

2001

CHAPTER 22

An Act to amend *The Mineral Resources Act, 1985* and to enact consequential amendments

(Assented to June 28, 2001)

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

Short title

1 This Act may be cited as *The Mineral Resources Amendment Act, 2001*.

S.S. 1984-85-86, c.M-16.1 amended, new sections 10.1 to 10.5

2 The following is added after section 10 of *The Mineral Resources Act, 1985*:

“MINERAL EXPLORATION TAX CREDIT

“Tax credits may be issued

10.1(1) For the purpose of encouraging and promoting mineral exploration in Saskatchewan, an eligible mineral exploration corporation may apply to the minister, in accordance with the regulations, for approval to issue mineral exploration tax credits to individuals, other than trusts, who purchase eligible flow-through shares of that corporation to enable the corporation to finance flow-through mining expenditures in Saskatchewan.

(2) A mineral exploration tax credit issued pursuant to subsection (1) is to be an amount equal to 10% of an individual’s eligible flow-through mining expenditures for the year determined in accordance with the regulations.

“Individual may claim tax credit

10.2(1) Subject to subsection (2), an individual, other than a trust, who is issued a mineral exploration tax credit for a taxation year pursuant to section 10.1 is entitled to claim the tax credit in accordance with section 8.41 of *The Income Tax Act* or section 34.1 of *The Income Tax Act, 2000*.

(2) Where an individual claims a mineral exploration tax credit for a taxation year pursuant to section 8.41 of *The Income Tax Act* or section 34.1 of *The Income Tax Act, 2000*, the individual’s annual return required pursuant to *The Income Tax Act* or *The Income Tax Act, 2000* for the taxation year is to be accompanied by a statement provided to the individual by the eligible mineral exploration corporation specifying the individual’s entitlement to the tax credit and the amount of the tax credit issued.

“Recovery of excess credits

10.3(1) Notwithstanding that the minister has, pursuant to section 10.1, granted an approval to an eligible mineral exploration corporation to issue mineral exploration tax credits respecting an issue of eligible flow-through shares, the minister may recover from the corporation or, where the minister considers it appropriate, from any individual to whom the tax credits were issued, the amount of the tax credits that the corporation was not eligible or entitled to issue where:

- (a) at the time of the approval, the corporation did not meet the requirements to be eligible to issue the tax credits;
- (b) during the period following the approval, the corporation did not meet the requirements to be eligible to issue the tax credits; or
- (c) the amount of the tax credits issued by the corporation exceeds the amount of the tax credits the corporation was entitled to issue based on the actual flow-through mining expenditures made in Saskatchewan.

(2) Where an amount is recoverable pursuant to subsection (1), that amount is a debt due to the Crown and may be recovered:

- (a) in the manner set out in section 10.4;
- (b) where the tax credit has been claimed in accordance with section 10.2, through an assessment or reassessment pursuant to *The Income Tax Act* or *The Income Tax Act, 2000* or in any other manner provided pursuant to either of those Acts;
- (c) in any manner authorized pursuant to *The Financial Administration Act, 1993*; or
- (d) in any other manner that the minister considers appropriate.

“Amount payable a debt due

10.4(1) A debt due to the Crown pursuant to subsection 10.3(2) may be recovered by filing with the Court of Queen’s Bench, at any judicial centre, a certificate of the minister certifying the amount payable, together with interest at the prescribed rate to the date of the certificate.

(2) A certificate filed pursuant to subsection (1) has the same force and effect as if it were a judgment obtained in the Court of Queen’s Bench for the recovery of a debt in the amount specified in the certificate, together with any reasonable costs and charges with respect to its filing.

“Regulations re mineral exploration tax credit

10.5(1) The Lieutenant Governor in Council may, for the purposes of sections 10.1 to 10.4, make regulations:

- (a) defining, enlarging or restricting the meaning of any word or expression used in this Act, including words or expressions defined in this Act;
- (b) respecting the mineral exploration tax credit;
- (c) respecting applications by eligible mineral exploration corporations for approval to issue mineral exploration tax credits;

- (d) respecting the eligibility requirements of eligible mineral exploration corporations applying for approval to issue mineral exploration tax credits;
- (e) respecting flow-through mining expenditures;
- (f) respecting the form of the statement mentioned in subsection 10.2(2);
- (g) respecting the recovery of amounts from eligible mineral exploration corporations and individuals pursuant to section 10.3;
- (h) prescribing the rate of interest for the purposes of section 10.4;
- (i) declaring that a provision of an Act of the Parliament of Canada, or a regulation made pursuant to that Act, applies for the purposes of sections 10.1 to 10.4;
- (j) amending or modifying the application of any provision mentioned in clause (i);
- (k) respecting reporting requirements of a corporation approved to issue mineral exploration tax credits;
- (l) respecting the auditing of a corporation issuing mineral exploration tax credits;
- (m) prescribing any matter or thing required or authorized to be prescribed in the regulations;
- (n) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary or advisable respecting the mineral exploration tax credit.

(2) A regulation made pursuant to this section may be made retroactive to a day not earlier than October 18, 2000”.

R.S.S. 1978, c.I-2 amended, new section 8.41

3 The following section is added before section 8.5 of *The Income Tax Act*:

“Mineral exploration tax credit

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

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

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

(3) The minister may set any procedures that the minister considers appropriate with respect to the manner in which the tax credit mentioned in subsection (1) is to be claimed”.

S.S. 2000, c.I-2.01 amended, new section 34.1

4 The following section is added after section 34 of *The Income Tax Act, 2000*:

“Mineral exploration tax credit

34.1(1) Subject to subsections (2) and (3), there may be deducted from tax otherwise payable for a taxation year pursuant to this Act by an individual, other than a trust, a mineral exploration tax credit in an amount equal to the aggregate of:

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

(b) the tax credits allowed pursuant to section 10.1 of *The Mineral Resources Act, 1985* for the immediately preceding 10 taxation years and the immediately following three taxation years to the extent that the tax credits have not been previously deducted pursuant to this section or section 8.41 of *The Income Tax Act*.

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

(3) The minister may set any procedures that the minister considers appropriate with respect to the manner in which the tax credit mentioned in subsection (1) is to be claimed”.

Coming into force

5 This Act comes into force on assent.