

**2000**

## **CHAPTER 48**

An Act to amend *The Income Tax Act*

(Assented to June 27, 2000)

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

**Short title**

**1** This Act may be cited as *The Income Tax Amendment Act, 2000*.

**R.S.S. 1978, c.I-2 amended**

**2** *The Income Tax Act* is amended in the manner set forth in this Act.

**Section 3.1 amended**

**3** **Clause 3.1(3)(b) is repealed and the following substituted:**

“(b) or the 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998 and 1999 taxation years, by an amount equal to 2% 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”.

**Section 8.3 amended**

**4** **Subsection 8.3(1) is amended:**

**(a) in clause (c):**

**(i) by striking out “and” after subclause (v);**

**(ii) by adding “and” after subclause (vi); and**

**(iii) by adding the following subclause after subclause (vi):**

“(vii) section 4 of *The Post-Secondary Graduate Tax Credit Act*”;

**(b) by striking out “and” after clause (d); and**

**(c) by adding the following after clause (d):**

“(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”.

## New section 8.6

**5 The following section is added after section 8.5:**

“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".

**Section 14 amended****6 Subsection 14(2) is repealed and the following substituted:**

“(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”.

**Section 19 amended**

**7(1) Subsection 19(1) is amended by striking out “subsections 160.1(1)” and substituting “subsections 160.1(1), (1.1)”.**

**(2) Subsection 19(2) is amended in the portion preceding clause (a) by striking out “subsections 160.1(1)” and substituting “subsections 160.1(1), (1.1)”.**

**Section 23 amended**

**8 The following subsection is added after subsection 23(1):**

“(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”.

**Coming into force**

**9(1)** Subject to subsections (2) and (3), this Act comes into force on assent.

(2) Sections 3 and 4 of this Act come into force on assent but are retroactive and are deemed to have been in force on and from January 1, 2000.

(3) Sections 5 to 8 of this Act come into force on July 1, 2000.

