

2000

CHAPTER I-2.01

An Act respecting Income Tax and making consequential amendments to other Acts

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(Assented to June 27, 2000)

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

PART I Preliminary Matters

Short title

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

Definitions

2 In this Act:

- (a) **“agreeing province”** means a province other than Saskatchewan that has entered into an agreement with the Government of Canada under which the Government of Canada will collect taxes payable pursuant to the province’s income tax statute and will make payments to that province with respect to the taxes collected pursuant to that income tax statute;
- (b) **“amount”** means amount as defined in the federal Act;
- (c) **“assessment”** means assessment as defined in the federal Act;
- (d) **“balance-due day”** means balance-due day as defined in the federal Act;
- (e) **“business”** means business as defined in the federal Act;
- (f) **“Canada Customs and Revenue Agency”** means the Canada Customs and Revenue Agency established pursuant to the *Canada Customs and Revenue Agency Act*;
- (g) **“collection agreement”** means an agreement entered into pursuant to subsection 68(1) or continued pursuant to subsection 140(4);
- (h) **“Commissioner of Customs and Revenue”** means the Commissioner of Customs and Revenue appointed pursuant to the *Canada Customs and Revenue Agency Act*;
- (i) **“court”** means the Court of Queen’s Bench;
- (j) **“deputy minister”**:
 - (i) subject to subclause (ii), means the Deputy Minister of Finance; and
 - (ii) except in the provisions mentioned in subsection 68(3), where a collection agreement is in effect, means the Commissioner of Customs and Revenue;
- (k) **“federal Act”** means the *Income Tax Act (Canada)*;
- (l) **“federal department”** means the Department of National Revenue;

- (m) **“federal minister”** means the Minister of National Revenue for Canada;
- (n) **“federal regulations”** means the regulations made pursuant to the federal Act;
- (o) **“fiscal period”** means fiscal period as defined in the federal Act;
- (p) **“income tax statute”** means the law of a province other than Saskatchewan that imposes a tax similar to the tax imposed pursuant to this Act;
- (q) **“individual”** means a person other than a corporation, and includes a trust or estate;
- (r) **“judge”** means a judge of the court;
- (s) **“minister”**:
 - (i) subject to subclause (ii), means the Minister of Finance; and
 - (ii) except in the provisions mentioned in subsection 68(3), where a collection agreement is in effect, means:
 - (A) the Receiver General with respect to the remittance of any amount as or on account of tax payable pursuant to this Act; and
 - (B) the federal minister in any other case;
- (t) **“old Act”** means *The Income Tax Act*;
- (u) **“permanent establishment”** means permanent establishment within the meaning of the federal regulations;
- (v) **“person”** means person as defined in the federal Act;
- (w) **“province”** means a province or territory of Canada;
- (x) **“provincial department”** means the Department of Finance;
- (y) **“Receiver General”** means the Receiver General of Canada;
- (z) **“tax payable”** means the tax payable by a taxpayer as fixed by assessment or re-assessment, subject to variation on objection or on appeal, if any, in accordance with this Act or Part I of the federal Act, as the case may be;
- (aa) **“taxable income”** means:
 - (i) with respect to an individual, taxable income determined pursuant to section 7; and
 - (ii) with respect to a corporation, taxable income determined pursuant to section 55;

(bb) “**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;

(cc) “**taxpayer**” means taxpayer as defined in the federal Act.

Interpretation rules

3(1) In this section:

(a) “**adopted provision**” means a provision of the federal Act or the federal regulations:

(i) that is stated in this Act or the regulations to apply for the purposes of this Act or any provision of this Act; or

(ii) in accordance with which something is required to be done or authorized to be done, as stated by a provision of this Act or the regulations;

(b) “**adopting provision**” means a provision of this Act or the regulations that states that:

(i) a provision of the federal Act or the federal regulations applies for the purposes of this Act or any provision of this Act; or

(ii) something is required to be done or authorized to be done in accordance with a provision of the federal Act or federal regulations.

(2) Where a provision of this Act or the regulations provides for something to be done in accordance with a provision of the federal Act or the federal regulations, that provision of the federal Act or federal regulations applies for the purposes of this Act.

(3) Except to the extent that they conflict with any provision of this Act or the regulations, the definitions and interpretation provisions set out in the federal Act and the federal regulations apply for the purposes of this Act.

(4) The rules set out in subsections (5) to (15) apply to adopted provisions, in addition to any other rules set out in the adopting provisions and related provisions of this Act or the regulations.

(5) Unless otherwise provided, an adopted provision is to be applied with any necessary modification.

(6) A reference in an adopted provision to another provision of the federal Act or the federal regulations that applies for the purposes of this Act is to be read as a reference to the other provision as it applies for the purposes of this Act.

(7) If a reference is made in an adopted provision to another provision of the federal Act or the federal regulations and that other provision does not apply for the purposes of this Act because a provision of this Act applies instead, the reference to the other provision is deemed to be a reference to the provision of this Act that applies instead.

(8) If a reference is made in an adopted provision to another provision of the federal Act or the federal regulations and the other provision does not apply for the purposes of this Act, the adopted provision is to be read without reference to the other provision.

(9) If a reference is made in an adopted provision to another provision of the federal Act or the federal regulations and that other provision applies in a different manner for the purposes of the federal Act or the federal regulations than it does for the purposes of this Act, the reference is deemed to be a reference to the other provision as it applies for the purposes of this Act.

(10) A reference in an adopted provision to tax pursuant to Part I of the federal Act is to be read as a reference to tax payable pursuant to this Act.

(11) A reference in an adopted provision to tax otherwise payable is to be read as a reference to tax otherwise payable pursuant to this Act unless the adopting provision provides otherwise.

(12) If an adopted provision contains a reference to tax pursuant to any of Parts I.1 to XIV of the federal Act, it is to be read:

- (a) without reference to tax pursuant to any of those Parts; and
- (b) without any portion of the adopted provision that applies only to or with respect to tax pursuant to any of those Parts.

(13) If an adopted provision contains a reference to any of Parts I.1 to XIV of the federal Act or to a provision in any of those Parts, it is to be read:

- (a) without reference to that Part or provision, as the case may be; and
- (b) without any portion of the adopted provision that applies only because of the application of any of those Parts or a provision in any of those Parts.

(14) A reference in an adopted provision:

- (a) to Canada is to be read as a reference to Saskatchewan;
- (b) to the Canada Customs and Revenue Agency is to be read as a reference to the provincial department;
- (c) to the Commissioner of Customs and Revenue is to be read as a reference to the deputy minister;
- (d) to the Deputy Attorney General of Canada is to be read as a reference to the Deputy Attorney General for Saskatchewan except where a collection agreement is in effect;
- (e) to the Federal Court of Appeal is to be read as a reference to the Court of Appeal of Saskatchewan;
- (f) to the federal minister or the Receiver General is to be read as a reference to the minister;
- (g) to the Tax Court of Canada is to be read as a reference to the Court of Queen's Bench.

- (15) A reference in an adopted provision to the *Bankruptcy and Insolvency Act* (Canada) is to be read without reference to that Act.
- (16) In any case of doubt, the provisions of this Act are to be applied and interpreted in a manner that is consistent with similar provisions of the federal Act.
- (17) Subsection 248(11) of the federal Act applies for the purposes of this Act.
- (18) Section 257 of the federal Act applies for the purposes of this Act.
- (19) A reference in any provision of this Act or the regulations to any of the provisions of the federal Act specified in clauses (a) to (c) applies only if that provision, with or without amendments, is enacted by the Parliament of Canada and the provision comes into force:
- (a) paragraph 20(1)(ww), as being enacted by subsection 2(1) of the *Income Tax Amendments Act, 1999* (Canada), introduced as Bill C-25 in the second session of the thirty-sixth Parliament;
 - (b) section 120.31, as being enacted by subsection 30(1) of the *Income Tax Amendments Act, 1999* (Canada), introduced as Bill C-25 in the second session of the thirty-sixth Parliament;
 - (c) section 120.4, as being enacted by subsection 30(1) of the *Income Tax Amendments Act, 1999* (Canada), introduced as Bill C-25 in the second session of the thirty-sixth Parliament.

Application

- 4 Except where otherwise provided, this Act applies:
- (a) with respect to an individual, to the 2001 taxation year and subsequent taxation years; and
 - (b) with respect to a corporation, to taxation years of the corporation that end after December 31, 2000.

PART II Personal Income Tax

Interpretation of Part

- 5(1) In this Part:
- (a) **“appropriate percentage”** means, with respect to a taxation year, the percentage set out in clause 8(1)(a), 8(2)(a) or 8(3)(a), as the case may be, for that taxation year;
 - (b) **“income earned in the taxation year in Saskatchewan”** means the income earned in the year in Saskatchewan as determined in accordance with regulations made pursuant to subsection 120(4) 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 with respect to whom section 114 of the federal Act applies, the aggregate of:
 - (A) the individual’s income for the period or periods in the taxation year mentioned in paragraph 114(a) of the federal Act as determined for the purposes of the federal Act; and
 - (B) the individual’s income for the portion of the taxation year that is not included in the period or periods mentioned in paragraph 114(a) of the federal Act computed pursuant to paragraphs 115(1)(a), (b) and (c) of the federal Act as though the 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, the individual’s income for the year computed pursuant to paragraphs 115(1)(a), (b) and (c) of the federal Act;
 - (iii) in the case of any other individual, the individual’s income for the year as determined for the purposes of Part I of the federal Act.
- (2) In any provision of the federal Act that applies for the purposes of determining any amount pursuant to this Part, a reference to the term “appropriate percentage” is deemed to be a reference to “appropriate percentage” as defined in clause (1)(a).
- (3) With respect to an individual who resided in Canada at any time in a taxation year but ceased to reside in Canada before the last day of the taxation year, the last day of the taxation year is deemed to be the last day in the taxation year on which the individual resided in Canada.
- (4) Subsection 70(2) of the federal Act applies with respect to the computation of the income of an individual for the taxation year in which the individual died.
- (5) Subsections 104(1) and (2) of the federal Act apply for the purposes of this Act.

DIVISION 1

Liability for Tax, Computation of Tax

Liability for tax

- 6(1)** The following individuals must pay tax in accordance with this Act:
- (a) every individual who is resident in Saskatchewan on the last day of a taxation year and has no income earned in the taxation year outside Saskatchewan;
 - (b) every individual who is resident in Saskatchewan on the last day of a taxation year and has income earned in the taxation year outside Saskatchewan;
 - (c) every individual who is not resident in Saskatchewan on the last day of a taxation year but has income earned in the taxation year in Saskatchewan.

(2) No tax is payable pursuant to this Act by an individual for a period in which that individual is exempt from tax because of subsection 149(1) of the federal Act.

Taxable income

7 An individual's taxable income for the purposes of this Act is the individual's taxable income for the purposes of computing tax payable pursuant to Part I of the federal Act.

Rate of tax on individuals

8(1) The tax payable by an individual described in clause 6(1)(a) on the individual's taxable income for the 2001 taxation year is:

- (a) 11.5% of the taxable income if the taxable income does not exceed \$30,000;
- (b) \$3,450 plus 13.5% of the amount by which the taxable income exceeds \$30,000 if the taxable income exceeds \$30,000 but does not exceed \$60,000; or
- (c) \$7,500 plus 16% of the amount by which the taxable income exceeds \$60,000 if the taxable income exceeds \$60,000.

(2) The tax payable by an individual described in clause 6(1)(a) on the individual's taxable income for the 2002 taxation year is:

- (a) 11.25% of the taxable income if the taxable income does not exceed \$30,000;
- (b) \$3,375 plus 13.25% of the amount by which the taxable income exceeds \$30,000 if the taxable income exceeds \$30,000 but does not exceed \$60,000; or
- (c) \$7,350 plus 15.5% of the amount by which the taxable income exceeds \$60,000 if the taxable income exceeds \$60,000.

(3) The tax payable by an individual described in clause 6(1)(a) on the individual's taxable income for the 2003 taxation year and subsequent taxation years is:

- (a) 11% of the taxable income if the taxable income does not exceed \$35,000;
- (b) \$3,850 plus 13% of the amount by which the taxable income exceeds \$35,000 if the taxable income exceeds \$35,000 but does not exceed \$100,000; or
- (c) \$12,300 plus 15% of the amount by which the taxable income exceeds \$100,000 if the taxable income exceeds \$100,000.

(4) The tax payable for a taxation year by an individual described in clause 6(1)(b) or (c) is the amount T calculated in accordance with the following formula:

$$T = TS \times \frac{A}{B}$$

where:

TS is the amount of tax that would be payable for the taxation year by the individual on the individual's income for the year, determined pursuant to subsection (1), (2) or (3) if the individual were an individual described in clause 6(1)(a);

A is the individual's income earned in the taxation year in Saskatchewan; and

B is the individual's income for the year.

Rate of tax on *inter vivos* trusts

9(1) Notwithstanding section 8 but subject to subsections (3) and (4), the tax payable by an individual described in clause 6(1)(a) that is an *inter vivos* trust on the taxable income of the trust for a taxation year:

- (a) for the 2001 taxation year is 16% of the taxable income;
- (b) for the 2002 taxation year is 15.5% of the taxable income; and
- (c) for the 2003 taxation year and subsequent taxation years is 15% of the taxable income.

(2) Notwithstanding section 8 but subject to subsections (3) and (4), the tax payable for a taxation year by an individual described in clause 6(1)(b) or (c) that is an *inter vivos* trust is the amount T calculated in accordance with the following formula:

$$T = TS \times \frac{A}{B}$$

where:

TS is the amount of tax that would be payable for the taxation year by the trust on the trust's income for the year, determined pursuant to subsection (1) if the trust were an individual described in clause 6(1)(a);

A is the trust's income earned in the taxation year in Saskatchewan; and

B is the trust's income for the year.

- (3) Subsection 122(2) of the federal Act applies for the purposes of this section.
- (4) Notwithstanding clause 3(14)(a), in applying subsection 122(2) of the federal Act for the purposes of this section, the reference to Canada in paragraph 122(2)(b) is not to be read as a reference to Saskatchewan.

DIVISION 2

Non-refundable Credits Deductible in Computing Basic Tax

Interpretation

10(1) Section 118.4 of the federal Act applies for the purposes of this Division.

(2) Subsections 118(4), (5) and (6) of the federal Act apply for the purposes of sections 11 to 17.

Basic personal credit

11 For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual, there may be deducted a basic personal credit in an amount A determined in accordance with the following formula:

$$A = AP \times \$8,000$$

where AP is the appropriate percentage for the taxation year.

Spousal credit

12 For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual described in paragraph (a) of the description of B in subsection 118(1) of the federal Act, there may be deducted a spousal credit in an amount B determined in accordance with the following formula:

$$B = AP \times [\$8,000 - (SI - \$800)]$$

where:

AP is the appropriate percentage for the taxation year; and

SI is the greater of \$800 and:

- (a) the income for the year of the individual's spouse or common-law partner; or
- (b) where the individual and the individual's spouse or common-law partner are living separate and apart at the end of the taxation year because of a breakdown of the marriage or common-law partnership, the income for the year of the spouse or common-law partner while married or in the common-law partnership and not so separated.

Equivalent-to-spouse credit

13 For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual described in paragraph (b) of the description of B in subsection 118(1) of the federal Act who does not claim a spousal credit pursuant to section 12 for the taxation year, there may be deducted an equivalent-to-spouse credit in an amount C determined in accordance with the following formula:

$$C = AP \times [\$8,000 - (EI - \$800)]$$

where:

AP is the appropriate percentage for the taxation year; and

EI is the greater of:

- (a) \$800; and
- (b) the income for the year of the person with respect to whom the equivalent-to-spouse credit is being claimed.

In-home care of relative credit

14 For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual described in paragraph (c.1) of the description of B in subsection 118(1) of the federal Act, there may be deducted with respect to a particular person within the meaning of that paragraph an in-home care of relative credit in an amount D calculated in accordance with the following formula:

$$D = AP \times (\$14,047 - PI)$$

where:

AP is the appropriate percentage for the taxation year; and

PI is the greater of \$11,661 and the particular person's income for the year.

Infirm dependant credit

15 For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual described in paragraph (d) in the description of B in subsection 118(1) of the federal Act, there may be deducted with respect to a dependant described in that paragraph an infirm dependant credit in an amount E calculated in accordance with the following formula:

$$E = AP \times (\$7,231 - PI)$$

where:

AP is the appropriate percentage for the taxation year; and

PI is the greater of \$4,845 and the dependant's income for the year.

Additional amount credit

16 For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual who is entitled to deduct an equivalent-to-spouse credit pursuant to section 13 and who would also be entitled, but for paragraph 118(4)(c) of the federal Act as that paragraph applies for the purposes of this Act, to deduct an in-home care of relative credit pursuant to section 14 or an infirm dependant credit pursuant to section 15 with respect to the same dependant, there may be deducted an additional amount credit in an amount F calculated in accordance with the following formula:

$$F = N - C$$

where:

N is the amount D determined in accordance with section 14 with respect to that dependant or the amount E determined in accordance with section 15 with respect to that dependant, as the case may be; and

C is the amount C determined in accordance with section 13 with respect to that dependant.

Age credit

17 For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual who, before the end of the taxation year, has attained the age of 65 years, there may be deducted an age credit in an amount G calculated in accordance with the following formula:

$$G = AP \times (\$3,531 - B)$$

where:

AP is the appropriate percentage for the taxation year; and

B is 15% of the amount, if any, by which the individual's income for the year would exceed \$26,284 if no amount were included with respect to a gain from a disposition of property to which section 79 of the federal Act applies in computing that income.

Pension credit

18(1) For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual, there may be deducted a pension credit in an amount H calculated in accordance with the following formula:

$$H = AP \times B$$

where:

AP is the appropriate percentage for the taxation year; and

B is the lesser of \$1,000 and:

- (a) where the individual has attained the age of 65 before the end of the taxation year, the pension income received by the individual in the taxation year; and
- (b) where the individual has not attained the age of 65 before the end of the taxation year, the qualified pension income received by the individual in the taxation year.

(2) Subsections 118(7) and (8) of the federal Act apply for the purposes of subsection (1).

Dependent child credit

19(1) Subject to subsections (2) and (3), for the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual who is resident in Saskatchewan on the last day of the taxation year, there may be deducted, with respect to each child described in subsection (2), a dependent child credit in an amount I determined in accordance with the following formula:

$$I = AP \times Y$$

where:

AP is the appropriate percentage for the taxation year; and

Y is:

- (a) \$1,500 for the 2001 taxation year;
- (b) \$2,000 for the 2002 taxation year; and
- (c) \$2,500 for the 2003 taxation year and subsequent taxation years.

(2) Subsection (1) applies with respect to a child who:

- (a) is residing with the individual on the last day of the taxation year or, in the case of a child who dies during the taxation year, is residing with the individual on the date of the child's death; and
- (b) is a qualified dependant, as defined in section 122.6 of the federal Act, of the individual at any time during the taxation year.

(3) If an individual claims an equivalent-to-spouse credit pursuant to section 13 for a taxation year with respect to a child described in subsection (2), the individual is not entitled to a dependent child credit pursuant to subsection (1) with respect to that child for that taxation year.

Senior supplementary credit

20(1) For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual described in subsection (2), there may be deducted a senior supplementary credit in an amount J determined in accordance with the following formula:

$$J = AP \times Y$$

where:

AP is the appropriate percentage for the taxation year; and

Y is:

- (a) \$500 for the 2001 taxation year;
 - (b) \$750 for the 2002 taxation year; and
 - (c) \$1,000 for the 2003 taxation year and subsequent taxation years.
- (2) Subsection (1) applies with respect to an individual:
- (a) who is resident in Saskatchewan on the last day of the taxation year and has attained the age of 65 years before the end of the taxation year; or
 - (b) who dies during the taxation year, is resident in Saskatchewan on the date of death and has attained the age of 65 years before the date of death.

Charitable and other gifts credit

21(1) Subject to subsections (2) to (4), for the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual, there may be deducted a credit with respect to charitable and other gifts described in section 118.1 of the federal Act in an amount determined in accordance with that section of the federal Act.

(2) In applying the definition of total charitable gifts in subsection 118.1(1) of the federal Act for the purposes of subsection (1), the following is to be substituted for paragraph (i) of that definition:

(i) not included in determining an amount that was deducted for a preceding taxation year pursuant to this section in computing the individual's tax payable pursuant to this Act or pursuant to section 118.1 of the federal Act in computing the individual's tax pursuant to Part I of the federal Act.

(3) In applying the calculation pursuant to subsection 118.1(3) of the federal Act for the purposes of subsection (1):

- (a) B is the lesser of \$200 and the individual's total gifts for the taxation year; and
- (b) C is the percentage set out in clause 8(1)(c), 8(2)(c) or 8(3)(c) for the taxation year.

(4) The amount of the total gifts claimed by an individual pursuant to this section for a taxation year must be the same as the amount of the total gifts claimed by the individual pursuant to section 118.1 of the federal Act for the taxation year.

Medical expense credit

22(1) Subject to subsections (2) and (3), for the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual, there may be deducted a credit with respect to medical expenses determined in accordance with section 118.2 of the federal Act.

(2) In applying the calculation pursuant to subsection 118.2(1) of the federal Act for the purposes of subsection (1):

(a) the amount C is deemed to be the lesser of \$1,637 and 3% of the individual's income for the year; and

(b) in determining the amount D:

(i) the percentage to be applied to the total of the amounts mentioned in the description of D is 32% and not the percentage specified in the federal Act; and

(ii) the amount described in paragraph (b) is deemed to be \$8,000.

(3) The amount of the medical expenses claimed by an individual pursuant to this section for a taxation year must be the same as the amount of the medical expenses claimed by the individual pursuant to section 118.2 of the federal Act for the taxation year.

Mental or physical impairment credit

23(1) Subject to subsection (2), for the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual who is eligible for a deduction pursuant to subsection 118.3(1) of the federal Act, there may be deducted a credit with respect to mental or physical impairment in an amount K calculated in accordance with the following formula:

$$K = AP \times \$4,293$$

where AP is the appropriate percentage for the taxation year.

(2) In the case of an individual who is entitled to a credit pursuant to subsection (1) and has not attained the age of 18 years before the end of the taxation year, the amount K calculated pursuant to subsection (1) is to be increased by an amount S calculated in accordance with the following formula:

$$S = AP \times [\$2941 - (C - \$2,000)]$$

where:

AP is the appropriate percentage for the taxation year; and

C is the total of all amounts each of which is an amount paid in the taxation year for the care or supervision of the individual and included in computing a deduction pursuant to section 63, 64 or 118.2 of the federal Act for the taxation year.

(3) Subsection (2) applies only if the proposal contained in paragraph (15) of the Notice of Ways and Means Motion to Amend the *Income Tax Act* tabled in the House of Commons on February 28, 2000 is enacted, with or without amendments, by the Parliament of Canada and comes into force.

(4) For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual who is eligible for a deduction pursuant to subsection 118.3(2) of the federal Act with respect to a person described in that subsection, there may be deducted a credit with respect to mental or physical impairment in an amount KD calculated in accordance with the following formula:

$$KD = K - T$$

where:

K is the amount K calculated pursuant to subsection (1) in computing the tax payable pursuant to this Act by that person for the taxation year; and

T is the amount of that person's tax payable pursuant to this Act for the taxation year computed before any deductions are taken except pursuant to sections 11 to 20 and 28.

(5) Subsection 118.3(3) of the federal Act applies for the purposes of subsection (4).

Tuition credit

24 For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual, there may be deducted a tuition credit in an amount determined in accordance with section 118.5 of the federal Act.

Education credit

25(1) Subject to subsection (2), for the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual, there may be deducted an education credit determined in accordance with section 118.6 of the federal Act.

(2) In determining the amount B in the calculation pursuant to subsection 118.6(2) of the federal Act for the purposes of subsection (1):

(a) the amount in dollars to be used in paragraph (a) of the description of B in subsection 118.6(2) of the federal Act is \$200 and not the amount specified in that paragraph; and

(b) the amount in dollars to be used in paragraph (b) of the description of B in subsection 118.6(2) of the federal Act is \$60 and not the amount specified in that paragraph.

Unused tuition and education credits

26(1) In this section, "**federal percentage**" means the appropriate percentage for the year within the meaning of subsection 118.5(1) or 118.6(2) of the federal Act, as the case may be.

(2) Subject to subsection (3), for the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual, there may be deducted a credit with respect to unused tuition and education credits in an amount determined in accordance with section 118.61 of the federal Act.

(3) For an individual resident in Saskatchewan on the last day of the 2001 taxation year or for an individual resident in Saskatchewan on the last day of a taxation year who was not resident in Saskatchewan on the last day of the preceding taxation year, the individual's credit with respect to unused tuition and education tax credits at the end of the preceding taxation year is the amount L calculated in accordance with the following formula:

$$L = AP \times (B + C)$$

where:

AP is the appropriate percentage for the taxation year;

B is, subject to subsection (4), the total of the amounts determined pursuant to subsection 118.5(1) of the federal Act, before multiplying by the federal percentage, for previous taxation years; and

C is, subject to subsection (4), the total of the amounts determined pursuant to subsection 118.6(2) of the federal Act, before multiplying by the federal percentage, for previous taxation years.

(4) For the purposes of subsection (3), the amounts mentioned in the descriptions of B and C shall be used only to the extent that they have not been used in claiming a credit pursuant to section 118.5, 118.6 or 118.61 of the federal Act, or in determining credits transferred pursuant to section 118.81 of the federal Act, for any taxation year.

Interest on student loan credit

27(1) Subject to subsections (2) and (3), for the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual, there may be deducted a credit with respect to interest on student loans in an amount determined in accordance with section 118.62 of the federal Act.

(2) In applying section 118.62 of the federal Act for the purposes of subsection (1), the following is to be substituted for the words enclosed in the second set of parentheses in the description of B in that section:

(or in any of the five preceding taxation years that are after 1997, to the extent that it was not included in computing a deduction pursuant to this section or pursuant to section 118.62 of the federal Act for any other taxation year).

(3) The amount of interest claimed by an individual pursuant to this section for a taxation year must be the same as the amount of interest claimed by the individual pursuant to section 118.62 of the federal Act for the taxation year.

EI and CPP contributions credit

28 For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual, there may be deducted a credit with respect to premiums pursuant to the *Employment Insurance Act* (Canada) and contributions pursuant to the *Canada Pension Plan* in an amount determined in accordance with section 118.7 of the federal Act.

Transfer of unused credits

29(1) Subject to subsections (2) and (6), for the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual who is eligible to deduct an amount pursuant to section 118.8 of the federal Act with respect to credits transferred to the individual by another person, there may be deducted an amount determined in accordance with section 118.8 of the federal Act.

(2) In applying section 118.8 of the federal Act for the purposes of this section, the description of B in that section is to be read as if it includes a reference to section 20 of this Act.

(3) Subject to subsection (6), for the purpose of computing the tax payable pursuant to this Act for a taxation year by a parent or grandparent who is eligible to deduct an amount pursuant to section 118.9 of the federal Act with respect to credits transferred by an individual to the parent or grandparent, there may be deducted an amount determined in accordance with section 118.9 of the federal Act.

(4) Subject to subsections (5) and (6), section 118.81 of the federal Act applies for the purposes of this section.

(5) In applying section 118.81 of the federal Act for the purposes of this section, the amount in dollars in subparagraph (ii) in the description of A in paragraph (a) of that section is the amount M calculated in accordance with the following formula and not the amount specified in that subparagraph:

$$M = \$5,000 \times AP$$

where AP is the appropriate percentage for the taxation year.

(6) In applying sections 118.8, 118.81 and 118.9 of the federal Act for the purposes of this section, any credits transferred by an individual for a taxation year pursuant to this section can only be transferred to the same individual, and in the same amount, as the tuition and education tax credits transferred by the individual for the taxation year for the purposes of those sections of the federal Act.

DIVISION 3

Non-refundable Credits Deductible From Basic Tax**Post-secondary graduate credit**

30(1) Subject to subsection (2), there may be deducted from the tax otherwise payable pursuant to this Act for a taxation year by an individual who is resident in Saskatchewan on the last day of the taxation year a post-secondary graduate credit in an amount equal to the aggregate of:

(a) the tax credit allowed for the taxation year by section 4 of *The Post-Secondary Graduate Tax Credit Act*; and

(b) the tax credits allowed for the preceding four taxation years by section 4 of *The Post-Secondary Graduate Tax Credit Act* to the extent that the tax credits have not been previously deducted pursuant to this section or section 8.3 of the old Act.

(2) The amount of the post-secondary graduate credit is required to be deducted in the taxation year for which the credit is allowed to the extent that the individual has tax otherwise payable in that 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 post-secondary graduate credit is to be claimed.

Farm and small business capital gains credit

31 There may be deducted from the tax otherwise payable pursuant to this Act for a taxation year by an individual who is resident in Saskatchewan on the last day of the taxation year a farm and small business capital gains credit determined in accordance with any regulations that may be made pursuant to clause 124(1)(e).

Dividend credit

32 There may be deducted from the tax otherwise payable pursuant to this Act for a taxation year by an individual a dividend credit equal to 40% of any amount required by paragraph 82(1)(b) of the federal Act to be included in computing the individual's income for the year.

Overseas employment credit

33 There may be deducted from the tax otherwise payable pursuant to this Act for a taxation year by an individual an overseas employment credit equal to 50% of the amount that the individual may deduct pursuant to section 122.3 of the federal Act for that taxation year.

Labour-sponsored venture capital corporations tax credit

34(1) There may be deducted from the tax otherwise payable for a taxation year pursuant to this Act by an individual resident in Saskatchewan on the last day of a taxation year, an amount equal to the tax credit allowed for the taxation year pursuant to section 12 of *The Labour-sponsored Venture Capital Corporations Act*.

(2) 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.

Foreign tax credit

35(1) In this section:

(a) “**non-business-income tax**” means non-business-income tax as defined in subsection 126(7) of the federal Act;

(b) “**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 this Part.

(2) An individual who was resident 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 the country other than Canada, the individual may deduct from the tax otherwise payable for the taxation year a foreign tax credit equal to the lesser of:

(a) the amount A determined in accordance with subsection (3); and

(b) the amount B determined in accordance with subsection (4).

(3) The amount A is the amount, if any, by which any non-business-income tax paid by the individual for the taxation year to the government of the country other than Canada exceeds:

(a) if section 127.5 of the federal Act does not apply to the individual for the taxation year, the total of all amounts eligible to be claimed by the individual as deductions for the taxation year pursuant to subsection 126(1) or 180.1(1.1) of the federal Act; or

(b) if section 127.5 of the federal Act applies to the individual for the taxation year, the total of:

(i) the individual's special foreign tax credit for the taxation year determined pursuant to section 127.54 of the federal Act; and

(ii) the amount eligible to be claimed by the individual as a deduction from tax pursuant to the federal Act for the taxation year pursuant to subsection 180.1(1.1) of the federal Act.

(4) The amount B is calculated in accordance with the following formula:

$$B = \frac{FI}{SI - D} \times T$$

where:

FI is, subject to subsection (5), the total of the individual's incomes from sources in the country other than Canada, excluding any portions of those incomes that were deductible by the individual for the taxation year pursuant to subparagraph 110(1)(f)(i) of the federal Act or with respect to which amounts were deducted 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;

SI is:

(a) the individual's income earned in the taxation year in Saskatchewan computed without reference to paragraph 20(1)(ww) of the federal Act, 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 in the taxation year mentioned in paragraph (a) of that section;

D is the total of 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 for the taxation year or with respect to the period or periods in the taxation year mentioned in paragraph 114(a) of the federal Act, as the case may be; and

T is the tax otherwise payable for that taxation year.

(5) The following assumptions apply in determining FI for the purposes of subsection (4):

- (a) that no businesses were carried on by the individual in the country other than Canada;
- (b) that no amount was deducted pursuant to subsection 91(5) of the federal Act in computing the individual's income for the year; and
- (c) if the individual deducted an amount pursuant to subsection 122.3(1) of the federal Act from the individual's tax otherwise payable pursuant to Part I of the federal Act, that the individual's income from employment in the country other than Canada 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.

(6) Where an individual's income for the year includes income described in subsection (2) earned in more than one country other than Canada, a separate credit pursuant to subsection (2) must be calculated with respect to each of the countries other than Canada.

(7) An individual must claim all amounts deductible for the taxation year pursuant to subsections 126(1) and 180.1(1.1) of the federal Act before claiming a foreign tax credit pursuant to this section for the taxation year.

Capital gains refund to mutual fund trust

36(1) Subject to subsection (2), where an amount is to be refunded to a trust with respect to a taxation year pursuant to section 132 of the federal Act, the minister shall, at the time and in the manner that is provided in that section, refund to the trust a capital gains refund in an amount R calculated in accordance with the following formula:

$$R = \frac{HP}{C} \times FR$$

where:

HP is the percentage set out in clause 8(1)(c), 8(2)(c) or 8(3)(c) for the taxation year;

C is the percentage mentioned in paragraph (b) in the description of A in the definition of refundable capital gains tax on hand in subsection 132(4) of the federal Act for the taxation year;

FR is the amount of the trust's refund for the taxation year pursuant to subsection 132(1) of the federal Act.

(2) Where the trust had income earned in a taxation year outside Saskatchewan, the capital gains refund to the trust for the taxation year is the amount RO calculated in accordance with the following formula:

$$RO = \frac{D}{E} \times R$$

where:

D is the trust's income earned in the taxation year in Saskatchewan;

E is the trust's income for the year; and

R is the amount that would otherwise be the trust's capital gains refund calculated pursuant to subsection (1).

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

Minimum tax carry over

37 For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual who is resident in Saskatchewan on the last day of the taxation year, there may be deducted an amount equal to 50% of the amount that the individual may deduct pursuant to section 120.2 of the federal Act for that taxation year.

DIVISION 4
Refundable Credits

Saskatchewan child benefit

38(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) Notwithstanding clause 3(14)(a), references to Canada are not to be read as references to Saskatchewan 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 clause 124(1)(f) where:

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

- (b) if the minister 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 before 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) The minister may specify forms that are to be used for the purposes of this section.
- (7) 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.

Saskatchewan sales tax credit

39(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) In applying the definition of eligible individual in subsection 122.5(1) of the federal Act for the purposes of this section, references to Canada are not to be read as references to Saskatchewan.
- (3) Subject to subsections (8), (9) and (10), 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.

Assignment, attachment, etc., of refunds prohibited

40 Notwithstanding section 96, the amount of a refund that arises pursuant to this Division:

- (a) cannot be charged or given as security;
- (b) cannot be assigned except pursuant to an Act prescribed in the regulations;
- (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*.

DIVISION 5
Restrictions on Credits

Trusts

41 No deductions may be made pursuant to sections 11 to 20 in computing the tax payable pursuant to this Act for a taxation year by a trust.

Credits in year of bankruptcy

42(1) Notwithstanding sections 11 to 29 but subject to subsection (2), for the purpose of computing an individual's tax payable pursuant to this Act for a taxation year that ends in a calendar year in which the individual becomes bankrupt, the individual is allowed:

(a) of the deductions that the individual is entitled to pursuant to sections 18, 21, 22, 24, 25, 27 and 28, only those that can reasonably be considered wholly applicable to the taxation year; and

(b) of the deductions that the individual is entitled to pursuant to sections 11, 12, 13, 14, 15, 16, 17, 19, 20, 23 and 29, only the part that can reasonably be considered applicable to the taxation year.

(2) The total of the amounts deductible in accordance with subsection (1) for all taxation years of the individual in the calendar year pursuant to any of the provisions mentioned in clause (1)(a) or (b) cannot exceed the amount that would have been deductible pursuant to that provision with respect to the calendar year if the individual had not become bankrupt.

Apportionment of credits

43(1) Notwithstanding sections 11 to 29, 32 and 33 but subject to subsection (2), for the purposes of computing tax payable pursuant to this Act for a taxation year by an individual described in clause 6(1)(b) or (c), the amount of the credit that may be deducted pursuant to each of sections 11 to 29, 32 and 33 by an individual who is entitled to a credit pursuant to the section is the amount C calculated in accordance with the following formula:

$$C = CS \times \frac{B}{D}$$

where:

CS is the amount of the credit that the individual would otherwise be entitled to claim pursuant to the section;

B is the individual's income earned in the taxation year in Saskatchewan; and

D is the individual's income for the year.

(2) Where both subsection (1) and section 44 apply to an individual for a taxation year, section 44 must be applied first and the credit pursuant to each section mentioned in subsection (1) can be used only to the extent of the amount that is deductible in accordance with section 44.

Part-year residents

44(1) Notwithstanding sections 11 to 29 but subject to subsection (2), where an individual is resident in Canada throughout part of a taxation year and throughout another part of the taxation year is non-resident, for the purpose of computing the individual's tax payable pursuant to this Act for the taxation year:

(a) the amount deductible for the taxation year pursuant to each of sections 11 to 29 with respect to the part of the taxation year that is not included in the period or periods in the taxation year throughout which the individual is resident in Canada is to be computed as though that part were the whole taxation year; and

- (b) the individual is allowed:
- (i) pursuant to sections 18, 21, 22, 24, 25, 27 and 28, only the deductions that can reasonably be considered wholly applicable to the period or periods in the taxation year throughout which the individual is resident in Canada, computed as though that period or those periods were the whole taxation year; and
 - (ii) pursuant to sections 11, 12, 13, 14, 15, 16, 17, 19, 20, 23 and 29, only the part of the deductions that can reasonably be considered applicable to the period or periods in the taxation year throughout which the individual is resident in Canada, computed as though that period or those periods were the whole taxation year.
- (2) The amount deductible for the taxation year by the individual pursuant to each section mentioned in subsection (1) cannot exceed the amount that would have been deductible pursuant to that section if the individual had been resident in Canada throughout the taxation year.

Non-residents

45 Sections 11 to 18, 22, 25 and 29 of this Act, and section 23 of this Act with respect to the application of subsections 118.3(2) and (3) of the federal Act, do not apply for the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual who at no time in the taxation year is resident in Canada unless all or substantially all of the individual's income for the year is included in computing the individual's taxable income earned in Canada for the taxation year.

DIVISION 6
Other Taxes Payable

Lump sum payments for previous years

46(1) Subject to subsection (2), there must be added in computing an individual's tax payable pursuant to this Act for a taxation year an amount equal to 65% of the total of any amounts added pursuant to section 120.3 or 120.31 of the federal Act or section 40 of the *Income Tax Application Rules* (Canada) for the purpose of computing the individual's tax payable pursuant to Part I of the federal Act for the taxation year.

(2) The tax payable pursuant to subsection (1) for a taxation year by an individual described in clause 6(1)(b) or (c) is the amount T calculated in accordance with the following formula:

$$T = TS \times \frac{A}{B}$$

where:

TS is the amount of tax otherwise payable pursuant to subsection (1) for the taxation year by the individual;

A is the individual's income earned in the taxation year in Saskatchewan; and

B is the individual's income for the year.

Minimum tax

47(1) If an individual is required to pay tax pursuant to section 127.5 of the federal Act with respect to a taxation year, the amount of tax that the individual is required to pay pursuant to this Act with respect to that taxation year is the greater of:

- (a) the tax payable pursuant to Division 1 less any applicable deductions the individual is entitled to pursuant to Divisions 2 and 3; and
- (b) subject to subsection (2), 50% of the tax payable pursuant to section 127.5 of the federal Act.

(2) For the purposes of clause (1)(b), the tax payable pursuant to section 127.5 of the federal Act for a taxation year by an individual described in clause 6(1)(b) or (c) is deemed to be the amount T calculated in accordance with the following formula:

$$T = TS \times \frac{A}{B}$$

where:

TS is the amount of tax otherwise payable pursuant to section 127.5 of the federal Act for the taxation year by the individual;

A is the individual's income earned in the taxation year in Saskatchewan; and

B is the individual's income for the year.

Tax on split income

48(1) Subject to subsections (2) and (3), section 120.4 of the federal Act applies for the purposes of this Act.

(2) The tax payable pursuant to subsection (1) for a taxation year by an individual described in clause 6(1)(b) or (c) is the amount T calculated in accordance with the following formula:

$$T = TS \times \frac{A}{B}$$

where:

TS is the amount of tax otherwise payable pursuant to subsection (1) for the taxation year by the individual;

A is the individual's income earned in the taxation year in Saskatchewan; and

B is the individual's income for the year.

(3) In applying subsection 120.4(2) of the federal Act for the purposes of this Act, the percentage set out in clause 8(1)(c), 8(2)(c) or 8(3)(c) of this Act, as the case may be, for the taxation year is to be used instead of the percentage set out in subsection 120.4(2) of the federal Act.

DIVISION 7
General

Ordering of credits

49 In computing an individual's tax payable pursuant to this Act, the following sections must be applied in the following order:

sections 11, 12, 13, 19, 14, 15, 16, 17, 20, 28, 18, 23, 26, 24 and 25, subsections 29(3) and 29(1) and sections 22, 21, 27 and 32.

Credits in separate returns

50 Where a separate return of income with respect to an individual is filed pursuant to subsection 70(2), 104(23) or 150(4) of the federal Act for a particular period and another return of income pursuant to this Act with respect to the individual is filed for a period ending in the calendar year in which the particular period ends, for the purpose of computing the tax payable pursuant to this Act by the individual in those returns, the total of all deductions claimed in all those returns pursuant to any of sections 18 and 21 to 28 and subsection 29(3) of this Act cannot exceed the total that could be deducted pursuant to those provisions for the taxation year with respect to the individual if no separate returns were filed pursuant to subsections 70(2), 104(23) and 150(4) of the federal Act.

Indexing

51(1) Subject to subsection (2), for the 2001 taxation year, each of the following amounts is to be adjusted in the manner described in section 117.1 of the federal Act:

- (a) in section 14:
 - (i) the amount expressed in dollars in the formula; and
 - (ii) the amount expressed in dollars in the description of PI;
- (b) in section 15:
 - (i) the amount expressed in dollars in the formula; and
 - (ii) the amount expressed in dollars in the description of PI;
- (c) in section 17:
 - (i) the amount expressed in dollars in the formula; and
 - (ii) the amount expressed in dollars in the description of B;
- (d) the amount expressed in dollars in clause 22(2)(a); and
- (e) in section 23:
 - (i) the amount expressed in dollars in the formula in subsection (1); and
 - (ii) the amounts expressed in dollars in the formula in subsection (2).

(2) In applying paragraph 117.1(1)(a) of the federal Act for the purposes of this section, the amount mentioned in that paragraph is deemed to be the amount described in subsection (1) that is being adjusted.

Bankrupt individuals

52 Where an individual has become a bankrupt, the rules set out in subsection 128(2) of the federal Act apply for the purposes of this Act.

PART III
Corporate Income Tax

Interpretation of Part

53 In this Part:

- (a) **“taxable income earned in the taxation year in Saskatchewan”** means the taxable income earned in the year in Saskatchewan by a corporation determined in accordance with regulations made pursuant to subsection 124(4) of the federal Act; and
- (b) **“total taxable income earned in the taxation year in all provinces”** means the total amount of the taxable income earned in the year in all provinces by a corporation, determined in accordance with regulations made pursuant to subsection 124(4) of the federal Act.

DIVISION 1

Liability for Tax, Computation of Tax

Liability for tax

54(1) Subject to subsection (2), every corporation that maintains a permanent establishment in Saskatchewan at any time in a taxation year must pay tax in accordance with this Act.

(2) No tax is payable pursuant to this Act by a corporation for a period in which the corporation:

- (a) is exempt from tax because of subsection 149(1) of the federal Act; or
- (b) is a non-resident-owned investment corporation.

Taxable income

55 A corporation’s taxable income for the purposes of this Act is the corporation’s taxable income for the purposes of computing tax payable pursuant to Part I of the federal Act.

Rate of tax on corporations

56(1) Except as otherwise provided in this section, the tax payable by a corporation pursuant to this Act for a taxation year with respect to the period commencing on January 1, 2001 is 17% of the corporation’s taxable income earned in the taxation year in Saskatchewan.

(2) Where a corporation other than a credit union to which subsection (3) applies is eligible for a deduction pursuant to section 125 of the federal Act for a taxation year, the tax payable pursuant to this Act by the corporation for the taxation year is the amount T calculated in accordance with the following formula:

$$T = 8\% \times \left[\left(\frac{A}{B} \times C \right) \right] + \left[17\% \times (A - D) \right]$$

where:

A is the amount of the corporation's taxable income earned in the taxation year in Saskatchewan;

B is the amount of the corporation's total taxable income earned in the taxation year in all provinces;

C is the least of the amounts determined pursuant to paragraphs 125(1)(a), (b) and (c) of the federal Act for the taxation year; and

D is the amount resulting from the calculation of $\frac{A}{B} \times C$.

(3) Where a corporation that is a credit union throughout a taxation year is eligible for a deduction pursuant to subsection 125(1) or 137(3) of the federal Act for the taxation year, the tax payable pursuant to this Act by the credit union for the taxation year is the amount T calculated in accordance with the following formula:

$$T = 8\% \times \left[\left(\frac{A}{B} \times C \right) \right] + \left[17\% \times (A - D) \right]$$

where:

A is the amount of the credit union's taxable income earned in the taxation year in Saskatchewan;

B is the amount of the credit union's total taxable income earned in the taxation year in all provinces;

C is the total of:

(a) the amount with respect to which an allowance is made pursuant to subsection 137(3) of the federal Act for the taxation year; and

(b) the least of the amounts determined pursuant to paragraphs 125(1)(a), (b) and (c) of the federal Act for the taxation year; and

D is the amount resulting from the calculation of $\frac{A}{B} \times C$.

(4) The tax payable for a taxation year pursuant to this Act by a corporation to which subsection 137.1(9) of the federal Act applies is equal to 8% of the corporation's taxable income earned in the taxation year in Saskatchewan.

Pro-rating tax rates

57 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 pro-rated basis to the corporation's taxation year.

DIVISION 2
Credits and Rebates

Foreign investment income credit

58(1) In this section, “**foreign investment income**” means income described in subparagraph 126(1)(b)(i) of the federal Act from sources in a country other than Canada.

(2) 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 foreign investment income and where the corporation has claimed a deduction pursuant to subsection 126(1) of the federal Act with respect to the foreign investment income, the corporation may deduct from the tax for the taxation year otherwise payable pursuant to this Act a foreign investment income credit in an amount equal to the lesser of:

- (a) the amount TFI, calculated in accordance with the following formula:

$$\text{TFI} = 17\% \times \left(F \times \frac{S}{T} \right)$$

where:

F is the foreign investment income of the corporation for the taxation year;

S is the corporation’s taxable income earned in the taxation year in Saskatchewan; and

T is the corporation’s total taxable income earned in the taxation year in all provinces; and

- (b) the amount TBI, calculated in accordance with the following formula:

$$\text{TBI} = \frac{S}{T} \times (N - D)$$

where:

S is the corporation’s taxable income earned in the taxation year in Saskatchewan;

T is the corporation’s total taxable income earned in the taxation year in all provinces;

N is the amount of any non-business-income tax paid by the corporation for the taxation year to the government of a country other than Canada, minus all or any part of that tax that may reasonably be regarded as having been paid with respect to income from a share of the capital stock of a foreign affiliate of the corporation; and

D is the amount of the deduction eligible to be claimed by the corporation pursuant to subsection 126(1) of the federal Act for the taxation year.

(3) Where the income of a corporation for a taxation year includes foreign investment income from sources in more than one country other than Canada, a separate credit pursuant to subsection (2) must be calculated with respect to each of the countries other than Canada.

Capital gains refund to mutual fund corporation

59(1) Subject to subsection (2), where an amount is to be refunded to a mutual fund corporation with respect to a taxation year pursuant to section 131 of the federal Act, the minister shall, at the time and in the manner that is provided in that section, refund to the mutual fund corporation a capital gains refund in an amount R calculated in accordance with the following formula:

$$R = \frac{P}{C} \times FR$$

where:

P is the percentage set out in subsection 56(1) for the taxation year;

C is the percentage mentioned in paragraph (b) of the description of A in the definition of refundable capital gains tax on hand in subsection 131(6) of the federal Act for the taxation year; and

FR is the amount of the mutual fund corporation's refund for the taxation year pursuant to subsection 131(2) of the federal Act.

(2) Where the mutual fund corporation's taxable income earned in the taxation year in Saskatchewan is less than the mutual fund corporation's taxable income for the taxation year, the capital gains refund to the mutual fund corporation for the taxation year is the amount RO calculated in accordance with the following formula:

$$RO = \frac{D}{E} \times R$$

where:

D is the mutual fund corporation's taxable income earned in the taxation year in Saskatchewan;

E is the mutual fund corporation's taxable income for the taxation year; and

R is the amount that would otherwise be the mutual fund corporation's capital gains refund calculated pursuant to subsection (1).

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

Investment tax credit for manufacturing and processing

60(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:

$$\text{ITCMP} = (\text{CC} + \text{CCPY} + \text{OA} + \text{OAPY}) - \text{PD}$$

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 or section 7.3 of the old Act from tax otherwise payable pursuant to this Act or the old 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 must 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 must 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 or the old 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 or the old 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) or subsection 7.3(11) of the old Act with respect to all qualified property acquired by it in a taxation year:

- (a) the qualified property must 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.

Investment tax credit for manufacturing and processing - used equipment

61(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 60(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* 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 for, and the minister 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* 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* 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*; 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* 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* 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* 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) must:
- (a) apply on a form acceptable to the minister; and
 - (b) supply the minister with any information that the minister may require.
- (7) Subject to subsection (8), a corporation may apply to the minister for, and the minister 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 60.
- (9) A corporation that wishes to apply for a rebate pursuant to subsection (7) must:
- (a) apply on a form acceptable to the minister; and
 - (b) supply the minister with any information that the minister 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:

$$\text{RMP} = \text{CY} + \text{PY} - \text{PD}$$

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) or subsection 7.31(3) of the old Act 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) or subsection 7.31(7) of the old Act 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, must 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, must 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, must 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, must 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, must 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, must 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) or subsection 7.31(3) of the old Act, for any portion of which a rebate has not been allowed pursuant to subsection (7) or subsection 7.31(7) of the old Act.

(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) or subsection 7.31(3) of the old Act, for any portion of which a rebate has not been allowed pursuant to subsection (7) or subsection 7.31(7) of the old Act.

(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) or subsection 7.31(17) of the old Act:

- (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.

Manufacturing and processing profits tax reduction

62(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 pursuant to Part I of the federal Act by the corporation; and

(C) if the corporation was a Canadian-controlled private corporation throughout the taxation year, the amount determined pursuant to clause 129(3)(a)(i)(B) of the federal Act with respect to the corporation 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 pursuant to 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 pursuant to subsection 124(4) of the federal Act.

(2) 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 for, and the minister may allow, a reduction of the tax otherwise payable by the corporation pursuant to this Part 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.

Research and development tax credit

63(1) 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 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:

$$\text{RDTC} = (\text{RD} + \text{RDPY} + \text{OA} + \text{OAPY}) - \text{PD}$$

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 or section 7.7 of the old Act from tax otherwise payable pursuant to this Act or the old 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 must 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 must 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 or the old 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 or the old 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) or subsection 7.7(10) of the old Act 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) or subsection 7.7(10) of the old Act.

Film employment tax credit

64(1) Subject to subsections (2) and (3), there may be deducted from the tax otherwise payable for a taxation year pursuant to this Act by a corporation resident in Saskatchewan on the last day of a taxation year, an amount equal to the tax credit allowed for the taxation year pursuant to section 12 of *The Film Employment Tax Credit Act*.

(2) 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.

(3) 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 must:

- (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 old Act, the federal Act or the income tax statute 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.

PART IV
Provisions Applicable to all Taxpayers

Certain dispositions of property

65(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 2(cc) 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, 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:

(i) property is disposed of that is either:

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

(B) other property that:

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

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

(ii) 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 must 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 must be determined as if the proceeds of disposition were equal to the proceeds of disposition determined pursuant to subsection (3).

Royalty tax rebate

66 There may be deducted from the tax otherwise payable pursuant to this Act for a taxation year by a taxpayer a royalty tax rebate in relation to oil or gas wells in Canada or to mineral resources in Canada determined in accordance with any regulations that may be made pursuant to clause 124(1)(h).

Mining reclamation trust tax credit

67(1) This section applies to mining reclamation trusts that relate to mines situated in Saskatchewan.

(2) For each taxation year, a mining reclamation trust must 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.

(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 amount MRTC calculated in accordance with the following formula:

$$\text{MRTC} = \text{CI} + \text{CP}$$

where:

CI is the amount CI calculated in accordance with subsection (5); and

CP is, 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 subsection (4), CI is the total of all amounts, each of which is an amount A calculated in accordance with the following formula:

$$A = \text{TT} \times \frac{\text{BI}}{\text{TI}}$$

where:

TT 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;

BI is the amount BI calculated in accordance with subsection (6); and

TI 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.

(6) For the purposes of subsection (5), BI is the amount BI calculated in accordance with the following formula:

$$BI = C - D$$

where:

C is 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; and

D is 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.

(7) For the purposes of determining the amount CP in subsection (4), 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.

(8) 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 must pay to the taxpayer an amount equal to the unused portion of the tax credit.

PART V Collection of Tax

Collection agreements

68(1) The minister, with the approval of the Lieutenant Governor in Council, may, on behalf of the Government of Saskatchewan:

- (a) enter into a collection agreement with the Government of Canada pursuant to which the Government of Canada will collect taxes payable pursuant to this Act on behalf of the Government of Saskatchewan and will make payments to Saskatchewan with respect to the taxes collected in accordance with the terms and conditions of the agreement; and
 - (b) enter into an agreement amending the terms and conditions of a collection agreement entered into pursuant to clause (a).
- (2) Subject to subsection (3), where a collection agreement is in effect:
- (a) the Receiver General, on behalf of the minister, may exercise the powers and perform the duties of the minister pursuant to this Act in relation to the remittance of any amount as or on account of tax payable pursuant to this Act, and may exercise any discretion that the minister has pursuant to this Act in relation to the remittance;

- (b) the federal minister, on behalf of the minister, may exercise the powers, perform the duties and exercise any discretion that the minister or the deputy minister has pursuant to this Act, including the discretion to refuse to permit the production in judicial or other proceedings in Saskatchewan of any document that, in the opinion of the federal minister, it is not in the interests of public policy to produce; and
- (c) the Commissioner of Customs and Revenue may:
 - (i) exercise the powers, perform the duties and exercise any discretion that the federal minister has pursuant to clause (b) or otherwise pursuant to this Act; and
 - (ii) designate officers of the Canada Customs and Revenue Agency to carry out any functions, duties and powers that are similar to those that are exercised by them on behalf of the Commissioner of Customs and Revenue pursuant to the federal Act.

(3) Subsection (2) does not apply to this Part or to sections 61 and 96, subsections 111(5) and 131(2) and sections 136 and 138.

Application of payment on taxes

69(1) A collection agreement may provide that where a payment is received by the federal minister or the Receiver General on account of tax payable by a taxpayer for a taxation year pursuant to this Act, the federal Act or an income tax statute of an agreeing province, or pursuant to any two or more of those Acts or statutes, the payment so received may be applied by the federal minister towards the tax payable by the taxpayer pursuant to any of those Acts or statutes in any manner that 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.

(2) Any payment or part of a payment applied by the federal minister in accordance with a collection agreement towards the tax payable by a taxpayer for a taxation year pursuant to this Act or the old Act:

- (a) relieves the taxpayer of liability to pay that tax to the extent of the payment or part of the payment so applied; and
- (b) is deemed to have been applied in accordance with a direction made by the taxpayer.

Restriction on recovery of moneys deducted

70 Where a collection agreement is in effect and an amount is remitted to the federal minister or the Receiver General 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 an agreeing province:

- (a) no action lies for recovery of that amount by that individual; and
- (b) the amount may not be applied in discharge of any liability of that individual pursuant to this Act.

Amounts deducted in agreeing province

71(1) Where a collection agreement is in effect, 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 the individual pursuant to this Act for the taxation year to the extent of the amount deducted or withheld on account of the individual's tax for that year pursuant to the income tax statute of an agreeing province.

(2) Where the total amount deducted or withheld on account of tax payable pursuant to this Act and pursuant to the income tax statute of an agreeing province by an individual to whom subsection (1) applies exceeds the tax payable by the individual pursuant to this Act for that taxation year, section 95 of this Act applies with respect to that individual as though the excess were an overpayment pursuant to this Act.

Non-agreeing provinces – adjusting payments

72(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 a non-agreeing province;

(b) **“amount deducted or withheld”** does not include any refund made with respect to that amount;

(c) **“non-agreeing province”** means a province that is not an agreeing province.

(2) Where, with respect to a taxation year, a non-agreeing province is authorized to make a payment to Saskatchewan that, in the opinion of the minister, corresponds to an adjusting payment, the Lieutenant Governor in Council may authorize the minister 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.

(3) Where a collection agreement is in effect, the adjusting payment that may be made pursuant to 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 to the federal minister.

(4) The adjusting payment to be made pursuant to this section is to be in an amount that is equal to the aggregate of the amounts deducted or withheld pursuant to subsection 153(1) of the federal Act, as it applies for the purposes of this Act, with respect to the tax payable for a taxation year by individuals who:

(a) file returns pursuant to the federal Act;

(b) are taxable pursuant to the federal Act with respect to that taxation year; and

(c) are resident on the last day of that taxation year in the non-agreeing province to which the adjusting payment is 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 pursuant to the federal Act with respect to that taxation 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 pursuant to this Act.

(6) Where an adjusting payment to a non-agreeing province is to be made pursuant to 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 the individual pursuant to this Act for the taxation year to the extent of the amount deducted or withheld on account of the individual's income tax for that year pursuant to the law of that non-agreeing province.

(7) Where an adjusting payment to a non-agreeing province is to be made pursuant to this section for a taxation year and the total amount deducted or withheld on account of tax payable pursuant to this Act and on account of the income tax payable pursuant to 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 the individual pursuant to this Act for that taxation year, section 95 of this Act applies with respect to that individual as though the excess were an overpayment pursuant to this Act.

(8) Where a collection agreement is in effect and the Government of Canada has agreed with respect to a taxation year to carry out the direction of Saskatchewan and to make an adjusting payment on behalf of Saskatchewan:

- (a) the adjusting payment shall be made out of any moneys that have been collected on account of tax pursuant to this Act for any taxation year; and
- (b) the payment of the adjusting payment discharges any obligation the Government of Canada may have with respect to the payment to Saskatchewan of any amount deducted or withheld pursuant to subsection 153(1) of the federal Act, as it applies for the purposes of this Act, to which subsection (5) applies.

Reciprocal enforcement of judgments

73(1) A judgment of a superior court of an agreeing province pursuant to that province's income tax statute, including any certificate registered in that superior court in a manner similar to the manner provided in subsection 223(3) of the federal Act, as it applies for the purposes of this Act, may be enforced in the manner provided in *The Reciprocal Enforcement of Judgments Act, 1996*.

(2) For the purposes of subsection (1), where a judgment of a superior court of an agreeing province is sought to be registered pursuant to *The Reciprocal Enforcement of Judgments Act, 1996*, the judgment shall be registered notwithstanding that it is established that one or more of the provisions of section 4 of that Act apply.

PART VI
Returns, Assessments, Payment, Objections and Appeals

Application of Part

74(1) This Part applies to matters pursuant to the old Act in addition to matters pursuant to this Act.

(2) In applying this Part to matters pursuant to the old Act, a reference to this Act is deemed to include a reference to the old Act.

Return

75 Paragraph 70(7)(a) and sections 150, 150.1 and 151 of the federal Act apply for the purposes of this Act.

Assessment

76 The amount of tax, if any, payable pursuant to this Act by a taxpayer for a taxation year shall be assessed in accordance with section 152 of the federal Act, not including subsections 152(3.2) to (3.5).

Withholding

77 Every person who is required pursuant to subsection 153(1) of the federal Act to deduct or withhold an amount and remit that amount to the Receiver General for the purposes of the federal Act shall deduct or withhold and remit an amount to the Receiver General for the purposes of this Act, and subsections 153(1) to (3) of the federal Act apply for the purposes of this Act.

Reassessment

78(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 I of the federal Act for the year is reassessed, the minister shall reassess, make additional assessments or assess tax, interest or penalties, as the circumstances require.

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

(a) the amount, if any, deemed pursuant to section 38 to be an overpayment on account of the taxpayer's liability pursuant to this Act for that taxation year; or

(b) the amount, if any, deemed pursuant to section 39 to be paid by an individual on account of the individual's tax payable pursuant to this Act for a taxation year.

Instalments – farmers and fishers

79(1) Subject to section 81, every individual whose chief source of income for a taxation year is farming or fishing shall pay to the minister, with respect to the 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 taxation 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 taxation 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 in effect, an individual to whom subsection (1) applies shall pay the amount that is:
- (a) required to be paid pursuant to clause (1)(a); and
 - (b) computed with respect to the same taxation year that the amount that the individual is liable to pay pursuant to paragraph 155(1)(a) of the federal Act is computed.

Instalments – other individuals

80(1) Subject to section 81, every individual, other than an individual to whom section 79 applies, shall pay to the minister, 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 taxation 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 taxation 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 in effect, an individual to whom subsection (1) applies shall pay the amount that is:
- (a) required to be paid pursuant to clause (1)(a); and
 - (b) computed with respect to the same taxation year that the amount that the individual is liable to pay pursuant to paragraph 156(1)(a) of the federal Act is computed.

Payment by individuals where instalments not required

81 Where no federal instalments are required pursuant to section 156.1 of the federal Act for a taxation year, an individual:

- (a) is not required to pay instalments pursuant to section 79 or 80 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 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.

Payment by testamentary trusts

82 Paragraph 104(23)(e) of the federal Act applies for the purposes of this Act.

Payment by corporations

83(1) Every corporation that is liable to pay tax pursuant to this Act for a taxation year shall pay that tax in accordance with subsection 157(1), (2) or (2.1) of the federal Act, and subsections 157(1), (2), (2.1) and (4) of the federal Act apply for the purposes of this Act.

(2) Where a collection agreement is in effect, a corporation that is required to make payments pursuant to subsection 157(1) of the federal Act, as it applies for the purposes of this Act, and that pays amounts with respect to a taxation year pursuant to the federal Act computed pursuant to subparagraph 157(1)(a)(i), (ii) or (iii) of the federal Act, shall pay amounts with respect to the taxation year computed pursuant to the same subparagraph of the federal Act, as it applies for the purposes of this Act.

Payment of remainder

84 Section 158 of the federal Act applies for the purposes of this Act.

Person acting for another

85 Section 159 of the federal Act applies for the purposes of this Act.

Tax liability re property transferred not at arm's length

86 Section 160 of the federal Act applies for the purposes of this Act.

Where excess refunded

87(1) Subsections 160.1(1), (1.1), (2.1), (3) and (4) of the federal Act apply for the purposes of this Act.

(2) In applying subsections 160.1(1), (1.1), (2.1), (3) and (4) of the federal Act pursuant to subsection (1):

(a) a reference to refund includes a refund that arises by reason of a provision of this Act that:

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

(ii) 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;

(b) a reference to section 122.5 of the federal Act is to be read as a reference to section 39 of this Act; and

(c) a reference to section 122.61 of the federal Act is to be read as a reference to section 38 of this Act.

Liability re amounts from RRSP, RRIF, RCA trust

88 Sections 160.2 and 160.3 of the federal Act apply for the purposes of this Act.

Interest

89 Subject to sections 90 and 91, subsections 161(1) to (6.1), (7), (9) and (11) of the federal Act apply to the payment of tax pursuant to this Act.

Interest on instalments – farmers and fishers

90(1) This section applies where:

- (a) a collection agreement is in effect; and
 - (b) an individual is deemed pursuant to subsection 161(4) of the federal Act to be liable to pay, with respect to the tax payable pursuant to Part I of the federal Act for a taxation year by the individual, a part or instalment computed by reference to an amount described in paragraph 161(4)(a), (b) or (c) of the federal Act.
- (2) 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 section 89, an individual is deemed to be liable to pay, with respect to the tax payable pursuant to this Act for the taxation year by the individual, a part or instalment computed by reference to an amount described in the paragraph of the federal Act that is applied pursuant to clause (1)(b).

Interest on instalments – other individuals

91(1) This section applies where:

- (a) a collection agreement is in effect; and
 - (b) an individual is deemed pursuant to subsection 161(4.01) of the federal Act to be liable to pay, with respect to the tax payable pursuant to Part I of the federal Act for a taxation year by the individual, a part or instalment computed by reference to an amount described in paragraph 161(4.01)(a), (b), (c) or (d) of the federal Act.
- (2) Notwithstanding subsection 161(4.01) of the federal Act as it applies for the purposes of this Act, in applying subsection 161(2) of the federal Act pursuant to section 89, an individual is deemed to be liable to pay, with respect to the tax payable pursuant to this Act for the taxation year by the individual, a part or instalment computed by reference to an amount described in the paragraph of the federal Act that is applied pursuant to clause (1)(b).

Penalties re failure to file return

92(1) Subsections 162(1), (2), (2.1), (3), (5), (7) and (11) of the federal Act apply for the purposes of this Act.

- (2) Where a collection agreement is in effect, the minister may refrain from levying or may reduce a penalty provided for 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.

Penalties re failure to report and false statements

93(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 for the purposes of this Act.

- (2) Where a collection agreement is in effect, the minister may refrain from levying or may reduce a penalty provided for 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.

Penalty re instalments

94(1) Section 163.1 of the federal Act applies for the purposes of this Act.

(2) Where a collection agreement is in effect, the minister may refrain from levying or may reduce a penalty provided for in this section if the person who is liable to the penalty is required to pay a penalty pursuant to section 163.1 of the federal Act with respect to the same failure.

Refunds, repayment on objections and appeals

95(1) Subsections 164(1) to (1.31), (1.5), (2), (2.2) and (3) to (7) of the federal Act apply to the payment of tax pursuant to this Act.

(2) In applying subsections 164(1) to (1.31), (1.5), (2), (2.2) and (3) to (7) of the federal Act for the purposes of this Act:

(a) a reference to section 122.5 of the federal Act is to be read as a reference to section 39 of this Act; and

(b) a reference to section 122.61 of the federal Act is to be read as a reference to section 38 of this Act.

(3) Notwithstanding subsection (1), subsection 164(2) of the federal Act applies with respect to a refund arising pursuant to section 39 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 39.

(4) Where a collection agreement is in effect, subsection 164(4.1) of the federal Act applies to any overpayment of tax, interest or penalties pursuant to this Act for a taxation year that arises by reason of a decision mentioned in that subsection pursuant to which:

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

(b) any security accepted pursuant to the federal Act for any tax, interest or penalty pursuant to that Act is surrendered to a taxpayer.

Assignment of refund

96(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 tax, less any amount deducted by the assignee for:

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

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

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

- (c) “**assignor**” means a person who is entitled to receive a refund of tax and who makes an assignment of the entitlement;
- (d) “**tax**” means tax pursuant to this Act or the federal Act.
- (2) No assignment by an assignor of an entitlement to receive a refund of tax is valid if the actual consideration is less than 85% of the amount of the refund payable to the assignor.
- (3) Every assignee who takes an assignment of tax in the course of his or her business must keep posted in a prominent location on the business premises a notice that:
- (a) must be in accordance with any form and wording that the minister may specify; and
- (b) must contain the provisions of this section.
- (4) Every 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.

Objections to assessments

97 Sections 165, 166.1 and 166.2 of the federal Act apply for the purposes of this Act.

Right of appeal

98(1) Section 169 of the federal Act applies for the purposes of this Act.

- (2) In the case of an individual, an appeal from an assessment may be taken with respect to any question relating to the determination of the following:
- (a) the individual’s residence for the purposes of this Act;
- (b) the individual’s income earned in the taxation year in Saskatchewan as defined in clause 5(1)(b);
- (c) the amount that, pursuant to subsection 122.62(5) or (6) of the federal Act as it applies for the purposes of section 38 of this Act, is deemed to be the individual’s adjusted income;
- (d) the amount of any credit, deduction or rebate to which the individual is entitled pursuant to Division 2 or 3 of Part II for the 2001 taxation year or a subsequent taxation year;
- (e) the amount of tax payable by an individual for a taxation year before 2001 based on the tax payable pursuant to the federal Act for that taxation year.
- (3) In the case of a corporation, an appeal from an assessment may be taken with respect to any question relating to the determination of the following:
- (a) the corporation’s taxable income earned in the taxation year in Saskatchewan as defined in section 55;
- (b) the amount of tax payable for a taxation year based on the taxable income of the corporation for that taxation year.

- (4) No appeal from an assessment lies with respect to the computation of tax payable pursuant to the federal Act or the computation of the taxable income of an individual or a corporation.

Commencement of appeal

99(1) An appeal pursuant to section 98 must be commenced by:

- (a) serving the minister with a notice of appeal in duplicate by sending it to the deputy minister or, where a collection agreement is in effect, to the Commissioner of Customs and Revenue, by registered mail; and
 - (b) filing a copy of the notice of appeal with any local registrar of the court, together with a fee of \$15.
- (2) A notice of appeal must set out the grounds of appeal, the relevant statutory provisions, the allegations of fact and the reasons on which the appellant intends to rely.
- (3) A judge may:
- (a) strike out any part of a notice of appeal for failure to comply with subsection (2) or permit the amendment of a notice of appeal; or
 - (b) strike out a notice of appeal for failure to comply with subsection (2) and permit a new notice of appeal to be substituted for the one struck out within a time to be fixed by the judge.

Reply to notice of appeal

100(1) The minister shall 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 any further allegations of fact, any further statutory provisions and any reasons that the minister intends to rely on.

- (2) A reply to the notice of appeal must be served within 60 days after the day on which the notice of appeal is received or within any further time that a judge may allow on an application made before or after the expiry of the 60-day period.
- (3) A judge may:
- (a) strike out any part of a reply to the notice of appeal for failure to comply with this section or permit the amendment of a reply; or
 - (b) strike out a reply to the notice of appeal 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

101(1) Where a notice of appeal is struck out for failure to comply with subsection 99(2) and a new notice of appeal is not filed in accordance with the order, a judge may dispose of the appeal by dismissing it.

- (2) Where a reply to the notice of appeal is not filed as required by section 100 or is struck out pursuant to that section and a new reply is not filed as ordered by a judge within the time ordered, a judge 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.

Practice and procedure on appeal

102(1) On the filing of the material mentioned in sections 99 and 100, the matter is deemed to be an action in the court and, unless a judge otherwise orders, ready for hearing.

(2) Any fact or statutory provision not set out in the notice of appeal or reply to the notice of appeal may be pleaded or referred to in the manner and on the terms that a judge may direct.

(3) Sections 167 and 179 of the federal Act apply for the purposes of this Act.

(4) Except as provided in regulations made pursuant to section 124, the practice and procedure of the court apply to every matter deemed pursuant to subsection (1) to be an action in the court.

Powers of court on appeal

103 Sections 166 and 171 of the federal Act apply for the purposes of this Act.

Enforcement of judgments or orders

104 A judgment given or order made in any matter deemed pursuant to subsection 102(1) to be an action in the court may be enforced in the same manner and by the same process as a judgment given or order made in an action commenced in the court.

PART VII**Administration and Enforcement****Application of Part**

105(1) This Part applies to matters pursuant to the old Act in addition to matters pursuant to this Act.

(2) In applying this Part to matters pursuant to the old Act, a reference to this Act is deemed to include a reference to the old Act.

Administration and enforcement

106 Section 220 of the federal Act applies for the purposes of this Act.

Application of interest

107 Section 221.1 of the federal Act applies for the purposes of this Act.

Garnishment

108 Section 224 of the federal Act applies for the purposes of this Act.

Collection restrictions

109 Section 225.1 of the federal Act applies for the purposes of this Act.

Authorization to collect assessed amount

110 Section 225.2 of the federal Act applies for the purposes of this Act.

Remission orders

111(1) Where a collection agreement is in effect, the federal minister may grant a 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), a 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 federal department or the Canada Customs and Revenue Agency 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 federal minister may take any proceedings that the federal minister considers necessary to recover the amount with respect to which a 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 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*.

Taxes are debts due to Crown

112 Section 222 of the federal Act applies for the purposes of this Act.

Certificates

113(1) Subsections 223(2) to (4) of the federal Act apply for the purposes of this Act.

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

Warrant to sheriff for amount payable

114(1) The minister 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 on them from the date of the issue of the warrant and the costs, expenses and poundage of the sheriff.

(2) A warrant issued pursuant to subsection (1) has the same effect as a writ of execution issued out of the court.

Moneys seized from tax debtor

115 Section 224.3 of the federal Act applies for the purposes of this Act.

Seizure of chattels

116 Section 225 of the federal Act applies for the purposes of this Act.

Taxpayer leaving Canada

117(1) Section 226 of the federal Act applies for the purposes of this Act.

(2) Notwithstanding clause 3(14)(a), in applying section 226 of the federal Act for the purposes of this Act, the reference to Canada is not to be read as a reference to Saskatchewan.

Withholding

118(1) Subsections 227(1) to (5.2), (8), (8.2) to (9), (9.2), (9.4), (9.5), (10), (10.1), (10.2) and (11) to (13) of the federal Act apply for the purposes of this Act.

(2) The minister 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; or

(ii) section 126 of this Act.

(3) Where the minister sends a notice of assessment to a person pursuant to subsection (1), any provisions of Divisions I and J of Part I of the federal Act that apply for the purposes of this Act apply as the circumstances require.

(4) Notwithstanding any other provision of this Act, the federal Act or any other law, the penalty for failure to remit an amount required to be remitted by a person on or before the day prescribed in the federal regulations made for the purposes of subsection 153(1) of the federal Act, as those regulations and that subsection apply for the purposes of this Act, applies only to the amount by which the total of all amounts required to be remitted on or before that day exceeds \$500, unless the person required to remit the amount has, knowingly or under circumstances that amount to gross negligence:

(a) delayed in remitting the amount; or

(b) remitted an amount less than the amount required to be remitted.

Liability of directors for failure to pay tax

119 Section 227.1 of the federal Act applies for the purposes of this Act.

Records and books to be kept

120(1) Subsection 230(1) of the federal Act applies for the purposes of this Act to every person carrying on business in Saskatchewan and every person who is required pursuant to this Act to pay or collect taxes or other amounts.

(2) Subsections 230(2.1), (3), (4), (4.1), (4.2), (5), (6), (7) and (8) of the federal Act apply for the purposes of this Act.

Investigations

121 Sections 231, 231.1, 231.2, 231.3, 231.4 and 231.5 of the federal Act apply for the purposes of this Act.

Solicitor-client privilege

122 Section 232 of the federal Act applies for the purposes of this Act.

Information returns

123 Section 233 of the federal Act applies for the purposes of this Act.

Regulations

124(1) The Lieutenant Governor in Council may make regulations:

- (a) defining, enlarging or restricting the meaning of any word or expression used in this Act but not defined in this Act;
- (b) limiting the application of any provisions of the federal Act or the federal regulations that apply for the purposes of this Act or any provision of this Act;
- (c) governing the interpretation of any provisions of the federal Act or the federal regulations that apply for the purposes of this Act or any provision of this Act;
- (d) governing the circumstances in which provisions of the federal Act or the federal regulations apply for the purposes of this Act or any provision of this Act and the extent to which they apply;
- (e) establishing a farm and small business capital gains credit for the purposes of section 31 and governing the entitlement to and the calculation of that credit;
- (f) governing the determination of the amount of an individual's deemed overpayment pursuant to subsection 38(3);
- (g) prescribing Acts for the purposes of clause 40(b);
- (h) establishing a royalty tax rebate for the purposes of section 66 and governing the entitlement to and the calculation of that rebate;
- (i) governing practice and procedure on appeals from assessments;
- (j) prescribing any matter or thing required or authorized by this Act to be prescribed in the regulations;
- (k) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this Act.

(2) Regulations pursuant to clauses (1)(f) and (g) may be made retroactive to a day not earlier than July 1, 1998.

(3) Regulations pursuant to clause (1)(h) may be made retroactive to a day not earlier than May 6, 1974.

Federal regulations adopted

125(1) Except to the extent that they are inconsistent with any regulations made pursuant to section 124 or are expressed by any regulations made pursuant to section 124 to be inapplicable, the federal regulations made pursuant to section 221 of the federal Act apply for the purposes of this Act with respect to all matters enumerated in that section.

(2) A regulation made pursuant to the federal Act that applies for the purposes of this Act comes into force for the purposes of this Act on the day on which it comes into force for the purposes of the federal Act.

Penalty for failure to comply with certain regulations

126 Every person who fails to comply with a regulation made pursuant to section 124 or a federal regulation adopted for the purposes of this Act pursuant to section 125 is liable to a penalty of \$10 per day for each day of default to a maximum of \$2,500.

Execution of documents by corporations

127 Section 236 of the federal Act applies for the purposes of this Act.

Offences – failure to file, to comply

128(1) Every person who fails to file a return as and when required pursuant to this Act or pursuant to a provision of the federal Act or federal regulations as that 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 more than \$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), 230(4), 230(6), 231.5(2) or 232(15) of the federal Act as that subsection 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 more than \$25,000; or
- (b) both the fine described in clause (a) and imprisonment for a term not exceeding 12 months.

(3) Every person who fails to comply with a requirement of the minister pursuant to subsection 230(3) of the federal Act as that subsection 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 more than \$25,000; or
- (b) both the fine described in clause (a) and imprisonment for a term not exceeding 12 months.

(4) Where a person is convicted of an offence pursuant to subsection (1), (2) or (3), a judge may make any order that the judge considers proper in order to enforce compliance with the provision that was contravened.

(5) Where a person is convicted of an offence pursuant to subsection (1), (2) or (3), the person is not liable to a penalty for the same failure pursuant to subsection 227(8) or (9) or 162(1), (2), (2.1), (3), (5), (7) or (11) of the federal Act as that subsection applies for the purposes of this Act or pursuant to section 126 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.

Offences re false statements, destruction of records, evasion, conspiracy

129 Subsections 239(1) and (1.1) of the federal Act apply for the purposes of this Act.

Powers of federal minister re certain offences

130 Where a collection agreement is in effect and proceedings pursuant to section 238 or 239 of the federal Act are taken against any person, the federal minister may take or refrain from any action against that person pursuant to section 128 of this Act or subsection 239(1) or (1.1) of the federal Act as those subsections apply for the purposes of this Act.

Offences – communication of information

131(1) Every person who, while employed in the administration of this Act, does any of the following 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:

- (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 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 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 for the purposes of this Act.

(2) Subsection (1) does not apply with respect to the communication of information between:

- (a) the minister and:
 - (i) the federal minister;
 - (ii) the Commissioner of Customs and Revenue; or
 - (iii) the Receiver General; or

(b) the minister, the federal minister acting on behalf of Saskatchewan, the Commissioner of Customs and Revenue acting on behalf of Saskatchewan or the Receiver General acting on behalf of Saskatchewan and:

- (i) the Minister of Finance or similar minister of the government of an agreeing province; or
- (ii) the Minister of Finance or similar minister of the government of a non-agreeing province to which an adjusting payment may be made pursuant to subsection 72(2).

Liability of officers, directors for offences of corporation

132 Section 242 of the federal Act applies for the purposes of this Act.

Restrictions re minimum fines, suspension of sentences

133 Section 243 of the federal Act applies for the purposes of this Act.

Information or complaint

134 Subsections 244(1) to (5), (7) to (11) and (13) to (22) and subsection 248(7) of the federal Act apply for the purposes of this Act.

Judicial notice

135 Judicial notice shall be taken of the following without being specially pleaded or proven:

- (a) any order made pursuant to this Act;
- (b) any collection agreement;
- (c) any agreement for the collection by the Government of Canada of the tax imposed pursuant to the income tax statute of an agreeing province.

Proof of contents of collection agreements

136 A document purporting to be a collection agreement or an agreement with the Government of Canada for the collection of tax imposed pursuant to the income tax statute of an agreeing province shall be received as proof, in the absence of evidence to the contrary, of the contents of the agreement if the document:

- (a) is published in the *Canada Gazette*; or
- (b) is certified by or on behalf of:
 - (i) the minister, in the case of a collection agreement; or
 - (ii) the Minister of Finance, the Provincial Secretary or a similar minister of the agreeing province, in the case of an agreement with the Government of Canada for the collection of tax imposed pursuant to the income tax statute of the agreeing province.

Proof of tax payable, taxpayer's income, taxable income

137 A certificate by the minister setting out the amount of a taxpayer's tax payable pursuant to the federal Act, a taxpayer's income for the year or the taxable income of a taxpayer is proof, in the absence of evidence to the contrary, that the taxpayer's tax payable pursuant to the federal Act, the taxpayer's income for the year or the taxable income of the taxpayer, as the case may be, is the amount set out in the certificate.

Execution of documents

138 Where a collection agreement is in effect, any document or certificate that is executed or issued by the federal minister, the Deputy Minister of National Revenue for Taxation, the Commissioner of Customs and Revenue or an official of the federal department or the Canada Customs and Revenue Agency on behalf of or in place of the minister, the deputy minister or an official of the provincial department is deemed to have been executed or issued by the minister, the deputy minister or an official of the provincial department.

Anti-avoidance rules

139 Sections 245 and 246 of the federal Act apply for the purposes of this Act.

PART VIII

Transitional Provisions, Consequential Amendments, Coming into Force**Transitional provisions**

140(1) Subject to subsection (2), the old Act does not apply:

- (a) with respect to an individual, to the 2001 taxation year and subsequent taxation years; and
- (b) with respect to a corporation, to taxation years of the corporation that end after December 31, 2000.

(2) Section 7.2 of the old Act continues to apply with respect to taxation years of corporations ending before December 31, 2004.

(3) Proceedings with respect to a return, assessment, objection or appeal commenced pursuant to the old Act are continued as if they had been commenced pursuant to this Act.

(4) The collection agreement entered into pursuant to section 54 of the old Act is continued as if it were an agreement entered into pursuant to section 68 of this Act.

R.S.S. 1978, c.A-35 amended

141(1) *The Automobile Accident Insurance Act* is amended in the manner set forth in this section.

(2) **Subclause 103(3)(c)(i) is amended by adding “, *The Income Tax Act, 2000*” after “*The Income Tax Act*”.**

(3) **The description of D in subsection 137(1) is amended by adding “, *The Income Tax Act, 2000*” after “*The Income Tax Act*”.**

R.S.S. 1978, c.C-29, section 9 amended

142 **Subsection 9(1) of *The Constitutional Questions Act* is amended by striking out “or *The Income Tax Act*, chapter I-2 of these Revised Statutes” and substituting “, *The Income Tax Act*, chapter I-2 of these Revised Statutes or *The Income Tax Act, 2000*”.**

S.S. 1998, c.F-13.11 amended

143(1) *The Film Employment Tax Credit Act* is amended in the manner set forth in this section.

(2) Section 2 is amended:

(a) in subsection (2) by striking out “or *The Income Tax Act*” and substituting “, *The Income Tax Act* or *The Income Tax Act, 2000*”; and

(b) in subsection (3) by adding “or *The Income Tax Act, 2000*” after “*The Income Tax Act*” wherever it appears.

(3) Section 14 is amended:

(a) in subsection (1) by adding “or section 64 of *The Income Tax Act, 2000*” after “*The Income Tax Act*”; and

(b) in subsection (2):

(i) by adding “or section 64 of *The Income Tax Act, 2000*” after “section 8.3 of *The Income Tax Act*”; and

(ii) by adding “or *The Income Tax Act, 2000*” after “pursuant to *The Income Tax Act*”.

(4) Clause 22(1)(a) is amended by adding “or *The Income Tax Act, 2000*”.

S.S. 1986, c.L-0.2 amended

144(1) *The Labour-sponsored Venture Capital Corporations Act* is amended in the manner set forth in this section.

(2) Subsection 2(2) is amended by striking out “or *The Income Tax Act*” and substituting “, *The Income Tax Act* or *The Income Tax Act, 2000*”.

(3) Section 13 is amended:

(a) in subsection (1) by adding “or section 34 of *The Income Tax Act, 2000*” after “*The Income Tax Act*”; and

(b) in subsection (2):

(i) by adding “or section 34 of *The Income Tax Act, 2000*” after “section 8.3 of *The Income Tax Act*”; and

(ii) by adding “or *The Income Tax Act, 2000*” after “pursuant to *The Income Tax Act*”.

(4) Clause 22(1)(c) is amended by adding “or *The Income Tax Act, 2000*” after “*The Income Tax Act*”.

R.S.S. 1978, c. P-18, section 45 amended

145 Clause 45(5)(c) of *The Potash Development Act* is amended by adding “or *The Income Tax Act, 2000*” after “*The Income Tax Act*”.

R.S.S. 1978, c.P-27, section 3 amended

146 Clause 3(1)(c) of *The Proceedings against the Crown Act* is amended by adding “or *The Income Tax Act, 2000*” after “*Revised Statutes*”.

Coming into force

147 This Act comes into force on January 1, 2001.