)  a provision of the Federal Act or the Federal Regulations that applies for the purposes of this Act; or

(b)  is payable by that person pursuant to:

(i)  subsection 224(4) or (4.1) of the Federal Act, as it applies for the purposes of this Act;

(ii)  subsection 227(8), (8.3) to (9), (9.2), (9.4) or (9.5) or section 227.1 or 235 of the Federal Act, as they apply, with any necessary modification, for the purposes of this Act;

(iii)  section 45 of this Act;

and, where the minister sends a notice of assessment to that person, sections 11 and 18 to 30 apply, with any necessary modification, for the purposes of this Act.

(9) to (11)  Repealed. 1993, c.27, s.23.


1993, c.27, s.24.

R.S.S. 1978, c.I-2, s.40; 1983, c.46, s.13; 1984-85-86, c.78, s.9; 1986, c.23, s.19; 1990-91, c.18, s.23; 1993, c.27, s.23.

Liability of directors for failure to pay tax

40.1  Section 227.1 of the Federal Act applies, with any necessary modification, for the purposes of this Act.

1993, c.27, s.24.
GENERAL

Records and books to be kept

41(1) Every person carrying on business in Saskatchewan and every person who is required, by or pursuant to this Act, to pay or collect taxes or other amounts shall keep records and books of account (including an annual inventory kept in prescribed manner) at his place of business or residence in Canada or at such other place as may be designated by the Minister of Finance, in such form and containing such information as will enable the taxes payable under this Act or the taxes or other amounts that should have been deducted, withheld or collected to be determined.

(2) Subsections 230(2.1), (3), (4), (5), (6), (7) and (8) of the Federal Act apply, with any necessary modification, for the purposes of this Act.

(3) Repealed. 1990-91, c.18, s.25.

Investigations

42 Sections 231, 231.1, 231.2, 231.3, 231.4 and 231.5 of the Federal Act apply, with any necessary modification, for the purposes of this Act.

1990-91, c.18, s.26.

Seizure and disposal of certain documents where privilege claimed

43 Section 232 of the Federal Act applies, with any necessary modification, for the purposes of this Act, in the circumstances in which that section applies for the purposes of the Federal Act.

1990-91, c.18, s.26.

Information returns

44 Section 233 of the Federal Act applies, with any necessary modification, for the purposes of this Act.

1990-91, c.18, s.26.

Penalty for default with respect to information returns

45(1) Every person who fails to comply with a regulation made under paragraph (d) or (e) of subsection (1) of section 221 of the Federal Act as it applies by virtue of subsection (2) of section 33 of this Act, is liable in respect of each failure to so comply to a penalty of $10 a day for each day of default but not exceeding in all $2,500.

R.S.S. 1978, c.I-2, s.45.
Execution of documents by corporations

46 Section 236 of the Federal Act applies, with any necessary modification, for the purposes of this Act.

1990-91, c.18, s.27.

OFFENCES

Failure to file, failure to comply

47(1) Every person who fails to file a return as and when required pursuant to this Act or the regulations or pursuant to a provision of the Federal Act or the Federal Regulations, as the provision applies for the purposes of this Act, is guilty of an offence and, in addition to any penalty otherwise provided, is liable on summary conviction to:

(a) a fine of not less than $1,000 and not exceeding $25,000; or

(b) both the fine described in clause (a) and imprisonment for a term not exceeding 12 months.

(2) Every person who contravenes subsection 153(1), 227(5), 230(3), 230(4) or 230(6) or section 231, 231.1, 231.2, 231.3, 231.4, 231.5 or 232 of the Federal Act, as that subsection or section applies for the purposes of this Act, is guilty of an offence and, in addition to any penalty otherwise provided, is liable on summary conviction to:

(a) a fine of not less than $1,000 and not exceeding $25,000; or

(b) both the fine described in clause (a) and imprisonment for a term not exceeding 12 months.

(3) Subsection 238(2) of the Federal Act applies, with any necessary modification, for the purposes of this Act.

(4) Where a person is convicted of an offence pursuant to subsection (1) or (2), the person is not liable to a penalty for the same failure pursuant to:

(a) subsection 227(8), (8.5), (9) or (9.5) of the Federal Act, as that subsection applies for the purposes of this Act; or

(b) section 21 or 45 of this Act;

unless the person was assessed for that penalty or that penalty was demanded from the person before the information or complaint giving rise to the conviction was laid or made.

1990-91, c.18, s.27; 1993, c.27, s.25.

False statements, destruction of records, evasion and conspiracy

48 Subsection 239(1) of the Federal Act applies, with any necessary modification, for the purposes of this Act.

1993, c.27, s.26.
Power of minister with respect to certain offences

49 Where a collection agreement is entered into and proceedings under section 238 or 239 of the Federal Act are taken against any person, the minister may take or refrain from any action against that person contemplated by section 47 or 48 of this Act, as the case may be.

R.S.S. 1978, c.I-2, s.49.

Communication of information

50(1) Every person who, while employed in the administration of this Act:

(a) knowingly communicates, or knowingly allows to be communicated to any person not legally entitled to it, any information obtained by or on behalf of the Minister of Finance for the purposes of this Act;

(b) knowingly allows any person not legally entitled to it to inspect or to have access to any book, record, writing, return or other document obtained by or on behalf of the Minister of Finance for the purposes of this Act; or

(c) knowingly uses, other than in the course of the person’s duties in connection with the administration or enforcement of this Act, any information obtained by or on behalf of the Minister of Finance for the purposes of this Act;

is guilty of an offence and liable on summary conviction to a fine not exceeding $5,000 or to imprisonment for a term not exceeding 12 months or to both fine and imprisonment.

(2) Subsection (1) does not apply with respect to the communication of information between:

(a) the minister and the Minister of Finance; or

(b) the minister, acting on behalf of Saskatchewan, and the Provincial Treasurer, the Provincial Secretary-Treasurer or the Minister of Finance of the government of:

(i) an agreeing province; or

(ii) a non-agreeing province to which an adjusting payment may be made under subsection (2) of section 58.

R.S.S. 1978, c.I-2, s.50; 1990-91, c.18, s.29.

Liability of officers, directors for offences by corporation

51 Section 242 of the Federal Act applies, with any necessary modification, for the purposes of this Act.

1993, c.27, s.27.

Restriction on court respecting minimum sentences and suspension of sentence

52 Section 243 of the Federal Act applies, with any necessary modification, for the purposes of this Act.

1993, c.27, s.27.
Information or complaint

53(1) Subsections 244(1) to (5), (7) to (11), (13) to (17) and (20) and subsection 248(7) of the Federal Act apply, with any necessary modification, for the purposes of this Act.

(2) to (9) Repealed. 1993, c.27, s.28.

Judicial notice of orders, regulations and agreements

(10) Judicial notice shall be taken of:

   (a) all orders or regulations made under this Act; and

   (b) any collection agreement entered into under this Act or any agreement for the collection by the Government of Canada of the tax imposed under the income tax statute of an agreeing province;

without the orders, regulations or agreement being specially pleaded or proven.

(11) to (14) Repealed. 1993, c.27, s.28.

Proof of contents of collection agreements

(15) A document purporting to be a collection agreement entered into under this Act or an agreement with the Government of Canada for the collection of tax imposed under the income tax statute of an agreeing province that is:

   (a) published in the Canada Gazette; or

   (b) certified as such by or on behalf of:

   (i) the Minister of Finance; or

   (ii) the Provincial Treasurer, the Provincial Secretary-Treasurer or the Minister of Finance of the appropriate agreeing province;

shall be received as prima facie evidence of the contents thereof.

(16) Repealed. 1993, c.27, s.28.

Proof of tax payable, taxpayer's income or taxable income

(17) Every certificate by the Minister of Finance as to:

   (a) a taxpayer’s tax payable under the Federal Act as defined in clause (a) of subsection (6) of section 3; or

   (b) a taxpayer’s income for the year as defined in clause (d) of subsection (6) of section 3; or

   (c) the taxable income of a corporation;

is prima facie evidence that the taxpayer’s tax payable under the Federal Act, his income for the year or the taxable income of the corporation, as the case may be, is in the amount set out therein.
Presumption respecting execution of documents where collection agreement entered into

(18) Where a collection agreement is entered into, any document or certificate that is executed or issued by the minister, the Deputy Minister of National Revenue for Taxation or an official of the Department of National Revenue on behalf of or in place of the Minister of Finance, his deputy or an officer of his department, shall be deemed, for all purposes of this Act, to be executed or issued by the Minister of Finance, his deputy or an officer of his department, as the case may be.

NOTE: Subsection 53(1) and the repeal of subsections 53(2) to (9), (11) to (14) and (16) apply on and after December 17, 1991.

R.S.S. 1978, c.I-2, s.53; 1979, c.32, s.7; 1982-83, c.16, s.25; 1990-91, c.18, s.30; 1993, c.27, s.28.

Anti-avoidance rules

53.1 Sections 245 and 246 of the Federal Act apply, with any necessary modification, for the purposes of this Act to transactions and events that occur after the coming into force of this section.

1997, c.39, s.9.

PART III
Collection of Tax
COLLECTION AGREEMENT

Power to enter into agreement

54(1) The Minister of Finance, with the approval of the Lieutenant Governor in Council, may, on behalf of the Government of Saskatchewan, enter into a collection agreement with the Government of Canada pursuant to which the Government of Canada will collect taxes payable under this Act on behalf of Saskatchewan and will make payments to Saskatchewan in respect of the taxes so collected, in accordance with such terms and conditions as the collection agreement prescribes.

Power to amend agreement

(2) The Minister of Finance, with the approval of the Lieutenant Governor in Council, may, on behalf of the Government of Saskatchewan, enter into an agreement amending the terms and conditions of a collection agreement entered into pursuant to subsection (1).

Powers of Minister of National Revenue where agreement entered into

(3) Where a collection agreement is entered into, the minister, on behalf of, or as agent for, the Minister of Finance, is hereby authorized to employ all the powers, to perform all the duties, and to exercise any discretion that the Minister of Finance or the deputy head has under this Act including the discretion to refuse to permit
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the production in judicial or other proceedings in Saskatchewan of any document that it is not, in the opinion of the minister, in the interests of public policy to produce.

Powers of Deputy Minister of National Revenue where agreement entered into

(4) Where a collection agreement is entered into, the Deputy Minister of National Revenue for Taxation of Canada may:

(a) employ all the powers, perform the duties and exercise any discretion that the minister has under subsection (3) or otherwise under this Act;

(b) designate officers of his department to carry out such functions, duties and powers as are similar to those that are exercised by them on his behalf under the Federal Act.

R.S.S. 1978, c.I-2, s.54.

PAYMENTS ON ACCOUNT

Power of minister respecting application of payment on taxes

55(1) A collection agreement may provide that where a payment is received by the minister on account of tax payable by a taxpayer for a taxation year under this Act, the Federal Act or an income tax statute of another agreeing province, or under any two or more such Acts or statutes, the payment so received may be applied by the minister towards the tax payable by the taxpayer under any such Act or statute in such manner as may be specified in the agreement, notwithstanding that the taxpayer directed that the payment be applied in any other manner or made no direction as to its application.

Taxpayer discharged where payment applied by minister

(2) Any payment or part thereof applied by the minister in accordance with a collection agreement towards the tax payable by a taxpayer for a taxation year under this Act:

(a) relieves the taxpayer of liability to pay such tax to the extent of the payment or part thereof so applied; and

(b) shall be deemed to have been applied in accordance with a direction made by the taxpayer.

R.S.S. 1978, c.I-2, s.55.

DEDUCTIONS AT SOURCE

Restriction on action for recovery of certain moneys deducted

56 Where a collection agreement is entered into and an amount is remitted to the minister pursuant to subsection 153(1) of the Federal Act, as it applies for the purposes of this Act, on account of the tax of an individual who is resident on the last day of the taxation year in another agreeing province:

(a) no action lies for recovery of such amount by that individual; and
Discharge of resident to extent of amount deducted in another province

57(1) Where a collection agreement is entered into, an individual resident in Saskatchewan on the last day of the taxation year is not required to remit any amount on account of tax payable by him under this Act for the taxation year to the extent of the amount deducted or withheld on account of his tax for that year under the income tax statute of another agreeing province.

Refund where deductions exceed tax

(2) Where the total amount deducted or withheld on account of tax payable under this Act and under the income tax statute of another agreeing province by an individual resident in Saskatchewan on the last day of the taxation year to whom subsection (1) applies exceeds the tax payable by him under this Act for that year, section 23 of this Act applies in respect of that individual as though the excess were an overpayment under this Act.

R.S.S. 1978, c.I-2, s.57.

NON-AGREEING PROVINCES

Interpretation

58(1) In this section:

(a) “adjusting payment” means a payment, calculated in accordance with this section, made by or on the direction of Saskatchewan to an non-agreeing province;

(b) “amount deducted or withheld” does not include any refund made in respect of that amount; and

(c) “non-agreeing province” means a province that is not an agreeing province.

Power of Saskatchewan to make adjusting payment

(2) Where, in respect of a taxation year, a non-agreeing province is authorized to make a payment to Saskatchewan that, in the opinion of the Minister of Finance, corresponds to an adjusting payment, the Lieutenant Governor in Council may authorize the Minister of Finance to make an adjusting payment to that non-agreeing province and enter into any agreement that may be necessary to carry out the purposes of this section.

Power of Canada to make adjusting payment

(3) Where a collection agreement is entered into the adjusting payment that may be made under subsection (2) may be made by the Government of Canada where it has agreed to act on the direction of Saskatchewan as communicated by the Minister of Finance to the minister.

Amount of adjusting payment

(4) The adjusting payment to be made under this section shall be in an amount that is equal to the aggregate of the amounts deducted or withheld under section 14 in respect of the tax payable for a taxation year by individuals who:

(a) file returns under the Federal Act;
(b) are taxable thereunder in respect of that year; and
(c) are resident on the last day of that year in the non-agreeing province to which the adjusting payment is to be made.

Effect of deductions or withholdings where adjusting payment to be made

(5) Where an adjusting payment is to be made and there has been an amount deducted or withheld pursuant to subsection 153(1) of the Federal Act, as it applies for the purposes of this Act, on account of the tax for a taxation year of an individual who is taxable under the Federal Act in respect of that year and who is resident on the last day of that taxation year in the non-agreeing province:

(a) no action lies for the recovery of that amount by that individual; and
(b) the amount may not be applied in discharge of any liability of that individual under this Act.

Same

(6) Where an adjusting payment to a non-agreeing province is to be made under this section for a taxation year, an individual resident in Saskatchewan on the last day of the taxation year is not required to remit any amount on account of tax payable by him under this Act for the taxation year to the extent of the amount deducted or withheld on account of his income tax for that year under the law of that non-agreeing province.

Same

(7) Where an adjusting payment to a non-agreeing province is to be made under this section for a taxation year and the total amount deducted or withheld on account of tax payable under this Act and on account of the income tax payable under the law of the non-agreeing province by an individual resident in Saskatchewan on the last day of the taxation year to whom subsection (6) applies exceeds the tax payable by him under this Act for that year, section 23 of this Act applies in respect of that individual as though the excess were an overpayment under this Act.

Payment by Canada in certain cases and effect thereof

(8) Where a collection agreement is entered into and the Government of Canada has agreed in respect of a taxation year to carry out the direction of Saskatchewan and to make an adjusting payment on behalf of Saskatchewan, the adjusting payment:

(a) shall be made out of any moneys that have been collected on account of tax under this Act for any taxation year; and
(b) shall be the amount calculated by the minister to be the amount required to be paid under subsection (4);

and the payment thereof discharges any obligation the Government of Canada may have with respect to the payment to Saskatchewan of any amount deducted or withheld under section 14 to which subsection (5) applies.
RECI PRO C AL ENFORC E M NT OF JUDGM ENT S

Enforcement of certain judgments in other provinces
59(1) A judgment of a superior court of an agreeing province under that province’s income tax statute, including any certificate registered in such superior court in a manner similar to that provided in subsection 223(3) of the Federal Act, as it applies to this Act, may be enforced in the manner provided in The Reciprocal Enforcement of Judgments Act.

Registration of judgments notwithstanding certain restrictions
(2) For the purposes of subsection (1), where a judgment of a superior court of an agreeing province is sought to be registered under The Reciprocal Enforcement of Judgments Act, the judgment shall be registered notwithstanding that it is established that one or more of the provisions of section 4 of that Act apply.

Power to make regulations
(3) For the purposes of subsection (1), the Lieutenant Governor in Council may make regulations to enable the enforcement of judgments in respect of taxes in agreeing provinces to be enforced in Saskatchewan.

R.S.S. 1978, c.I-2, s.59; 1993, c.27, s.29.

PART IV
Interpretation

60(1) In this Act:
(a) “agreeing province” means a province that has entered into an agreement with the Government of Canada under which the Government of Canada will collect taxes payable under that province’s income tax statute and will make payments to that province in respect of the taxes so collected;
(b) “amount” means amount as defined in the Federal Act;
(c) “assessment” means assessment as defined in the Federal Act;
(c.1) “balance-due day” means balance-due day as defined in the Federal Act;
(d) “business” means business as defined in the Federal Act;
(e) “collection agreement” means an agreement entered into pursuant to subsection (1) of section 54;
(f) “corporation” means corporation as defined in the Federal Act;
(g) “court” means Her Majesty’s Court of Queen’s Bench for Saskatchewan;
(h) “deputy head” means:
(i) the Deputy Minister of Finance; or
(ii) where a collection agreement is entered into, the Deputy Minister of National Revenue for Taxation;

(i) “employed” means employed as defined in the Federal Act;

(j) “employee” means employees as defined in the Federal Act;

(k) “employer” means employer as defined in the Federal Act;

(l) “Federal Act” means the Income Tax Act, chapter 148 of The Revised Statutes of Canada, 1952, as amended from time to time;

(m) “Federal Regulations” means the regulations made pursuant to the Federal Act, as amended from time to time;

(n) “fiscal period” means fiscal period as defined in the Federal Act;

(o) “income tax statute” means, with reference to an agreeing province, the law of that province that imposes a tax similar to the tax imposed under this Act;

(p) “individual” means a person other than a corporation and includes a trust or estate as defined in subsection 104(1) of the Federal Act;

(q) “loss” means a loss as determined in accordance with and for the purposes of the Federal Act;

(r) “minister” means the Minister of National Revenue for Canada, but in any provision of the Federal Act that is incorporated by reference in this Act, unless a collection agreement has been entered into, a reference to the minister shall be read and construed for the purposes of this Act as a reference to the Minister of Finance;

(s) “Minister of Finance” means the Minister of Finance of Saskatchewan or, where a collection agreement is entered into, means:

(i) the Receiver General of Canada, in relation to the remittance of any amount as or on account of tax payable pursuant to this Act; and

(ii) the minister, in relation to the administration and enforcement of this Act, other than:

(A) subsection 32.1(5) and sections 7.31, 54 and 58; and

(B) section 7.4 with respect to taxation years ending on or before December 31, 1999;

(t) “permanent establishment” means permanent establishment within the meaning of the Federal Regulations;

(u) “person” means person as defined in the Federal Act;

(v) “prescribed” means prescribed as defined in the Federal Act;
INCOME TAX

(w) “province” means a province of Canada and includes the Yukon Territory and the Northwest Territories;

(x) “Receiver General of Canada” means the Receiver General of Canada, but in any provision of the Federal Act that is incorporated by reference in this Act, unless a collection agreement is entered into, a reference to the Receiver General of Canada, shall be read and construed for the purposes of this Act as a reference to the Minister of Finance;

(y) “regulation” means a regulation made by the Lieutenant Governor in Council under this Act;

(z) “taxable income” means taxable income as defined in the Federal Act;

(aa) “taxation year” means taxation year as defined in subsection 249(1) of the Federal Act and, in the case of an estate or trust arising on death, means taxation year as determined in accordance with subsection 104(23) of the Federal Act;

(bb) “taxpayer” means taxpayer as defined in the Federal Act;

Meaning of “last day of the taxation year”

(2) The expression “last day of the taxation year” shall, in the case of an individual who resided in Canada at any time in the taxation year but ceased to reside in Canada before the last day thereof, be deemed to be a reference to the last day in the taxation year on which he resided in Canada.

Meaning of “tax payable”

(3) The tax payable by a taxpayer under this Act or under Part I of the Federal Act means the tax payable by him as fixed by assessment or re-assessment subject to variation on objection or on appeal, of any, in accordance with this Act, or Part I of the Federal Act, as the case may be.

Application of definitions in Federal Act or regulations thereunder

(4) For the purposes of this Act, except where they are at variance with the definitions contained in this section, the definitions and interpretations contained in or made by regulation under the Federal Act, as amended from time to time, apply.

Application and interpretation of Act in case of doubt

(5) In any case of doubt, the provisions of this Act shall be applied and interpreted in a manner consistent with similar provisions of the Federal Act.

(6) Subsections 227(8.3) and (9.2) of the Federal Act apply, with any necessary modification, to the payment of tax pursuant to this Act.

(6.1) Subsection 248(11) of the Federal Act applies, with any necessary modification, for the purposes of this Act, to the extent that that subsection applies to subsections 161(1), (2) and (11), 164(3) to (4) and 227(8.3) and (9.2) of the Federal Act.
(7) Interest in respect of a period ending before January 1, 1987 shall be compounded in accordance with subsection (6) only on and after January 1, 1987.

(8) Where a provision of the Federal Act or the Federal Regulations, with any necessary modification, is made applicable for the purposes of this Act, that provision applies as though it had been enacted as a provision of this Act.

(9) In applying a provision of the Federal Act or the Federal Regulations for the purposes of this Act, in addition to any other modification that is necessary:

(a) a reference in the provision to tax under Part I of the Federal Act is to be read as a reference to tax pursuant to this Act;

(b) if the provision refers to tax under any of Parts I.1 to XIV of the Federal Act, the provision is to be read without reference to:

   (i) tax under any of those Parts; or

   (ii) any portion of the provision that applies only with respect to tax under any of those Parts;

(c) if the provision refers to any of Parts I.1 to XIV of the Federal Act or to a particular provision in any of those Parts, the provision is to be read without reference to:

   (i) that Part or that particular provision, as the case may be; or

   (ii) any portion of the provision that applies only because of the application of any of those Parts or any provision in those Parts;

(d) a reference to a particular provision of the Federal Act that is the same as or similar to a provision of this Act is to be read as a reference to the provision of this Act;

(e) a reference to a particular provision of the Federal Act that in this Act is stated to apply for the purposes of this Act is to be read as a reference to the particular provision of the Federal Act as it applies for the purposes of this Act;

(f) if the provision refers to the *Bankruptcy and Insolvency Act*, it is to be read without reference to that Act;

(g) a reference to a provision of the Federal Regulations that in this Act is stated to apply for the purposes of this Act is to be read as a reference to the provision of the Federal Regulations as it applies for the purposes of this Act;

(h) a reference in the provision to a term listed in column 1 of the Schedule is to be read as a reference to the term listed in column 2 of the Schedule opposite the term in column 1.

**NOTE:** Clause 60(1)(c.1) applies on and after January 1, 1990. Subsection 60(6.1) applies on and after January 1, 1987, and interest computed with respect to a period ending before that day shall be computed on and after that day.

R.S.S. 1978, c.I-2, s.60; 1979, c.32, s.8; 1983, c.46, s.15; 1983-84, c.40, s.14; 1986-87-88, c.23, s.9; 1988-89, c.41, s.12; 1990-91, c.18, s.33; 1993, c.27, s.30; 1997, c.39, s.10; 1999, c.18, s.7.
PART V
Miscellaneous

Suspension of certain taxing enactments

61 The following enactments, namely:

The Railway Taxation Act, chapter 52 of The Revised Statutes of Saskatchewan, 1940, as amended by chapter 23 of the statutes of 1944 (Second Session);

Sections 34 to 40 of The Fuel Petroleum Products Act;

The Travelling Shows Act, 1942, chapter 10 of the statutes of 1942, as amended by chapter 28 of the statutes of 1944 (Second Session);

are hereby suspended in operation, save that the said enactments shall continue to apply to taxes payable thereunder in the year 1941 or any previous year and remaining unpaid and to persons, partnerships and corporations liable for those taxes.

R.S.S. 1978, c.I-2, s.61.

Suspension of Succession Duty enactments

62 The Succession Duty Act, chapter 50 of The Revised Statutes of Saskatchewan, 1940, as amended by chapter 9 of the statutes of 1942, chapter 21 of the statutes of 1944 (Second Session) and chapter 20 of the statutes of 1945, is hereby suspended in operation save that the said Act as so amended shall continue to apply to duties payable thereunder consequent upon, or on property passing upon, or deemed to be passing upon the death of any person prior to the first day of April, 1947, and to duties payable thereunder with respect to an interest in expectancy as defined in the said Act created by a person dying prior to the said date, and to duties payable upon dispositions of property made by a person dying prior to the said date, and to duties payable thereunder with respect to the succession to any property by reason of the property having passed on the death of any person prior to the said date.

R.S.S. 1978, c.I-2, s.62.

Revocation of suspension

63 The Lieutenant Governor may by a proclamation issued either before or after the termination of an agreement entered into under this Act declare that the suspension of the operation of an enactment provided for by this Act shall cease to have effect on a date to be named in the proclamation, and on, from and after the date so named the enactment affected shall have full force and effect.

R.S.S. 1978, c.I-2, s.63.
### SCHEDULE

[Clauses 60(9)(H)]

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1990-91, c.18, s.34; 1993, c.27, s.31; 2004, c.65, s.12.