

# *The Income Tax Act, 2000*

*being*

Chapter I-2.01\* of the *Statutes of Saskatchewan, 2000* (effective January 1, 2001) as amended the *Statutes of Saskatchewan, 2000, c.49; 2001, c.P-15.2, c.8, c.17 and c.22; 2002, c.32; 2003, c.26; 2004, c.39; 2006, c.21 and 40; 2007, c.27; 2008, c.13; 2008, c.31; 2009, c.18; 2010, c.E-9.22; 2011, c.6 and c.7; 2012, c.17; 2014, c.14; 2015, c.13; 2016, c.3; 2017, c.14 and c.30.*

**\*NOTE:** Pursuant to subsection 33(1) of *The Interpretation Act, 1995*, the Consequential Amendment sections, schedules and/or tables within this Act have been removed. Upon coming into force, the consequential amendments contained in those sections became part of the enactment(s) that they amend, and have thereby been incorporated into the corresponding Acts. Please refer to the Separate Chapter to obtain consequential amendment details and specifics.

## **NOTE:**

This consolidation is not official and is subject to House amendments and Law Clerk and Parliamentary Counsel changes to Separate Chapters that may be incorporated up until the publication of the annual bound volume. Amendments have been incorporated for convenience of reference and the official Statutes and Regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the official Statutes and Regulations, errors that may have appeared are reproduced in this consolidation.

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## CHAPTER I-2.01

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

#### 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;

- (aa.1) “**taxable income earned in Canada**” means taxable income earned in Canada as defined in subsection 248(1) of the federal Act;
- (bb) “**taxation year**” means the period determined in accordance with section 249 of the federal Act;
- (cc) “**taxpayer**” means taxpayer as defined in the federal Act.

2000, c.I-2.01, s.2; 2002, c.32, s.3; 2015, c.13, s.3.

#### 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;
  - (d) subsection 122.5(5.1), as being enacted by subsection 107(1) of the *Income Tax Amendments Act, 2000* (Canada), introduced as Bill C-22 of the first session of the thirty-seventh Parliament.

2000, c.I-2.01, s.3; 2001, c.17, s.3.

#### 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.

2000, c.I-2.01, s.4.



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), 8(3)(a), 8(3.1)(a), 8(3.2)(a), 8(3.3)(a) or 8(3.4)(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 federal regulations made for the purposes of the definition of income earned in a year in a province in 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 only part of the taxation year to whom section 114 of the federal Act applies, or in the case of an individual not resident in Canada at any time in the taxation year, the individual’s income for the year as computed pursuant to subsection 120(3) of the federal Act; and
    - (ii) 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.

2000, c.I-2.01, s.6.

**Taxable income**

- 7** An individual's taxable income for the purposes of this Act is:
- (a) the individual's taxable income for the purposes of computing tax payable pursuant to Part I of the federal Act; or
  - (b) in the case of an individual to whom Division D of Part I of the federal Act applies, the individual's taxable income earned in Canada.

2002, c.32, s.4.

**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 through 2016 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.
- (3.1) The tax payable by an individual described in clause 6(1)(a) on the individual's taxable income for the 2017 taxation year is:
- (a) 10.75% of the taxable income if the taxable income does not exceed \$45,225;
  - (b) the maximum amount determined pursuant to clause (a), plus 12.75% of the amount by which the taxable income exceeds \$45,225 if the taxable income exceeds \$45,225 but does not exceed \$129,214; or
  - (c) the maximum amount determined pursuant to clause (b), plus 14.75% of the amount by which the taxable income exceeds \$129,214 if the taxable income exceeds \$129,214.
- (3.2) The tax payable by an individual described in clause 6(1)(a) on the individual's taxable income for the 2018 taxation year is:
- (a) 10.5% of the taxable income if the taxable income does not exceed \$45,225;
  - (b) the maximum amount determined pursuant to clause (a), plus 12.5% of the amount by which the taxable income exceeds \$45,225 if the taxable income exceeds \$45,225 but does not exceed \$129,214; or
  - (c) the maximum amount determined pursuant to clause (b), plus 14.5% of the amount by which the taxable income exceeds \$129,214 if the taxable income exceeds \$129,214.
- (3.3) The tax payable by an individual described in clause 6(1)(a) on the individual's taxable income for the 2019 taxation year is:
- (a) 10.25% of the taxable income if the taxable income does not exceed \$45,225;
  - (b) the maximum amount determined pursuant to clause (a), plus 12.25% of the amount by which the taxable income exceeds \$45,225 if the taxable income exceeds \$45,225 but does not exceed \$129,214; or
  - (c) the maximum amount determined pursuant to clause (b), plus 14.25% of the amount by which the taxable income exceeds \$129,214 if the taxable income exceeds \$129,214.

(3.4) The tax payable by an individual described in clause 6(1)(a) on the individual's taxable income for the 2020 taxation year and subsequent taxation years is:

- (a) 10% of the taxable income if the taxable income does not exceed \$45,225;
  - (b) the maximum amount determined pursuant to clause (a), plus 12% of the amount by which the taxable income exceeds \$45,225 if the taxable income exceeds \$45,225 but does not exceed \$129,214; or
  - (c) the maximum amount determined pursuant to clause (b), plus 14% of the amount by which the taxable income exceeds \$129,214 if the taxable income exceeds \$129,214.
- (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 taxable income for the year, determined pursuant to subsection (1), (2), (3), (3.1), (3.2), (3.3) or (3.4) 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.

2000, c.I-2.01, s.8; 2002, c.32, s.5; 2017, c.14, s.4.

**Rate of tax on *inter vivos* trusts**

9(1) Notwithstanding section 8 but subject to subsection (3), the tax payable by an individual described in clause 6(1)(a) that is a 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;
- (c) for the 2003 through 2016 taxation years is 15% of the taxable income;
- (d) for the 2017 taxation year is 14.75% of the taxable income;
- (e) for the 2018 taxation year is 14.5% of the taxable income;
- (f) for the 2019 taxation year is 14.25% of the taxable income; and
- (g) for the 2020 taxation year and subsequent taxation years is 14% of the taxable income.

(2) Notwithstanding section 8 but subject to subsection (3), the tax payable for a taxation year by an individual described in clause 6(1)(b) or (c) that is a 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 taxable 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) Section 122 of the federal Act applies for the purposes of this Act.

(4) **Repealed.** 2016, c.3, s.3.

2000, c.I-2.01, s.9; 2002, c.32, s.6; 2016, c.3, s.3;  
2017, c.14, s.5.

## 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.

2000, c.I-2.01, s.10.

#### 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:

$$A = AP \times \$14,535$$

where AP is the appropriate percentage for the taxation year.

2000, c.I-2.01, s.11; 2008, c.31, s.3; 2011, c.7, s.3.

**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:

$$B = AP \times [\$14,535 - (SI - \$1,454)]$$

where:

AP is the appropriate percentage for the taxation year; and

SI is the greater of \$1,454 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.

2000, c.I-2.01, s.12; 2008, c.31, s.4; 2011, c.7, s.4.

**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:

$$C = AP \times [\$14,535 - (EI - \$1,454)]$$

where:

AP is the appropriate percentage for the taxation year; and

EI is the greater of:

- (a) \$1,454; and
- (b) the income for the year of the person with respect to whom the equivalent-to-spouse credit is being claimed.

2000, c.I-2.01, s.13; 2008, c.31, s.5; 2011, c.7, s.5.

**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:

$$D = AP \times (\$8,190 + \$13,987 - PI)$$

where:

AP is the appropriate percentage for the taxation year; and

PI is the greater of \$13,987 and the particular person's income for the year.

2000, c.I-2.01, s.14; 2001, c.17, s.5; 2004, c.39, s.3; 2008, c.13, s.3.

**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:

$$E = AP \times (\$8,190 + \$5,811 - PI)$$

where:

AP is the appropriate percentage for the taxation year; and

PI is the greater of \$5,811 and the dependant's income for the year.

2000, c.I-2.01, s.15; 2001, c.17, s.6; 2004, c.39, s.4; 2008, c.13, s.4.

**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.

2000, c.I-2.01, s.16.

**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:

$$G = AP \times (\$3,619 - B)$$

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 \$26,941 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.

2000, c.I-2.01, s.17; 2001, c.17, s.7.

**Pension credit**

**18(1)** For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual resident in Saskatchewan on the last day of the taxation year 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).

2000, c.I-2.01, s.18; 2004, c.39, s.5.



**Dependent child credit**

**19(1)** Subject to subsections (1.1), (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 a dependent child credit in an amount I determined in accordance with the following formula:

$$I = AP \times Y \times QD$$

where:

AP is the appropriate percentage for the taxation year;

Y is \$5,514

QD is the number of children to whom subsection (2) applies.

(1.1) Subsection (1) applies with respect to an individual who, on the last day of the taxation year:

(a) does not have a cohabiting spouse or common-law partner as defined in section 122.6 of the federal Act;

(b) has a cohabiting spouse or common-law partner, as defined in section 122.6 of the federal Act, whose taxable income for the taxation year is greater than the individual's taxable income for the taxation year; or

(c) has a cohabiting spouse or common-law partner, as defined in section 122.6 of the federal Act, whose taxable income for the taxation year is equal to the individual's taxable income for the taxation year and the cohabiting spouse or common-law partner renounces his or her entitlement to claim a deduction pursuant to subsection (1).

(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.

**Graduate credit**

**19.1(1)** In this section:

- (a) **“tax exemption amount”** means the tax exemption amount allowed to an individual for a taxation year by section 4 of *The Graduate Tax Exemption Act*;
- (b) **“unused tax exemption amount”** means the portion of any tax exemption amount:
  - (i) that was allowed to the individual for any of the preceding five taxation years; but
  - (ii) with respect to which a graduate credit was not deductible by the individual for any taxation year other than:
    - (A) by reason of the application of a section in Division 5; or
    - (B) by reason of the individual not being a resident of Saskatchewan on the last day of the taxation year.

(2) Subject to subsections (3) and (4), 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 a graduate credit in an amount EX determined in accordance with the following formula:

$$EX = AP \times (A + B)$$

where:

AP is the appropriate percentage for the taxation year;

A is the tax exemption amount allowed to the individual for the taxation year; and

B is the total of the individual's unused tax exemption amounts.

- (3) The tax exemption amount allowed to an individual for a taxation year must be claimed by the individual for that taxation year.
- (4) The amount of the graduate credit is required to be deducted in the taxation year for which the credit is determined to the extent that the individual has tax otherwise payable in that taxation year against which the amount of the credit can be deducted.

2007, c.27, s.3.

**First-time homebuyers' credit**

**19.2(1)** Subject to subsections (2) to (5), 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 a first-time homebuyers' credit in an amount determined in accordance with section 118.05 of the federal Act.

(2) In determining the amount in the calculation pursuant to subsection 118.05(3) of the federal Act for the purposes of subsection (1), the amount in dollars to be used in subsection 118.05(3) of the federal Act is \$10,000 and not the amount specified in that subsection.

(3) In applying the definition of “qualifying home” in subsection 118.05(1) of the federal Act for the purposes of subsection (1):

- (a) the references to “Canada” in the definition of “qualifying home” in subsection 146.01(1) of the federal Act, as that definition applies for the purpose of the definition of “qualifying home” in subsection 118.05(1) of the federal Act, are to be read as references to “Saskatchewan”;
- (b) the reference to “January 27, 2009” is to be read as a reference to “December 31, 2011”; and
- (c) a “qualifying home” is acquired on the date of sale identified in the agreement for sale of the home or on another date acceptable to the minister.

(4) In applying subsection 118.05(2) of the federal Act for the purposes of subsection (1), the following is to be substituted for subsection 118.05(2) of the federal Act:

“(2) For the purposes of this section, an individual is considered to have acquired a qualifying home only if the individual’s interest in the home is registered with the Land Titles Registry as defined in *The Land Titles Act, 2000*”.

(5) No amount is to be deducted as a first-time homebuyers’ credit if the individual has received a Graduate Retention Program First Home Plan loan, as provided pursuant to *The Saskatchewan Housing Corporation Act*.

2012, c.17, s.3; 2016, c.3, s.4.

#### 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.

2000, c.I-2.01, s.20.

**Charitable and other gifts credit**

**21(1)** Subject to subsections (2) and (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 ‘total gifts’ as defined in section 118.1 of the federal Act in an amount determined pursuant to subsection (3).

(2) In applying the definitions of “total charitable gifts”, “total cultural gifts” and “total ecological gifts” in subsection 118.1(1) of the federal Act for the purposes of this section, the words ‘to the extent it is not otherwise included in determining an amount that is deducted under this section in computing any individual’s tax payable under this Part for any taxation year’ in those definitions are to be read as “to the extent it is not otherwise included in determining an amount that is deducted for any taxation year pursuant to this section in computing any individual’s tax payable pursuant to this Act or pursuant to section 118.1 of the federal Act in computing any individual’s tax payable pursuant to Part 1 of the federal Act”.

(3) The credit with respect to total gifts for the taxation year is the amount CC determined in accordance with the following formula:

$$CC = (A \times B) + [C \times (D - B)]$$

where:

A is the appropriate percentage for the taxation year;

B is the lesser of \$200 and the individual’s total gifts for the taxation year;

C is the percentage set out in:

- (a) clause 8(3)(c) for the 2003 through 2016 taxation years;
- (b) clause 8(3.1)(c) for the 2017 taxation year;
- (c) clause 8(3.2)(c) for the 2018 taxation year;
- (d) clause 8(3.3)(c) for the 2019 taxation year;
- (e) clause 8(3.4)(c) for the 2020 and subsequent taxation years.

D is the individual’s total gifts 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.

2016, c.3, s.5; 2017, c.14, s.6.

**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) with respect to the 2001, 2002 and 2003 taxation years:
  - (i) the amount C is deemed to be the lesser of \$1,678 and 3% of the individual's income for the year; and
  - (ii) in determining the amount D:
    - (A) 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
    - (B) the amount described in paragraph (b) is deemed to be \$8,000; and
- (b) with respect to the 2004 taxation year and subsequent taxation years:
  - (i) the amount C is deemed to be the lesser of \$1,813 and 3% of the individual's income for the year; and
  - (ii) in determining the amount D, the amount F with respect to a dependant of the individual is deemed to be the lesser of \$1,813 and 3% of the dependant's income for the year.

(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.

2000, c.I-2.01, s.22; 2001, c.17, s.10; 2006, c.21, s.3.

**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:

$$K = AP \times \$8,190$$

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:

$$S = AP \times [\$8,190 - (C - \$2,399)]$$

where:

AP is the appropriate percentage for the taxation year; and

C is the greater of:

- (a) \$2,399; and
- (b) 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) **Repealed.** 2002, c.32, s.7.

(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:

- (a) the amount K calculated pursuant to subsection (1) in computing the tax payable pursuant to this Act by that person for the taxation year; or
- (b) where section 6 does not apply to that person, the amount K calculated pursuant to subsection (1) in computing the tax that would be payable pursuant to this Act by that person for the taxation year if clause 6(1)(a) applied to that person; and

T is:

- (a) 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; or
- (b) where section 6 does not apply to that person, the amount of that person's tax that would be payable pursuant to this Act for the taxation year computed before any deductions are taken except pursuant to sections 11 to 20 and 28 if clause 6(1)(a) applied to that person.

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

**Tuition credit**

**24(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 a tuition credit in an amount determined in accordance with section 118.5 of the federal Act.

(2) No amount may be deducted for a taxation year by an individual pursuant to subsection (1) with respect to fees paid to a designated educational institution with respect to the individual's enrolment during any period after June 30, 2017.

2017, c 14, s.7.

**Education credit**

**25(1)** For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual who is a qualifying student in the year, there may be deducted an education credit determined by the following formula:

$$EC = A \times B$$

where:

A is the appropriate percentage for the taxation year; and

B is the total of the products obtained when:

- (a) \$400 is multiplied by the number of months in the year before July 1, 2017 during which the individual is enrolled in a qualifying educational program as a full-time student at a designated educational institution; and
- (b) \$120 is multiplied by the number of months in the year before July 1, 2017, other than months described in clause (a), each of which is a month during which the individual is enrolled at a designated educational institution in a specified educational program that provides that each student in the program spend not less than 12 hours in the month on courses in the program.

(2) Subsections 118.6(1) and (3) of the federal Act apply for the purposes of this section, except that the reference in subsection 118.6(3) to "For the purposes of subparagraph (a)(i) of the definition of qualifying student in subsection (1)" is to be read as "For the purposes of clause (a) of the description of the variable B in subsection 25(1) of *The Income Tax Act, 2000* (Saskatchewan)".

2017, c 14, s.8.

**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 described in subsection (3.1) or (3.2), 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.

(3.1) Subsection (3) applies to:

(a) individuals resident in Saskatchewan on the last day of the 2001 taxation year; and

(b) individuals resident in Saskatchewan on the last day of a taxation year who were not resident in Saskatchewan on the last day of the preceding taxation year.

(3.2) For the purposes of subsection (3), no amount may be included in the determination of amount B with respect to any fees paid to a designated educational institution with respect to the individual's enrolment during any period after December 31, 2016.

(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.

2000, c.I-2.01, s.26; 2001, c.17, s.13; 2017, c.14, s.9.

#### **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.

2000, c.I-2.01, s.27.



**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.

2000, c.I-2.01, s.28.

**Transfer of unused credits**

**29(1)** Subject to subsections (2), (6) and (7), 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 sections 19 and 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 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.

(7) In applying sections 118.8, 118.81 and 118.9 of the federal Act for the purposes of this section, where an individual has claimed an amount pursuant to any of those sections with respect to a person to whom section 6 does not apply, that person is deemed to be liable to pay tax pursuant to clause 6(1)(a) for the purpose of computing an amount pursuant to this section.

2000, c.I-2.01, s.29; 2001, c17, s.14; 2002, c.32, s.8.

DIVISION 3  
**Non-refundable Credits Deductible From Basic Tax**

**Post-secondary graduate credit**

**30(1)** Subject to subsections (2), (2.1) and (2.2), 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 either:

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

(b) the tax credit allowed to the individual for any of the preceding four taxation years by section 4 of *The Post-Secondary Graduate Tax Credit Act* to the extent that the full amount of the tax credit has 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.

(2.1) No amount may be deducted as a post-secondary graduate credit on a separate return of income filed pursuant to subsection 70(2) or 150(4) or paragraph 104(23)(d) of the federal Act.

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

(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.

2000, c.I-2.01, s.30; 2001, c.17, s.15; 2003, c.26,  
s.3.

**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).

2000, c.I-2.01, s.31.

**Dividend credit**

**32** There may be deducted from the tax otherwise payable pursuant to this Act for a taxation year by an individual resident in Saskatchewan on the last day of the taxation year a dividend credit equal to:

(a) for the 2001, 2002, 2003, 2004 and 2005 taxation years, 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;

- (b) for the 2006 taxation year, the total of:
  - (i) 40% of any amount required by subparagraph 82(1)(b)(i) of the federal Act to be included in computing the individual's income for the year; and
  - (ii) 35.44% of any amount required by subparagraph 82(1)(b)(ii) of the federal Act to be included in computing the individual's income for the year;
- (c) for the 2007, 2008 and 2009 taxation years, the total of:
  - (i) 30% of any amount required by subparagraph 82(1)(b)(i) of the federal Act to be included in computing the individual's income for the year; and
  - (ii) 35.44% of any amount required by subparagraph 82(1)(b)(ii) of the federal Act to be included in computing the individual's income for the year;
- (d) for the 2010 taxation year, the total of:
  - (i) 30% of any amount required by subparagraph 82(1)(b)(i) of the federal Act to be included in computing the individual's income for the year; and
  - (ii) 36% of any amount required by subparagraph 82(1)(b)(ii) of the federal Act to be included in computing the individual's income for the year;
- (e) for the 2011 taxation year, the total of:
  - (i) 25% of any amount required by subparagraph 82(1)(b)(i) of the federal Act to be included in computing the individual's income for the year; and
  - (ii) 37.83% of any amount required by subparagraph 82(1)(b)(ii) of the federal Act to be included in computing the individual's income for the year;
- (f) for the 2012 and 2013 taxation years, the total of:
  - (i) 20% of any amount required by subparagraph 82(1)(b)(i) of the federal Act to be included in computing the individual's income for the year; and
  - (ii) 39.95% of any amount required by subparagraph 82(1)(b)(ii) of the federal Act to be included in computing the individual's income for the year;
- (g) for the 2014 and 2015 taxation years, the total of:
  - (i) 22.29% of any amount required by subparagraph 82(1)(b)(i) of the federal Act to be included in computing the individual's income for the year; and
  - (ii) 39.95% of any amount required by subparagraph 82(1)(b)(ii) of the federal Act to be included in computing the individual's income for the year;
- (h) for the 2016 taxation year, the total of:
  - (i) 23.173% of any amount required by subparagraph 82(1)(b)(i) of the federal Act to be included in computing the individual's income for the year; and
  - (ii) 39.95% of any amount required by subparagraph 82(1)(b)(ii) of the federal Act to be included in computing the individual's income for the year;

- (i) for the 2017 taxation year, the total of:
  - (i) 23.173% of any amount required by subparagraph 82(1)(b)(i) of the federal Act to be included in computing the individual's income for the year; and
  - (ii) 39.039% of any amount required by subparagraph 82(1)(b)(ii) of the federal Act to be included in computing the individual's income for the year; and
- (j) for the 2018 taxation year and subsequent taxation years, the total of:
  - (i) 23.173% of any amount required by subparagraph 82(1)(b)(i) of the federal Act to be included in computing the individual's income for the year; and
  - (ii) 39.95% of any amount required by subparagraph 82(1)(b)(ii) of the federal Act to be included in computing the individual's income for the year;
- (k) **Repealed.** 2017, c.30, s.3.
- (l) **Repealed.** 2017, c.30, s.3.

2006, c.40, s.3; 2009, c.18, s.3; 2011, c.7, s.7;  
 2014, c.14, s.3; 2016, c.3, s.6; 2017, c.14, s.10;  
 2017, c.30, s.3.

#### **Overseas employment credit**

**33** There may be deducted from the tax otherwise payable pursuant to this Act for a taxation year by an individual resident in Saskatchewan on the last day of the taxation year 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.

2000, c.I-2.01, s.33; 2004, c.39, s.8.

#### **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.

2000, c.I-2.01, s.34.

**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.

2001, c.22, s.4.

**Employee's tools credit**

**34.2** There may be deducted from 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 an employee's tools credit determined in accordance with any regulations that may be made pursuant to clause 124(1)(g.1).

2006, c.21, s.4.

**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 section 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.
- (8) Paragraphs 126(6)(a), (c) and (d) of the federal Act apply for the purposes of this section.

2000, c.I-2.01, s.35; 2001, c.17, s.16; 2006, c.21, s.5; 2015, c.13, s.5.

**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), 8(3)(c), 8(3.1)(c), 8(3.2)(c), 8(3.3)(c) or 8(3.4)(c), as the case may be, 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.

2000, c.I-2.01, s.36; 2001, c.17, s.17; 2017, c.14, s.11.

#### Minimum tax carry over

**37** For the purpose of computing the tax payable pursuant to this Act for a taxation year by an individual, there may be deducted a minimum tax carry over credit equal to 50% of the amount that the individual may deduct pursuant to section 120.2 of the federal Act for that taxation year.

2001, c.17, s.18.

#### Non-refundable graduate tuition tax credit

**37.1(1)** In this section, “**graduate tuition tax credit**” means the total of an individual's graduate tuition tax credits for a taxation year determined in accordance with clause 39.1(9)(b).

(2) Subject to subsections (3), (4) and (5), for the 2012, 2013 and 2014 taxation years, there may be deducted from the tax otherwise payable pursuant to this Act for the taxation year by an individual who is resident in Saskatchewan on the last day of the taxation year an amount equal to the lesser of:

(a) the individual's graduate tuition tax credit for the taxation year; and

(b) the individual's tax otherwise payable pursuant to this Act for the taxation year.

(3) The amount of the graduate tuition tax 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.



(4) No amount may be deducted as a graduate tuition tax credit on a separate return of income filed pursuant to subsection 70(2) or 150(4) or paragraph 104(23)(d) of the federal Act.

(5) The minister may set any procedures that the minister considers appropriate with respect to the manner in which the graduate tuition tax credit is to be claimed.

2012, c.17, s.4; 2015, c.13, s.6.

**Non-refundable graduate tuition tax credit—2015 and subsequent taxation years**

**37.2(1)** In this section, “**graduate tuition tax credit**” means an individual’s graduate tuition tax credit determined for a taxation year in accordance with clause 39.1(9)(c).

(2) Subject to subsections (3), (4), (5) and (6), for the 2015 and subsequent taxation years, there may be deducted from the tax otherwise payable pursuant to this Act for the taxation year by an individual who is resident in Saskatchewan on the last day of the taxation year an amount equal to the lesser of:

- (a) the individual’s graduate tuition tax credit for the taxation year and any unused graduate tuition tax credit amount from a previous taxation year; and
- (b) the individual’s tax otherwise payable pursuant to this Act for the taxation year.

(3) The amount of the graduate tuition tax 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.

(4) No amount may be deducted as a graduate tuition tax credit on a separate return of income filed pursuant to subsection 70(2) or 150(4) or paragraph 104(23)(d) of the federal Act.

(5) The minister may set any procedures that the minister considers appropriate with respect to the manner in which the graduate tuition tax credit is to be claimed.

(6) An individual mentioned in subsection (2) shall not deduct any unused graduate tuition tax credit amount from a previous taxation year after the ninth year following the individual’s year of graduation, as defined in section 39.1.

2015, c.13, s.7.

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 or common-law partner 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 or after June 30, 2006.
- (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 low-income 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;
  - (e) “**return of income**” means a return of income as defined in subsection 122.5(1) of the federal Act;
  - (f) “**shared-custody parent**” means, subject to subsection (2.1), a shared-custody parent as defined in section 122.6 of the federal Act.
- (2) In applying the definition of return of income 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.

(2.1) In applying the definition of “shared-custody parent” in section 122.6 of the federal Act for the purposes of this section, references to qualified dependant are to be read as references to qualified dependant as defined in this section and not as defined in the federal Act.

(3) Subject to subsections (8), (9), (10) and (11), 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; and
- (b) has filed a return of income for the taxation year;
- (c) **Repealed.** 2015, c.13, s.8.

(3.1) Notwithstanding the determination of an amount deemed to have been paid by an individual pursuant to the application of subsection (3), if an eligible individual is a shared-custody parent with respect to one or more qualified dependants at the beginning of a month, the amount deemed pursuant to subsection (3) to have been paid during a specified month is equal to the amount determined in accordance with the following formula:

$$\frac{1}{2} \times (A + B)$$

where:

A is the amount calculated in accordance with the formula in subsection (4) without reference to this subsection; and

B is the amount determined in accordance with the formula in subsection (4) calculated without reference to this subsection and calculated as if the individual were an eligible individual who does not have any qualified dependants with respect to whom the individual is a shared-custody parent.

(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) \$346;
- (b) \$346 where the individual has a qualified relation for the taxation year;
- (c) \$346 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) where the individual has one or more qualified dependants 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:
  - (i) \$136 if:
    - (A) the amount set out in clause (c) is included in computing the amount B for the individual for the taxation year; or
    - (B) the amount set out in clause (c) is not included in computing the amount B for the individual for the taxation year and the individual has only one qualified dependant for the taxation year; and
  - (ii) two times the amount set out in subclause (i) if the amount set out in clause (c) is not included in computing the amount B for the individual for the taxation year and the individual has two or more qualified dependants for the taxation year.

(6) For the purposes of subsection (4), the amount C for the 2001 through 2015 taxation years is equal to two per cent of the amount, if any, by which the individual's adjusted income for the taxation year exceeds the amount D, calculated in accordance with the following formula:

$$D = E - \frac{B}{0.02}$$

where:

E is:

- (a) \$35,000 for the 2001 and 2002 taxation years; and
- (b) for the 2003 through 2015 taxation years, the amount expressed in dollars in clause 8(3)(a), adjusted in accordance with subsection 51(9) where applicable, that applies to the immediately following taxation year; and

B is:

- (a) \$216 for the 2007 taxation year; and
- (b) for the 2008 through 2015 taxation years, the amount expressed in dollars in clause (5)(a), adjusted in accordance with subsection 51(8.1).

(6.1) For the purposes of subsection (4), the amount C for the 2016 and subsequent taxation years is equal to 2.75% of the amount, if any, by which the individual's adjusted income for the taxation year exceeds the amount D, calculated in accordance with the following formula:

$$D = E - \frac{B}{0.0275}$$

where:

- E is \$45,225 for the 2016 taxation year and subsequent taxation years; and
- B is \$346 for the 2016 taxation year and subsequent taxation years.

(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) Subsections 122.5(3.1) and (3.2) of the federal Act apply for the purposes of this section.

(9) In applying subsection 122.5(3.1) of the federal Act for the purposes of this section, the amount in dollars to be used in paragraph (a) or (b) of that subsection is \$7 and not the amount specified in that paragraph.

(10) In applying subsection 122.5(3.2) of the federal Act for the purposes of this section, the references to subsection (3) are deemed to be references to subsection (3) of this section.

(11) Subsections 122.5(5), (6), (6.1) and (6.2) of the federal Act apply for the purposes of this section.

(11.1) In applying subsection 122.5(6) of the federal Act for the purposes of this section, the reference to section 122.6 of the federal Act is deemed to be a reference to section 38 of this Act.

(11.2) In applying subsection 122.5(6.2) of the federal Act for the purposes of this section, the reference to Canada is not to be read as a reference to Saskatchewan.

(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.

**Graduate tuition tax credit****39.1(1)** In this section:

- (a) **“eligible individual”**, with respect to a taxation year, means an individual:
  - (i) who was resident in Saskatchewan on the last day of the taxation year; and
  - (ii) to whom a graduate retention program eligibility certificate has been issued;
- (b) **“eligible program”** means an eligible program as defined in section 2 of *The Graduate Retention Program Act*;
- (c) **“graduate retention program eligibility certificate”** means a graduate retention program eligibility certificate that is issued to an individual pursuant to section 4 of *The Graduate Retention Program Act* and includes the tuition rebate eligibility certificate mentioned in subsection 4(3) of that Act;
- (d) **“graduate retention program maximum”**, with respect to an eligible program, means the graduate retention program maximum determined pursuant to *The Graduate Retention Program Act* to be applicable to the eligible program;
- (e) **“graduate tuition tax credit”**, for a taxation year with respect to a graduate retention program eligibility certificate, means the amount determined in accordance with subsection (6);
- (f) **“total eligible tuition amount”**, with respect to a graduate retention program eligibility certificate, means, subject to subsection (5), the lesser of:
  - (i) the total of the tuition fees:
    - (A) paid for the enrolment of the individual in eligible programs during any period after December 31, 2004; and
    - (B) verified by tuition receipts; and
  - (ii) the graduate retention program maximum applicable to the eligible program from which the individual graduated as set out in the graduate retention program eligibility certificate;
- (g) **“tuition fees”** means, subject to subsection (3), amounts that are eligible to be used to claim a credit pursuant to section 118.5 of the federal Act for a taxation year;
- (h) **“tuition receipt”** means a receipt or other documentation acceptable to the minister that verifies to the satisfaction of the minister the tuition fees paid for the enrolment of an individual in an eligible program during any period after December 31, 2004;

- (i) **“year of graduation”**, with respect to a graduate retention program eligibility certificate, means:
- (i) in the case of an individual who graduated from an eligible program in 2006 or 2007 as set out in the graduate retention program eligibility certificate, the 2008 taxation year; and
  - (ii) in any other case, the taxation year in which an individual graduated from an eligible program as set out in the graduate retention program eligibility certificate.
- (2) For the purposes of this section, an individual who dies while resident in Saskatchewan is deemed to be resident in Saskatchewan on the last day of the taxation year in which the individual dies.
- (3) For the purposes of clause (1)(g), paragraph 118.5(1)(a) of the federal Act is to be read without reference to subparagraphs (iii) to (v).
- (4) Subject to subsection (7), an eligible individual may claim a graduate tuition tax credit for a taxation year in accordance with this section with respect to each graduate retention program eligibility certificate issued to the eligible individual.
- (5) An individual who claims an amount of tuition fees pursuant to this section with respect to a graduate retention program eligibility certificate shall not claim that amount with respect to any other graduate retention program eligibility certificate.
- (6) An eligible individual's graduate tuition tax credit for a taxation year with respect to a graduate retention program eligibility certificate is:
- (a) for the taxation year that is the year of graduation, 10% of the total eligible tuition amount;
  - (b) for the first taxation year following the year of graduation, 10% of the total eligible tuition amount;
  - (c) for the second taxation year following the year of graduation, 10% of the total eligible tuition amount;
  - (d) for the third taxation year following the year of graduation, 10% of the total eligible tuition amount;
  - (e) for the fourth taxation year following the year of graduation, 20% of the total eligible tuition amount;
  - (f) for the fifth taxation year following the year of graduation, 20% of the total eligible tuition amount; and
  - (g) for the sixth taxation year following the year of graduation, 20% of the total eligible tuition amount.

- (7) Notwithstanding any other provision of this Act, the maximum amount of graduate tuition tax credits that an individual may claim pursuant to subsection (9) is \$20,000 in the individual's lifetime.
- (8) To claim a graduate tuition tax credit with respect to a graduate retention program eligibility certificate, an eligible individual to whom the certificate was issued must file the graduate retention program eligibility certificate with the eligible individual's return of income for the taxation year in which the graduate retention program eligibility certificate was issued.
- (9) If an eligible individual claims a graduate tuition tax credit with respect to one or more graduate retention program eligibility certificates in accordance with this section for a taxation year:
- (a) for each of the 2008, 2009, 2010 and 2011 taxation years, an amount equal to the total of the eligible individual's graduate tuition tax credits for that taxation year is deemed to be an amount paid by the eligible individual on account of the eligible individual's tax payable pursuant to this Act for the taxation year;
  - (b) for the 2012, 2013 and 2014 taxation years, an amount equal to the total of the eligible individual's graduate tuition tax credits for that taxation year may be claimed for that taxation year in accordance with sections 37.1 and 39.11; and
  - (c) for the 2015 and subsequent taxation years, an amount equal to the eligible individual's graduate tuition tax credit for the taxation year with respect to each graduate retention program eligibility certificate may be claimed in accordance with section 37.2.
- (10) An eligible individual who claims a graduate tuition tax credit shall:
- (a) retain all tuition receipts related to the total eligible tuition amount with respect to which the graduate tuition tax credit is claimed until the expiration of six years from the last day of the last taxation year for which a graduate tuition tax credit may be claimed with respect to that total eligible tuition amount; and
  - (b) provide the tuition receipts described in clause (a) to the minister on request.

2012, c.17, s.6; 2015, c.13, s.9.

#### Graduate tuition refund

**39.11(1)** In this section:

- (a) **“eligible individual”** means an eligible individual as defined in clause 39.1(1)(a);
- (b) **“graduate tuition refund”** for a taxation year means a graduate tuition refund determined pursuant to this section;
- (c) **“graduate tuition tax credit”** means the total of an individual's graduate tuition tax credits for a taxation year determined in accordance with clause 39.1(9)(b).



- (2) For the 2012, 2013 and 2014 taxation years, an eligible individual may claim a graduate tuition refund that is equal to the positive difference, if any, between:
- (a) the amount of the individual's graduate tuition tax credit for the taxation year; and
  - (b) the amount of the individual's graduate tuition tax credit deducted pursuant to section 37.1 from the individual's tax otherwise payable pursuant to this Act for the taxation year.
- (3) If an individual claims a graduate tuition refund in accordance with subsection (2) for a taxation year, an amount equal to the individual's graduate tuition refund for that taxation year is deemed to be an amount paid by the individual on account of the individual's tax payable pursuant to this Act for that taxation year.

2012, c.17, s.6; 2015, c.13, s.10.

**39.2 Repealed.** 2016, c.3, s.7.

**Assignment, attachment, etc., of refunds prohibited**

40(1) Notwithstanding section 96 but subject to subsection (2), the amount of a refund that arises pursuant to section 38 or 39:

- (a) cannot be charged or given as security;
  - (b) subject to the regulations, cannot be assigned, garnished or attached;
  - (c) is exempt from execution and seizure; and
  - (d) cannot be retained by way of deduction or set-off pursuant to *The Financial Administration Act, 1993*.
- (2) Subsection (1) does not affect or restrict:
- (a) the application of subsection 164(2) of the federal Act or that subsection as it applies for the purpose of this Act with respect to refunds that arise pursuant to section 39; or
  - (b) the garnishment or attachment, pursuant to the *Family Orders and Agreements Enforcement Assistance Act (Canada)* as a result of the application of subsection 164(1.4) of the federal Act, of refunds that arise pursuant to section 39.

2002, c.32, s.10; 2008, c.13, s.7.

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.

2000, c.I-2.01, s.41.

**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, 19.2, 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, 19.1, 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.

(3) **Repealed.** 2016, c.3, s.8.

(4) **Repealed.** 2016, c.3, s.8.

2000, c.I-2.01, s.42; 2007, c.27, s.4; 2008, c.13, s.8; 2012, c.17, s.7; 2016, c.3, s.8.

**Apportionment of credits**

43(1) Notwithstanding sections 11 to 17, 19 to 29 and 37 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 17, 19 to 29 and 37 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.

2000, c.I-2.01, s.43; 2001, c.17, s.20; 2004, c.39, s.11.

**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, 19.2, 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, 19.1, 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.

2000, c.I-2.01, s.44; 2007, c.27, s.5; 2012, c.17, s.8.

**Non-residents**

**45** Sections 11 to 18, 19.2, 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.

2000, c.I-2.01, s.45; 2012, c.17, s.9.

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.

2000, c.I-2.01, s.46.

**Minimum tax**

**47(1)** Subject to subsection (2), in computing an individual's tax payable pursuant to this Act for a taxation year, there must be added an amount equal to 50% of the amount that would be determined pursuant to subsection 120.2(3) of the federal Act for the taxation year if that subsection were read without reference to paragraph (c) of that subsection.

(2) For an individual described in clause 6(1)(b) or (c), in computing the individual's tax payable pursuant to this Act for a taxation year, there must be added an amount T calculated in accordance with the following formula:

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

where:

TS is the amount determined pursuant to subsection (1) for the individual for the taxation year;

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

B is the individual's income for the year.

2002, c.32, s.11.

**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), 8(3)(c), 8(3.1)(c), 8(3.2)(c), 8(3.3)(c) or 8(3.4)(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.

2000, c.I-2.01, s.48; 2017, c.14, s.13.

## 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 31, 11, 12, 13, 14, 15, 16, 19, 17, 20, 28, 18, 19.2, 23, 26, 24 and 25, subsections 29(3) and 29(1) and sections 22, 19.1, 21, 27 and 32.

2012, c.17, s.10.

### 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, 19.2 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.

2000, c.I-2.01, s.50; 2012, c.17, s.11.

### Indexing

**51(1)** Where subsection (6), (6.1), (6.2), (6.3), (6.4), (9), (10), (11) or (12) requires an amount set out in any provision of this Act to be adjusted for a taxation year, the adjusted amount is the amount NA calculated in accordance with subsection (3) or (5) as specified in subsection (6), (6.1), (6.2), (6.3), (6.4), (9), (10), (11) or (12) for that taxation year.

(2) Subsections 117.1(3) and (4) of the federal Act apply for the purposes of this section.

(3) For amounts that are to be adjusted in accordance with this subsection, the adjusted amount is the amount NA calculated in accordance with the following formula:

$$NA = NP + \left[ NP \times \left( \frac{A}{B} - 1 \right) \right]$$

where:

NP:

(a) subject to subsection (7), for the first taxation year for which an adjustment to the amount is required, is the actual amount set out in the provision of this Act; and

(b) for each subsequent taxation year, is the amount that would, but for the application of subsection 117.1(3) of the federal Act, be the value of NA calculated for the immediately preceding taxation year;

A is the Consumer Price Index for the 12-month period that ends on September 30 of the year immediately preceding the taxation year for which the adjustment is required; and

B is the Consumer Price Index for the 12-month period immediately preceding the period mentioned in the description of A.

(4) In applying the formula set out in subsections (3) and (8.1), the amount resulting from the calculation of  $\left( \frac{A}{B} - 1 \right)$  is to be rounded:

(a) to the nearest one-thousandth; or

(b) where the result is equidistant from two consecutive one-thousandths, to the higher of them.

(5) For amounts that are to be adjusted in accordance with this subsection, the adjusted amount is the amount NA calculated in accordance with the following formula:

$$NA = NP + (NP \times C)$$

where:

NP, for the taxation year, is the amount that would, but for the application of subsection 117.1(3) of the federal Act, be the value of NA calculated for the immediately preceding taxation year; and

C is the indexation factor prescribed in the regulations for the taxation year.

(6) For the 2002 and 2003 taxation years, each of the amounts expressed in dollars in sections 14, 15 and 17, clause 22(2)(a) as it existed before January 1, 2004 and section 23 is to be adjusted in accordance with subsection (3).

(6.1) For the 2004 taxation year, each of the amounts expressed in dollars in sections 14, 15, 17 and 23 is to be adjusted in accordance with subsection (3).

(6.2) Each of the amounts expressed in dollars in section 17 and clause 22(2)(b) is to be adjusted:

(a) in accordance with subsection (5) for the 2005, 2006 and 2007 taxation years; and

(b) in accordance with subsection (3) for the 2008 through 2017 taxation years.

(6.3) For the 2005, 2006 and 2007 taxation years, each of the amounts expressed in dollars in sections 14, 15 and 23 as those sections existed on December 31, 2007 is to be adjusted in accordance with subsection (5).

(6.4) Each of the amounts expressed in dollars in sections 14, 15 and 23 is to be adjusted in accordance with subsection (3) for the 2009 through 2017 taxation years.

(7) In applying clause (a) of the description of NP in subsection (3) for the purposes of subsection (6):

(a) the actual amount expressed in dollars set out in the formula in section 17 is deemed to be \$3,618.956263;

(b) the actual amount expressed in dollars set out in the description of B in section 17 is deemed to be \$26,940.99135; and

(c) the actual amount expressed in dollars set out in clause 22(2)(a) as it existed before January 1, 2004 is deemed to be \$1,677.5109.

(8) For the 2004, 2005 and 2006 taxation years, each of the amounts expressed in dollars in subsection 39(5) as it existed on December 31, 2006 is to be adjusted in accordance with the following formula:

$$NA = NP + ( NP \times C )$$

where:

NA is the adjusted amount;

NP:

(a) for the first taxation year for which an adjustment of an amount is required, is the actual amount set out in subsection 39(5) for the 2003 taxation year; and

(b) for each subsequent taxation year is the amount that would, but for the application of subsection 117.1(3) of the federal Act, be the value of NA calculated for the immediately preceding taxation year; and

C is the indexation factor prescribed in the regulations for the immediately following taxation year.

(8.1) For the 2008 through 2015 taxation years, each of the amounts expressed in dollars in subsection 39(5) is to be adjusted in accordance with the following formula:

$$NA = NP + (NP \times C)$$

where:

NA is the adjusted amount;

NP:

(a) for the 2008 taxation year is the actual amount set out in subsection 39(5) for the 2007 taxation year; and

(b) for each of the 2009 through 2015 taxation years is the amount that would, but for the application of subsection 117.1(3) of the federal Act, be the value of NA calculated for the immediately preceding taxation year; and

C is the amount C calculated in accordance with the following formula:

$$C = \frac{A}{B} - 1$$

where:

A is the Consumer Price Index for the 12-month period that ends on September 30 of the taxation year for which the adjustment is required; and

B is the Consumer Price Index for the 12-month period immediately preceding the period mentioned in the description of A.

(9) The amount expressed in dollars in subsection 8(3) is to be adjusted in accordance with subsection (3) for the 2004 taxation year, in accordance with subsection (5) for the 2005, 2006 and 2007 taxation years, and in accordance with subsection (3) for the 2008 through 2016 taxation years.

(9.1) The amount expressed in dollars in clause (c) in the description of Y in subsection 20(1) is to be adjusted in accordance with subsection (3) for the 2004 taxation year, in accordance with subsection (5) for the 2005, 2006 and 2007 taxation years, and in accordance with subsection (3) for the 2008 through 2017 taxation years.

(10) Each of the amounts expressed in dollars in the provisions set out in clauses (a) and (b) as those provisions existed on December 31, 2007 is to be adjusted in accordance with subsection (3) for the 2004 taxation year and in accordance with subsection (5) for the 2005, 2006 and 2007 taxation years:

(a) sections 11, 12 and 13; and

(b) clause (c) in the description of Y in subsection 19(1).



(11) Each of the amounts expressed in dollars in the provisions set out in clauses (a) and (b) as those provisions existed on December 31, 2010 is to be adjusted in accordance with subsection (3) for the 2009 and 2010 taxation years:

- (a) sections 11, 12 and 13; and
- (b) subsection 19(1).

(12) Each of the amounts expressed in dollars in the provisions set out in clauses (a) and (b) is to be adjusted in accordance with subsection (3) for the 2012 through 2017 taxation years:

- (a) sections 11, 12 and 13; and
- (b) subsection 19(1).

2004, c.39, s.12; 2006, c.21, s.6; 2007, c.27, s.7;  
2008, c.13, s.9; 2008, c.31, s.8; 2011, c.7, s.9;  
2017, c.14, s.14.

#### **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.

2000, c.I-2.01, s.52.

### 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 federal regulations made for the purposes of the definition of taxable income earned in the year in a province in subsection 124(4) of the federal Act;

(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 federal regulations made for the purposes of the definition of taxable income earned in the year in a province in subsection 124(4) of the federal Act.

2001, c.17, s.24.

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.

2000, c.I-2.01, s.54.

**Taxable income**

**55** A corporation's taxable income for the purposes of this Act is:

- (a) the corporation's taxable income for the purposes of computing tax payable pursuant to Part I of the federal Act; or
- (b) in the case of a corporation to which Division D of Part I of the federal Act applies, the corporation's taxable income earned in Canada.

2002, c.32, s.13.

**Rates of tax**

**56(1)** For the purposes of sections 56.1 to 56.3 and 64.2, the rate of tax GR is:

- (a) 17% for the period ending on June 30, 2006;
- (b) 14% for the period commencing on July 1, 2006 and ending on June 30, 2007;
- (c) 13% for the period commencing on July 1, 2007 and ending on June 30, 2008;
- (d) 12% for the period commencing on July 1, 2008 and ending on June 30, 2017;
- (e) 11.5% for the period commencing on July 1, 2017 and ending on December 31, 2017; and
- (f) 12% for the period commencing on January 1, 2018.

(2) For the purposes of sections 56.2 to 56.4, 64.2 and 64.6, the rate of tax SR is:

- (a) 8% for the period ending on June 30, 2001;
- (b) 6% for the period commencing on July 1, 2001 and ending on December 31, 2003;
- (c) 5.5% for the period commencing on January 1, 2004 and ending on December 31, 2004;
- (d) 5% for the period commencing on January 1, 2005 and ending on December 31, 2006;

(e) 4.5% for the period commencing on January 1, 2007 and ending on June 30, 2011; and

(f) 2% for the period commencing on July 1, 2011.

2006, c.21, s.7; 2006, c.40, s.5; 2011, c.7, s.10;  
2017, c.14, s.15; 2017, c.30, s.4.

**Tax on corporations – general**

**56.1** Except as otherwise provided in sections 56.2 to 56.4, the tax payable by a corporation pursuant to this Act for a taxation year is the total of all amounts T calculated in accordance with the following formula with respect to each period in the taxation year to which a different rate of tax set out in subsection 56(1) applies:

$$T = (GR \times A) \times \frac{DP}{DY}$$

where:

GR is the rate of tax set out in subsection 56(1) that applies to the period in the taxation year;

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

DP is the number of days in the period in the taxation year; and

DY is the number of days in the taxation year.

2006, c.21, s.7.

**Tax on small business corporations**

**56.2** Where a corporation other than a credit union to which section 56.3 applies is eligible for a deduction pursuant to section 125 of the federal Act for a taxation year, the tax payable by the corporation pursuant to this Act for a taxation year is the total of all amounts T calculated in accordance with the following formula with respect to each period in the taxation year to which a different rate of tax set out in subsection 56(1) or (2) applies or to which a different amount set out in section 56.5 applies:

$$T = \left\{ \left[ SR \times \left( \frac{A}{B} \times C \right) \right] + \left[ GR \times (A - D) \right] \right\} \times \frac{DP}{DY}$$

where:

SR is the rate of tax set out in subsection 56(2) that applies to the period in the taxation year;

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, subject to section 56.5, is the least of the amounts determined pursuant to paragraphs 125(1)(a), (b) and (c) of the federal Act for the period in the taxation year;

GR is the rate of tax set out in subsection 56(1) that applies to the period in the taxation year;

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

DP is the number of days in the period in the taxation year; and

DY is the number of days in the taxation year.

2006, c.21, s.7.

#### Tax on credit unions

**56.3(1)** 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 total of all amounts T calculated in accordance with the following formula with respect to each period in the taxation year to which a different rate of tax set out in subsection 56(1) or (2) applies, to which a different amount set out in section 56.5 applies or to which a different percentage Y set out in subsection (2) applies:

$$T = \left\{ \left[ SR \times \left( \frac{A}{B} + C_1 \right) \right] + \left[ SR \times \left( \frac{A}{B} \times C_2 \right) \times Y \right] + [ GR \times (A - D) ] \right\} \times \frac{DP}{DY}$$

where:

SR is the rate of tax set out in subsection 56(2) that applies to the period in the taxation year;

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<sub>1</sub>, subject to section 56.5, is the least of the amounts determined pursuant to paragraphs 125(1)(a), (b) and (c) of the federal Act for the period in the taxation year;

C<sub>2</sub>, subject to section 56.5, is the amount, if any, by which the amount D determined for the purposes of the formula in subsection 137(3) of the federal Act for the taxation year exceeds the least of the amounts determined pursuant to paragraphs 125(1)(a), (b) and (c) of the federal Act for the taxation year;

Y is the percentage set out in subsection (2) that applies to the period in the taxation year;

GR is the rate of tax set out in subsection 56(1) that applies to the period in the taxation year;

D is the amount resulting from the calculation of  $(A/B \times C_1) + (A/B \times C_2 \times Y)$ ;

DP is the number of days in the period in the taxation year; and

DY is the number of days in the taxation year.

(2) For the purposes of calculating the value of T in subsection (1), the percentage Y is:

- (a) for the periods before January 1, 2017, 100%;
- (b) for the periods after December 31, 2016 and before January 1, 2018, 75%;
- (c) for the periods after December 31, 2017 and before January 1, 2019, 50%;
- (d) for the periods after December 31, 2018 and before January 1, 2020, 25%; and
- (e) for periods after December 31, 2019, 0%.

2017, c14, s.16.

#### **Tax on deposit insurance corporations**

**56.4** 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 the total of all amounts T calculated in accordance with the following formula with respect to each period in the taxation year to which a different rate of tax set out in subsection 56(2) applies:

$$T = (SR \times A) \times \frac{DP}{DY}$$

where:

SR is the rate of tax set out in subsection 56(2) that applies to the period in the taxation year;

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

DP is the number of days in the period in the taxation year; and

DY is the number of days in the taxation year.

2006, c.21, s.7.

**Small business threshold**

**56.5** For the purpose of determining the amount C in section 56.2 or 56.3 with respect to a period in a taxation year:

(a) the amount determined pursuant to paragraph 125(1)(a) of the federal Act with respect to the corporation for the period in a taxation year is deemed to be the amount that would be determined pursuant to that paragraph if:

(i) a reference to the amount in dollars in subparagraph (i) of the description of M in the definition of specified partnership income in subsection 125(7) of the federal Act:

(A) for the period ending on December 31, 2001, were read as a reference to \$200,000;

(B) for the period commencing on January 1, 2002 and ending on June 30, 2006, were read as a reference to \$300,000;

(C) for the period commencing on July 1, 2006 and ending on June 30, 2007, were read as a reference to \$400,000;

(D) for the period commencing on July 1, 2007 and ending on June 30, 2008, were read as a reference to \$450,000;

(E) for the period commencing on July 1, 2008 and ending on December 31, 2017, were read as a reference to \$500,000; and

(F) for the period commencing on January 1, 2018, were read as a reference to \$600,000;

(ii) a reference to the amount in dollars in subparagraph (ii) of the description of M in the definition of specified partnership income in subsection 125(7) of the federal Act:

(A) for the period ending on December 31, 2001, were read as a reference to \$548;

(B) for the period commencing on January 1, 2002 and ending on June 30, 2006, were read as a reference to \$822;

(C) for the period commencing on July 1, 2006 and ending on June 30, 2007, were read as a reference to \$1,096;

(D) for the period commencing on July 1, 2007 and ending on June 30, 2008, were read as a reference to \$1,233;

(E) for the period commencing on July 1, 2008 and ending on December 31, 2017, were read as a reference to \$1,370; and,

(F) for the period commencing on January 1, 2018, were read as a reference to \$1,644;

(b) the amount of the corporation's business limit determined pursuant to paragraph 125(1)(c) of the federal Act for a taxation year is deemed to be the following:

(i) for the period ending on December 31, 2001, 100% of the amount otherwise determined to be the corporation's business limit for the purposes of paragraph 125(1)(c) of the federal Act;

- (ii) for the period commencing on January 1, 2002 and ending on December 31, 2002, 150% of the amount otherwise determined to be the corporation's business limit for the purposes of paragraph 125(1)(c) of the federal Act;
- (iii) for the period commencing on January 1, 2003 and ending on December 31, 2003,  $\frac{4}{3}$  of the amount otherwise determined to be the corporation's business limit for the purposes of paragraph 125(1)(c) of the federal Act;
- (iv) for the period commencing on January 1, 2004 and ending on December 31, 2004,  $\frac{6}{5}$  of the amount otherwise determined to be the corporation's business limit for the purposes of paragraph 125(1)(c) of the federal Act;
- (v) for the period commencing on January 1, 2005 and ending on June 30, 2006, 100% of the amount otherwise determined to be the corporation's business limit for the purposes of paragraph 125(1)(c) of the federal Act;
- (vi) for the period commencing on July 1, 2006 and ending on December 31, 2006,  $\frac{4}{3}$  of the amount otherwise determined to be the corporation's business limit for the purposes of paragraph 125(1)(c) of the federal Act;
- (vii) for the period commencing on January 1, 2007 and ending on June 30, 2007, 100% of the amount otherwise determined to be the corporation's business limit for the purposes of paragraph 125(1)(c) of the federal Act;
- (viii) for the period commencing on July 1, 2007 and ending on June 30, 2008,  $\frac{9}{8}$  of the amount otherwise determined to be the corporation's business limit for the purposes of paragraph 125(1)(c) of the federal Act;
- (ix) for the period commencing on July 1, 2008 and ending on December 31, 2008, 125% of the amount otherwise determined to be the corporation's business limit for the purposes of paragraph 125(1)(c) of the federal Act;
- (x) for the period commencing on January 1, 2009 and ending on December 31, 2017, 100% of the amount otherwise determined to be the corporation's business limit for the purposes of paragraph 125(1)(c) of the federal Act; and
- (xi) for the period commencing on January 1, 2018, 120% of the amount otherwise determined to be the corporation's business limit for the purposes of paragraph 125(1)(c) of the federal Act.

2006, c.21, s.7; 2006, c.40, s.6; 2009, c.18, s.5;  
2017, c.30, s.5.

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 may claim 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 total of all amounts TFI calculated in accordance with the following formula with respect to each period in the taxation year to which a different rate of tax set out in subsection 56(1) applies:

$$\text{TFI} = \text{GR} \times \text{F} \times \frac{\text{S}}{\text{T}} \times \frac{\text{DP}}{\text{DY}}$$

where:

GR is the rate of tax set out in subsection 56(1) that applies to the period in the taxation year;

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;

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

DP is the number of days in the period in the taxation year; and

DY is the number of days in the taxation year; and

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

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

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.

(4) Paragraphs 126(6)(a) and (c) of the federal Act apply for the purposes of this section.

2000, c.I-2.01, s.58; 2006, c.21, s.8.

**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 equal to the total of all amounts R calculated in accordance with the following formula with respect to each period in the taxation year to which a different rate of tax set out in subsection 56(1) applies:

$$R = \frac{GR}{C} \times FR \times \frac{DP}{DY}$$

where:

GR is the rate of tax set out in subsection 56(1) that applies to the period in 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;

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

DP is the number of days in the period in the taxation year; and

DY is the number of days in the taxation year.

(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.

2000, c.I-2.01, s.59; 2006, c.21, s.9.

**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, subject to subsection (1.1), 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 the definition of Canadian manufacturing and processing profits in subsection 125.1(3) of the federal Act;
  - (d) **“qualified property”** means, subject to subsections (1.2) and (1.3), 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 and before April 7, 2006;
    - (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.
- (1.1) In applying the definition of “manufacturing or processing” in subsection 125.1(3) of the federal Act for the purposes of clause (1)(c), that definition is to be read as if it did not include paragraph (h).

(1.2) In applying the definition of “qualified property” in subsection 127(9) of the federal Act for the purposes of subclause (1)(d)(i), the following is to be substituted for paragraph (c.1) of that definition:

“(c.1) to be used by the taxpayer in Saskatchewan primarily for the purpose of producing or processing electrical energy or steam for sale”.

(1.3) In applying the definition of “manufacturing or processing” in subsection 127(11) of the federal Act for the purposes of subclause (1)(d)(i), the following is to be substituted for subparagraph (a)(i) of that definition:

“(i) referred to in any of paragraphs (a) to (e), (g) and (i) of the definition of “manufacturing or processing” in subsection 125.1(3)”.

(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) Subject to subsection (4.1), 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;
- (c) with respect to qualified property acquired by the corporation after March 26, 1999 and before April 1, 2004, 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; and

(d) with respect to qualified property acquired by the corporation after March 31, 2004 and before April 7, 2006, 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.

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;

(c) with respect to qualified property acquired by the corporation after March 26, 1999 and before April 1, 2004, 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; and

(d) with respect to qualified property acquired by the corporation after March 31, 2004 and before April 7, 2006, 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.

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.

(4.1) With respect to any unused investment tax credit of a corporation that has not expired before April 7, 2006, the reference to seven taxation years in each of the following provisions of subsection (4) is deemed to be a reference to 10 taxation years:

- (a) clauses (a), (b), (c) and (d) in the description of CCPY;
  - (b) the description of OAPY; and
  - (c) clause (b) in the description of PD.
- (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 corporation, 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.

2000, c.I-2.01, s.60; 2001, c.17, s.27; 2004, c.39, s.14; 2006, c.21, s.10; 2007, c.27, s.8.

**Refundable investment tax credit for manufacturing and processing**

**60.1(1)** In this section:

- (a) **“investment tax credit”** means the investment tax credit calculated pursuant to subsection (4);
- (b) **“manufacturing or processing”** means, subject to subsection (1.1), 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 the definition of Canadian manufacturing and processing profits in subsection 125.1(3) of the federal Act;
- (c) **“qualified property”** means, subject to subsections (1.2) and (1.3), 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 April 6, 2006;
  - (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.

(1.1) In applying the definition of “manufacturing or processing” in subsection 125.1(3) of the federal Act for the purposes of clause (1)(b), that definition is to be read as if it did not include paragraph (h).

(1.2) In applying the definition of “qualified property” in subsection 127(9) of the federal Act for the purposes of subclause (1)(c)(i), the following is to be substituted for paragraph (c.1) of that definition:

“(c.1) to be used by the taxpayer in Saskatchewan primarily for the purpose of producing or processing electrical energy or steam for sale”.

(1.3) In applying the definition of “manufacturing or processing” in subsection 127(11) of the federal Act for the purposes of subclause (1)(c)(i), the following is to be substituted for subparagraph (a)(i) of that definition:

“(i) referred to in any of paragraphs (a) to (e), (g) and (i) of the definition of “manufacturing or processing” in subsection 125.1(3)”.

(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) An amount equal to a corporation’s investment tax credit for a taxation year is deemed to have been paid by the corporation on its balance due date on account of its tax payable pursuant to this Act for the taxation year.

(4) A corporation’s investment tax credit for a taxation year is the amount ITCMP calculated in accordance with the formula:

$$\text{ITCMP} = \text{CC}_1 + \text{CC}_2 + \text{CC}_3 + \text{OA}$$

where:

$\text{CC}_1$ , with respect to qualified property acquired by the corporation on or before October 27, 2006, is 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;

$\text{CC}_2$ , with respect to qualified property acquired by the corporation after October 27, 2006 and before March 23, 2017, is 5% 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;

$\text{CC}_3$ , with respect to qualified property acquired by the corporation after March 22, 2017, is 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; and

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 for the taxation year.

- (5) When computing its investment tax credit for a taxation year, a corporation that is a beneficiary under a trust must add its share of the amounts that the trust, if the trust were a corporation, would be required to calculate as the amounts  $CC_1$ ,  $CC_2$  and  $CC_3$  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 for a taxation year, a corporation that is a partner must add its share of the amounts that the partnership, if the partnership were a taxpayer, would be required to calculate as the amounts  $CC_1$ ,  $CC_2$  and  $CC_3$  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) This section does not apply to a corporation that is exempt from tax pursuant to section 149 of the federal Act.

2006, c.21, s.11; 2006, c.40, s.7; 2007, c.27, s.9;  
2017, c.14, s.17.

**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, subject to subsection (1.1), 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, subject to subsections (1.2) and (1.3), 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 and before April 7, 2006, resulting in the corporation being subject to tax pursuant to *The Education and Health Tax Act* or *The Provincial Sales Tax Act* computed on the value of the property or computed on the basis of the rent payable pursuant to a capital lease of the property, other than tax payable pursuant to subsection 5(9.1) of that Act; and
  - (iv) is being used in Saskatchewan by the corporation primarily for manufacturing or processing goods for lease or sale;



- (e) “**rebate**” means a rebate described in subsection (7);
- (f) “**winding-up**” means the winding-up of a corporation to which subsection 88(1) of the federal Act applies.
- (1.1) In applying the definition of “manufacturing or processing” in subsection 125.1(3) of the federal Act for the purposes of clause (1)(c), that definition is to be read as if it did not include paragraph (h).
- (1.2) In applying the definition of “qualified property” in subsection 127(9) of the federal Act for the purposes of subclause (1)(d)(ii), the following is to be substituted for paragraph (c.1) of that definition:
- “(c.1) to be used by the taxpayer in Saskatchewan primarily for the purpose of producing or processing electrical energy or steam for sale”.
- (1.3) In applying the definition of “manufacturing or processing” in subsection 127(11) of the federal Act for the purposes of subclause (1)(d)(ii), the following is to be substituted for subparagraph (a)(i) of that definition:
- “(i) referred to in any of paragraphs (a) to (e), (g) and (i) of the definition of “manufacturing or processing” in subsection 125.1(3)”.
- (2) For the purposes of this section, property is acquired on the earlier of:
- the date on which title to the property is obtained; and
  - 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* or *The Provincial Sales Tax Act* computed on the value of the qualified property, other than tax payable pursuant to subsection 5(9.1) of that Act, the amount to be determined pursuant to this subsection that may be allowed to the corporation for the taxation year pursuant to subsection (3) is equal to the total of:
- subject to clauses (11)(a) and (13)(a), the tax paid by the corporation pursuant to *The Education and Health Tax Act* or *The Provincial Sales Tax Act* computed on the value of the qualified property, other than tax payable pursuant to subsection 5(9.1) of that Act; and
  - subject to clauses (11)(b) and (13)(b), the total of:
    - 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:
      - 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;
- (iii) with respect to qualified property acquired in Saskatchewan, or brought into Saskatchewan, by the corporation after March 26, 1999 and before April 1, 2004, 6% of the sum of all amounts, each of which:
- (A) is an expenditure incurred by the corporation in the taxation year to install the qualified property or otherwise make it initially available for use in Saskatchewan, other than amounts included in the value of the qualified property on which tax was computed pursuant to *The Education and Health Tax Act* or *The Provincial Sales Tax Act*; and
  - (B) forms part of the capital cost to the corporation of the qualified property, determined without reference to subsection 13(7.1) of the federal Act; and
- (iv) with respect to qualified property acquired in Saskatchewan, or brought into Saskatchewan, by the corporation after March 31, 2004 and before April 7, 2006, 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 Provincial Sales Tax Act*; and
  - (B) forms part of the capital cost to the corporation of the qualified property, determined without reference to subsection 13(7.1) of the federal Act.

(5) Where a corporation has acquired in Saskatchewan, or brought into Saskatchewan, qualified property pursuant to a capital lease and pays tax payable pursuant to *The Education and Health Tax Act* or *The Provincial Sales Tax Act* computed on the basis of the rent payable pursuant to the capital lease rather than computed on the value of the qualified property:

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

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

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

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

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

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

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

(iii) with respect to the tax payable pursuant to *The Education and Health Tax Act* or *The Provincial Sales Tax Act* after March 26, 1999 and before April 1, 2004, 1.06 times the sum of all amounts, each of which:

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

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

(iv) with respect to the tax payable pursuant to *The Provincial Sales Tax Act* after March 31, 2004 and before April 7, 2006, 1.07 times the sum of all amounts, each of which:

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

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

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

(6) A corporation that wishes to apply for an investment tax credit for a taxation year pursuant to subsection (3) 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) Subject to subsection (10.1), 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.

(10.1) With respect to any unused investment tax credit of a corporation that has not expired before April 7, 2006, the references to seven taxation years in the descriptions of PY and PD in subsection (10) are deemed to be references to 10 taxation years.

- (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 corporation; 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.

2000, c.I-2.01, s.61; 2000, c.49, s.2;  
2001, c.17, s.28; 2004, c.39, s.15; 2006, c.21, s.12;  
2007, c.27, s.10.

**Refundable tax credit for manufacturing and processing – used equipment**

**61.1(1)** In this section:

- (a) **“investment tax credit”** means an investment tax credit determined pursuant to this section;
- (b) **“manufacturing or processing”** means, subject to subsection (1.1), 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;

(c) “**qualified property**” means, subject to subsections (1.2) and (1.3), property of a corporation that:

- (i) is not qualified property as defined in clause 60.1(1)(c);
- (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 April 6, 2006, resulting in the corporation being subject to tax pursuant to *The Provincial Sales Tax Act* computed on the value of the property or computed on the basis of the rent payable pursuant to a capital lease of the property, other than tax payable pursuant to subsection 5(9.1) of that Act; and
- (iv) is being used in Saskatchewan by the corporation primarily for manufacturing or processing goods for lease or sale.

(1.1) In applying the definition of “manufacturing or processing” in subsection 125.1(3) of the federal Act for the purposes of clause (1)(b), that definition is to be read as if it did not include paragraph (h).

(1.2) In applying the definition of “qualified property” in subsection 127(9) of the federal Act for the purposes of subclause (1)(c)(ii), the following is to be substituted for paragraph (c.1) of that definition:

“(c.1) to be used by the taxpayer in Saskatchewan primarily for the purpose of producing or processing electrical energy or steam for sale”.

(1.3) In applying the definition of “manufacturing or processing” in subsection 127(11) of the federal Act for the purposes of subclause (1)(c)(ii), the following is to be substituted for subparagraph (a)(i) of that definition:

“(i) referred to in any of paragraphs (a) to (e), (g) and (i) of the definition of “manufacturing or processing” in subsection 125.1(3)”.

(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) Subject to subsection (8), 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  $ITCUE_1$  and  $ITCUE_2$  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 Provincial Sales Tax Act* computed on the value of the qualified property, other than tax payable pursuant to subsection 5(9.1) of that Act, the amount to be determined pursuant to this subsection that may be allowed to the corporation for the taxation year pursuant to subsection (3) is the amount ITCUE determined in accordance with the following formula:

$$\text{ITCUE} = \text{PST} + E_1 + E_2 + E_3$$

where:

PST is, subject to clauses (9)(a) and (11)(a), the tax paid by the corporation pursuant to *The Provincial Sales Tax Act* computed on the value of the qualified property, other than tax payable pursuant to subsection 5(9.1) of that Act;

$E_1$ , with respect to qualified property acquired in Saskatchewan, or brought into Saskatchewan, by the corporation on or before October 27, 2006, is, subject to clauses (9)(b) and (11)(b), 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 Provincial Sales Tax Act*; and

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

$E_2$ , with respect to qualified property acquired in Saskatchewan, or brought into Saskatchewan, by the corporation after October 27, 2006 and before March 23, 2017 is, subject to clauses (9)(b) and (11)(b), 5% 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 Provincial Sales Tax Act*; and

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

$E_3$ , with respect to qualified property acquired in Saskatchewan, or brought into Saskatchewan, by the corporation after March 22, 2017, is, subject to clauses (9)(b) and (11)(b), 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 Provincial Sales Tax Act*; and

(b) forms part of the capital cost to the corporation of the qualified property, determined without reference to subsection 13(7.1) of the federal Act.



(5) Where a corporation has acquired in Saskatchewan, or brought into Saskatchewan, qualified property pursuant to a capital lease and pays tax payable pursuant to *The Provincial Sales Tax Act* computed on the basis of the rent payable pursuant to the capital lease rather than computed on the value of the qualified property:

(a) subject to clauses (9)(c) and (11)(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 the amount ITCUE determined in accordance with the following formula:

$$\text{ITCUE} = R_1 + R_2 + R_3$$

where:

$R_1$ , with respect to the tax payable pursuant to *The Provincial Sales Tax Act* on or before October 27, 2006, is 1.07 times the sum of all amounts, each of which:

- (i) is tax payable pursuant to *The Provincial Sales Tax Act* computed on the basis of the rent payable pursuant to the capital lease; and
- (ii) is paid during the taxation year by the corporation;

$R_2$ , with respect to the tax payable pursuant to *The Provincial Sales Tax Act* after October 27, 2006 and before March 23, 2017, is 1.05 times the sum of all amounts, each of which:

- (i) is tax payable pursuant to *The Provincial Sales Tax Act* computed on the basis of the rent payable pursuant to the capital lease; and
- (ii) is paid during the taxation year by the corporation; and

$R_3$ , with respect to the tax payable pursuant to *The Provincial Sales Tax Act* after March 22, 2017, is 1.06 times the sum of all amounts, each of which:

- (i) is tax payable pursuant to *The Provincial Sales Tax Act* computed on the basis of the rent payable pursuant to the capital lease; and
- (ii) is paid during the taxation year by the corporation;

(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) Where the minister has allowed to a corporation an investment tax credit pursuant to subsection (3) for a taxation year:
- (a) an amount equal to the corporation's investment tax credit for the taxation year is deemed to have been paid by the corporation on account of its tax payable pursuant to this Act for the taxation year; and
  - (b) the minister must refund to the corporation the amount of any overpayment of tax paid by the corporation pursuant to this Act for the taxation year that results from the deemed payment mentioned in clause (a).
- (8) No investment tax credit pursuant to subsection (3) shall be allowed to a corporation for a taxation year unless the corporation has already fully utilized any deduction or rebate to which it is entitled for the taxation year pursuant to sections 60, 60.1 and 61.
- (9) A corporation that is a beneficiary under a trust during a taxation year:
- (a) when determining the amount PST as defined in subsection (4) for the corporation for the taxation year, must add to the amount otherwise determined its share of any tax mentioned in the definition of the amount PST in subsection (4) 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  $E_1$ ,  $E_2$  and  $E_3$  as described in subsection (4) for the corporation for the taxation year, must add to the respective amounts otherwise determined its share of the respective amounts  $E_1$ ,  $E_2$  and  $E_3$  that would be determined pursuant to subsection (4) for the trust for the taxation year if the trust were a corporation; 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.
- (10) For the purposes of subsection (9), 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.
- (11) A corporation that is a partner during a taxation year:
- (a) when determining the amount PST as defined in subsection (4) for the corporation for the taxation year, must add to the amount otherwise determined its share of any tax mentioned in the definition of the amount PST in subsection (4) 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  $E_1$ ,  $E_2$  and  $E_3$  as described in subsection (4) for the corporation for the taxation year, must add to the respective amounts otherwise determined its share of the respective amounts  $E_1$ ,  $E_2$  and  $E_3$  that would be determined pursuant to subsection (4) 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.
- (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.
- (13) This section does not apply to a corporation that is exempt from tax pursuant to section 149 of the federal Act.

2006, c.21, s.13; 2006, c.40, s.8; 2007, c.27, s.11;  
2017, c.14, s.18.

**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) with respect to taxation years:
      - (I) ending on or before December 31, 2002, 10/4 of the total of amounts that would be deductible 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 if those amounts were determined without reference to section 123.4 of the federal Act;

(II) ending after December 31, 2002 and before January 1, 2010, three times the total of amounts that would be deductible 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 if those amounts were determined without reference to section 123.4 of the federal Act; and

(III) ending after December 31, 2009, the amount determined pursuant to subparagraph 125.1(1)(b)(ii) of the federal Act; and

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

(c) **“eligible Saskatchewan manufacturing and processing profits”** means the amount calculated by allocating to Saskatchewan the corporation’s eligible Canadian manufacturing and processing profits on the same basis as set out in the federal regulations made for the purposes of the definition of taxable income earned in the year in a province in subsection 124(4) of the federal Act;

(c.1) **“manufacturing or processing”** means manufacturing or processing as defined in subsection 125.1(3) of the federal Act;

(d) **“maximum reduction allowance”** is:

(i) 7% for the period ending on June 30, 2006;

(ii) 4% for the period commencing on July 1, 2006 and ending on June 30, 2007;

(iii) 3% for the period commencing on July 1, 2007 and ending on June 30, 2008; and

(iv) 2% for the period commencing on July 1, 2008;

(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 federal regulations made for the purposes of the definition of taxable income earned in the year in a province in subsection 124(4) of the federal Act.

(1.1) For the purposes of clause (1)(b), the amounts determined pursuant to paragraphs 125 (a) and (c) of the federal Act with respect to a corporation for a taxation year are deemed to be the amounts determined pursuant to section 56.5.

(1.2) In applying the definition of manufacturing or processing in subsection 125.1(3) of the federal Act for the purposes of this section for taxation years commencing on or after January 1, 2002, paragraph (h) of that definition is to be excluded.

(1.3) Paragraphs 125.1(5)(a) and (b) of the federal Act are adopted for the purposes of applying the definitions of Canadian manufacturing and processing profits and manufacturing or processing in subsection 125.1(3) of the federal Act for the purposes of this section for taxation years commencing on or after January 1, 2002.

(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 the taxation year in an amount equal to the total of all amounts R calculated in accordance with the following formula with respect to each period in the taxation year to which a different maximum reduction allowance applies or to which a different amount set out in section 56.5 applies:

$$R = (QR \times A) \times \frac{DP}{DY}$$

where:

QR is the corporation's qualifying reduction rate that applies to the period in the taxation year;

A is the corporation's eligible Saskatchewan manufacturing and processing profits for the taxation year;

DP is the number of days in the period in the taxation year; and

DY is the number of days in the taxation year.

2000, c.I-2.01, s.62; 2001, c.17, s.29; 2002, c.32, s.15; 2003, c.26, s.5; 2004, c.39, s.16; 2006, c.21, s.14; 2011, c.7, s.11.

#### 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 and before March 19, 2009 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.

(1.1) For the purposes of applying the term “qualified expenditure” in subclause (ii) of the definition of “eligible expenditure” in subsection (1), the reference to “government assistance” in subsections 127(18), (19) and (20) of the federal Act does not include the research and development tax credit of the corporation calculated pursuant to subsections 63(3) and 63.1(4).

(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:

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

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 10 taxation years preceding or the three taxation years following that taxation year, determined without reference to subsection 13(7.1) of the federal Act;

OA is the sum of all amounts, each of which is an amount required by subsection (4) or (6) to be added in computing the corporation's 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 10 taxation years preceding or the three taxation years following that taxation year;

RB is the sum of the amounts determined pursuant to clauses (e.1) and (e.2) of the definition of "investment tax credit" in subsection 127(9) of the federal Act that are related to eligible expenditures, except that for the purposes of this subsection, the specified percentage is 15%; 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 10 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, RDPY and RB pursuant to subsection (3) for that taxation year if the trust were a corporation.

(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, RDPY and RB 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 research and development tax credit would otherwise:
- (a) reduce, pursuant to paragraph 37(1)(d) of the federal Act, any deduction of the corporation for the purposes of section 37 of the federal Act; or
  - (b) reduce the corporation's qualified expenditures pursuant to any of subsections 127(18) to (20) 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.

2000, c.I-2.01, s.63; 2001, c.17, s.30; 2002, c.32, s.16; 2009, c.18, s.6.

#### Refundable research and development tax credit

**63.1(1)** In this section:

- (a) **“eligible expenditure”** means an expenditure with respect to scientific research and experimental development carried out in Saskatchewan that:
    - (i) was incurred after March 18, 2009 and before April 1, 2012 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;
  - (b) **“research and development tax credit”** means the amount calculated pursuant to subsection (4).
- (2) For the purposes of applying the term “qualified expenditure” in subclause (ii) of the definition of “eligible expenditure” in subsection (1), the reference to “government assistance” in subsections 127(18), (19) and (20) of the federal Act does not include the research and development tax credit of the corporation calculated pursuant to subsections 63(3) and 63.1(4).
- (3) An amount equal to the research and development tax credit of the corporation for a taxation year is deemed to have been paid by the corporation on its balance-due date on account of its tax payable pursuant to this Act for the taxation year.
- (4) The research and development tax credit of a corporation for a taxation year is the amount RDTC calculated in accordance with the following formula:

$$\text{RDTC} = \text{RD} + \text{OA} + \text{RB}$$

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;



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 research and development tax credit for the taxation year;

RB is the sum of the amounts determined pursuant to clauses (e.1) and (e.2) of the definition of "investment tax credit" in subsection 127(9) of the federal Act that are related to eligible expenditures, except that for the purposes of this subsection:

- (a) the specified percentage is 15%; and
- (b) each amount must relate to a repayment made by the taxpayer in the taxation year and not in any other taxation year.

(5) In calculating its research and development tax credit for 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 RB pursuant to subsection (4) for that taxation year if the trust were a corporation.

(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) In calculating its research and development tax credit for 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 RB pursuant to subsection (4) for that taxation year if the partnership were a taxpayer.

(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, including the terms and conditions of the partnership.

(9) Notwithstanding clause (1)(a), 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 63(10) or subsection 7.7(10) of the old Act.

(10) This section does not apply to a corporation that is exempt from tax pursuant to section 149 of the federal Act.

**Refundable and non-refundable research and development tax credits**

**63.2(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 31, 2012 and before April 1, 2015 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) **“non-refundable research and development tax credit”** means the amount calculated pursuant to subsection (6);
  - (d) **“refundable research and development tax credit”** means the amount calculated pursuant to subsection (4);
  - (e) **“winding-up”** means a winding-up of a corporation to which subsection 88(1) of the federal Act applies.
- (2) For the purposes of applying the term “qualified expenditure” in subclause (ii) of the definition of “eligible expenditure” in subsection (1), the reference to “government assistance” in subsections 127(18), (19) and (20) of the federal Act does not include the refundable research and development tax credit of the corporation calculated pursuant to subsection (4) or the non-refundable research and development tax credit of the corporation calculated pursuant to subsection (6).
- (3) An amount equal to the refundable research and development tax credit of the corporation for a taxation year is deemed to have been paid by the corporation on its balance due date on account of its tax payable pursuant to this Act for the taxation year.
- (4) The refundable research and development tax credit of a Canadian-controlled private corporation for a taxation year is equal to the lesser of:
- (a) the amount RRDTC calculated in accordance with the following formula:
 
$$\text{RRDTC} = \text{RRD} + \text{RRB}$$
 where:
    - RRD 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;

RRB is the sum of the amounts determined pursuant to paragraphs (e.1) and (e.2) of the definition of 'investment tax credit' in subsection 127(9) of the federal Act that are related to eligible expenditures, except that for the purpose of this subsection:

- (i) the specified percentage is 15%; and
  - (ii) each amount must relate to a repayment made by the taxpayer in the taxation year and not in any other taxation year; and
- (b) 15% of the corporation's expenditure limit determined in accordance with subsection 127(10.2) of the federal Act for the taxation year.
- (5) A corporation may deduct from its tax otherwise payable pursuant to this Act for a taxation year an amount equal to the lesser of:
- (a) its non-refundable research and development tax credit for the taxation year; and
  - (b) its tax otherwise payable pursuant to this Act for the taxation year.
- (6) The non-refundable research and development tax credit of a corporation for a taxation year is the amount NRDTTC calculated in accordance with the following formula:

$$\text{NRDTTC} = (\text{NRD} + \text{NRB} - \text{RTC}) + \text{OA} + (\text{NRDPY} + \text{OAPY} - \text{PD})$$

where:

NRD 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;

NRB is the sum of the amounts determined pursuant to paragraphs (e.1) and (e.2) of the definition of 'investment tax credit' in subsection 127(9) of the federal Act that are related to eligible expenditures, except that for the purpose of this subsection:

- (a) the specified percentage is 15%; and
- (b) each amount must relate to a repayment made by the taxpayer in the taxation year and not in any other taxation year;

RTC is the amount of the corporation's refundable research and development tax credit for the taxation year determined in accordance with subsection (4);

OA is the sum of all amounts, each of which is an amount required by subsection (7) or (9) to be added in computing the corporation's non-refundable research and development tax credit for the taxation year;

NRDPY is 15% of the sum of all amounts, each of which is an eligible expenditure incurred by the corporation in any of the 10 taxation years preceding the taxation year or the three taxation years following that taxation year, determined without reference to subsection 13(7.1) of the federal Act;

OAPY is the sum of all amounts, each of which is an amount required by subsection (7) or (9) to be added in computing the corporation's non-refundable research and development tax credit for any of the 10 taxation years preceding the taxation year or the three taxation years following that taxation year;

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

(a) is an amount deducted pursuant to subsection (5) from tax otherwise payable pursuant to this Act by the corporation for a preceding taxation year or an amount deemed to have been paid pursuant to subsection (3) 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 10 taxation years preceding the taxation year or the three taxation years following that taxation year.

(7) In calculating its non-refundable research and development tax credit for 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 NRD, NRB and NRDPY pursuant to subsection (6) for that taxation year if the trust were a corporation.

(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, including the terms and conditions of the trust.

(9) In calculating its non-refundable research and development tax credit for 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 NRD, NRB and NRDPY pursuant to subsection (6) for that taxation year if the partnership were a taxpayer.

(10) For the purposes of subsection (9), 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.

(11) For the purposes of calculating the non-refundable 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 31, 2012; and

(b) one of its predecessor corporations had a non-refundable 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.

(12) For the purposes of calculating the non-refundable 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 31, 2012; and

(b) the subsidiary corporation had a non-refundable 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.

(13) A corporation may renounce its non-refundable 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 non-refundable research and development tax credit would otherwise:

- (a) reduce, pursuant to paragraph 37(1)(d) of the federal Act, any deduction of the corporation for the purposes of section 37 of the federal Act; or
- (b) reduce the corporation's qualified expenditures pursuant to any of subsections 127(18) to (20) of the federal Act.

(14) If a corporation renounces its non-refundable research and development tax credit pursuant to subsection (13) 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 non-refundable 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 non-refundable research and development tax credit.

(15) Notwithstanding clause (1)(b), for the purpose of determining the refundable research and development tax credit or the non-refundable 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 non-refundable research and development tax credit with respect to the contract payment pursuant to subsection (13).

(16) Subsection (4) does not apply to a corporation that is exempt from tax pursuant to section 149 of the federal Act.

2012, c.17, s.13; 2015, c.21, s.12.

#### **Non-refundable research and development tax credits**

**63.3(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 31, 2015 and before April 1, 2017 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 (4);
- (d) **"winding-up"** means a winding-up of a corporation to which subsection 88(1) of the federal Act applies.
- (2) For the purposes of applying the term "qualified expenditure" in subclause (1)(b)(ii), the reference to 'government assistance' in subsections 127(18), (19) and (20) of the federal Act does not include the research and development tax credit of the corporation calculated pursuant to subsection (4).
- (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:
- its research and development tax credit for the taxation year; and
  - its tax otherwise payable pursuant to this Act for the taxation year.
- (4) The research and development tax credit of a corporation for a taxation year is the positive amount, RDTC, if any, calculated in accordance with the following formula:

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

where:

RD is 10% 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 10% of the sum of all amounts, each of which is an eligible expenditure incurred by the corporation in any of the 10 taxation years preceding the taxation year 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 (5) or (7) to be added in computing the corporation's research and development tax credit for 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 research and development tax credit for any of the 10 taxation years preceding the taxation year or the three taxation years following that taxation year;

RB is the sum of the amounts determined pursuant to paragraphs (e.1) and (e.2) of the definition of 'investment tax credit' in subsection 127(9) of the federal Act that are related to eligible expenditures, except that for the purposes of this subsection:

- (a) the specified percentage is 10%; and
- (b) each amount must relate to a repayment made by the taxpayer in the taxation year and not in any other taxation year; and

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

- (a) is an amount deducted pursuant to this section from tax otherwise payable pursuant to this Act by the corporation for a preceding taxation year; and
- (b) is related to an eligible expenditure incurred in the taxation year, in any of the 10 taxation years preceding the taxation year or the three taxation years following that taxation year.

(5) In calculating its research and development tax credit for 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, RDPY and RB pursuant to subsection (4) for that taxation year if the trust were a corporation.

(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) In calculating its research and development tax credit for 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, RDPY and RB pursuant to subsection (4) for that taxation year if the partnership were a taxpayer.

(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, including the terms and conditions of the partnership.

(9) 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 31, 2015; 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.

(10) 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 31, 2015; 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.

(11) 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 research and development tax credit would otherwise:

- (a) reduce, pursuant to paragraph 37(1)(d) of the federal Act, any deduction of the corporation for the purposes of section 37 of the federal Act; or
- (b) reduce the corporation's qualified expenditures pursuant to any of subsections 127(18) to (20) of the federal Act.

(12) If a corporation renounces its research and development tax credit pursuant to subsection (11) 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 for 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.

(13) 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 (11).

2015, c.13, s.13; 2017, c 14, s.19.

**Refundable and non-refundable targeted research and development tax credits**

**63.4(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 31, 2017 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) “**non-refundable research and development tax credit**” means the amount calculated pursuant to subsection (6);
- (d) “**refundable research and development tax credit**” means the amount calculated pursuant to subsection (4);
- (e) “**winding-up**” means a winding-up of a corporation to which subsection 88(1) of the federal Act applies.
- (2) For the purposes of applying the term “qualified expenditure” in subclause (ii) of the definition of “eligible expenditure” in subsection (1), the reference to “government assistance” in subsections 127(18), (19) and (20) of the federal Act does not include the refundable research and development tax credit of the corporation calculated pursuant to subsection (4) or the non-refundable research and development tax credit of the corporation calculated pursuant to subsection (6).
- (3) An amount equal to the refundable research and development tax credit of the corporation for a taxation year is deemed to have been paid by the corporation on its balance due date on account of its tax payable pursuant to this Act for the taxation year.
- (4) The refundable research and development tax credit of a Canadian-controlled private corporation for a taxation year is equal to the lesser of:
- (a) the amount RRDTC calculated in accordance with the following formula:
- $$\text{RRDTC} = \text{RRD} + \text{RRB}$$
- where:
- RRD is 10% 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;
- RRB is the sum of the amounts determined pursuant to paragraphs (e.1) and (e.2) of the definition of ‘investment tax credit’ in subsection 127(9) of the federal Act that are related to eligible expenditures, except that for the purpose of this subsection:
- (i) the specified percentage is 10%; and
- (ii) each amount must relate to a repayment made by the taxpayer in the taxation year and not in any other taxation year; and
- (b) 10% of 1/3 of the corporation’s expenditure limit determined in accordance with subsection 127(10.2) of the federal Act for the taxation year.
- (5) A corporation may deduct from its tax otherwise payable pursuant to this Act for a taxation year an amount equal to the least of:
- (a) its non-refundable research and development tax credit for the taxation year;
- (b) \$1 million less the amount of its refundable research and development tax credit for the taxation year; and
- (c) its tax otherwise payable pursuant to this Act for the taxation year.

(6) The non-refundable research and development tax credit of a corporation for a taxation year is the amount NRDTC calculated in accordance with the following formula:

$$\text{NRDTC} = (\text{NRD} + \text{NRB} - \text{RTC}) + \text{OA} + (\text{NRDPY} + \text{OAPY} - \text{PD})$$

where:

NRD is 10% 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;

NRB is the sum of the amounts determined pursuant to paragraphs (e.1) and (e.2) of the definition of 'investment tax credit' in subsection 127(9) of the federal Act that are related to eligible expenditures, except that for the purpose of this subsection:

- (a) the specified percentage is 10%; and
- (b) each amount must relate to a repayment made by the taxpayer in the taxation year and not in any other taxation year;

RTC is the amount of the corporation's refundable research and development tax credit for the taxation year determined in accordance with subsection (4);

OA is the sum of all amounts, each of which is an amount required by subsection (7) or (9) to be added in computing the corporation's non-refundable research and development tax credit for the taxation year;

NRDPY is 10% of the sum of all amounts, each of which is an eligible expenditure incurred by the corporation in any of the 10 taxation years preceding the taxation year or the three taxation years following that taxation year, determined without reference to subsection 13(7.1) of the federal Act;

OAPY is the sum of all amounts, each of which is an amount required by subsection (7) or (9) to be added in computing the corporation's non-refundable research and development tax credit for any of the 10 taxation years preceding the taxation year or the three taxation years following that taxation year;

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

- (a) is an amount deducted pursuant to subsection (5) from tax otherwise payable pursuant to this Act by the corporation for a preceding taxation year or an amount deemed to have been paid pursuant to subsection (3) 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 10 taxation years preceding the taxation year or the three taxation years following that taxation year.

- (7) In calculating its non-refundable research and development tax credit for 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 NRD, NRB and NRDPY pursuant to subsection (6) for that taxation year if the trust were a corporation.
- (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, including the terms and conditions of the trust.
- (9) In calculating its non-refundable research and development tax credit for 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 NRD, NRB and NRDPY pursuant to subsection (6) for that taxation year if the partnership were a taxpayer.
- (10) For the purposes of subsection (9), 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.
- (11) For the purposes of calculating the non-refundable 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 31, 2017; and
  - (b) one of its predecessor corporations had a non-refundable 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.
- (12) For the purposes of calculating the non-refundable 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 31, 2017; and
  - (b) the subsidiary corporation had a non-refundable 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.
- (13) A corporation may renounce its non-refundable 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 non-refundable research and development tax credit would otherwise:
- (a) reduce, pursuant to paragraph 37(1)(d) of the federal Act, any deduction of the corporation for the purposes of section 37 of the federal Act; or
  - (b) reduce the corporation's qualified expenditures pursuant to any of subsections 127(18) to (20) of the federal Act.

(14) If a corporation renounces its non-refundable research and development tax credit pursuant to subsection (13) 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 non-refundable 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 non-refundable research and development tax credit.

(15) Notwithstanding clause (1)(b), for the purpose of determining the refundable research and development tax credit or the non-refundable 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 non-refundable research and development tax credit with respect to the contract payment pursuant to subsection (13).

(16) Subsection (4) does not apply to a corporation that is exempt from tax pursuant to section 149 of the federal Act.

2017, c 14, s.20.

**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.

2000, c.I-2.01, s.64; 2015, c.13, s.12.

**Mineral processing tax refund**

**64.1(1)** In this section:

- (a) **“eligible asset”** means depreciable property of an eligible corporation that is included in any of the classes in Schedule II of the federal regulations for capital cost allowance purposes;
- (b) **“eligible corporation”** means a qualifying corporation that provides evidence satisfactory to the minister to establish:
  - (i) that the corporation directly employs at least 75 full-time employees in Saskatchewan for the taxation year for which a refund is claimed;
  - (ii) that the ratio of the corporation’s taxable income earned in the taxation year in Saskatchewan for which a refund is claimed to the corporation’s total taxable income earned in the taxation year in all provinces is at least 90 per cent; and
  - (iii) any additional conditions that may be prescribed by regulation;
- (c) **“eligible mineral processing”** means processing at a mineral processing facility located in Saskatchewan of any of the following:
  - (i) ore, other than iron ore, from an eligible mineral resource to any stage that is not beyond the prime metal state or its equivalent;
  - (ii) iron ore from an eligible mineral resource to any stage that is not beyond the pellet stage or its equivalent;
- (d) **“eligible mineral resource”** means a mineral resource as defined in paragraph (a) or (d) of the definition of “mineral resource” in ' subsection 248(1) of the federal Act, if the deposit is located in Canada but not located in Saskatchewan;
- (e) **“qualifying corporation”** means a corporation that provides evidence satisfactory to the minister to establish:
  - (i) that the corporation’s principal business activity is engaging in eligible mineral processing of ore from an eligible mineral resource that it has acquired at fair market value;
  - (ii) that the corporation acquired eligible assets for use in Saskatchewan having an initial capital cost equal to at least \$125 million; and
  - (iii) any additional conditions that may be prescribed by regulation;
- (f) **“refund”** means a mineral processing refund granted by the minister pursuant to this section.

- (2) A corporation that intends to apply for a refund must submit to the minister an application on a form acceptable to the minister that provides:
- (a) evidence satisfactory to the minister that the corporation is an eligible corporation;
  - (b) evidence satisfactory to the minister that all tax payable by the corporation pursuant to this Act for each taxation year in which it was an eligible corporation has been paid; and
  - (c) any other information and records that the minister may require in order to determine the corporation's eligibility.
- (3) An application pursuant to subsection (2) must be made within three years after the first taxation year for which the eligible corporation intends to claim a refund.
- (4) Notwithstanding any of the provisions of this section, no refund is payable for a taxation year before 2011.
- (5) On receipt of an application pursuant to subsection (2), the minister may:
- (a) if the minister is satisfied that the applicant is an eligible corporation and has complied with this section, grant a refund for the taxation year for which a refund is claimed and each of the next four taxation years equal to the amount of the corporation's refund within the meaning of subsection (6) for each of those taxation years; or
  - (b) if the minister is satisfied that the corporation is not entitled to a refund, send a written notice of determination to the corporation setting out the determination that the corporation is not entitled to the refund and the reasons for the determination.
- (6) The amount of a corporation's refund for a taxation year is equal to the amount of tax payable and paid by the corporation pursuant to this Act for the taxation year after claiming all deductions and credits to which it is entitled for the taxation year.
- (7) If, after reviewing the application and all other relevant information and records, the minister grants a refund pursuant to clause (5)(a), the minister shall:
- (a) notify the corporation in writing of the amount of the refund to which the corporation is entitled for the taxation year; and
  - (b) pay to the corporation the amount of the refund, without interest.
- (8) The minister shall initially calculate the amount of the refund payable pursuant to this section to an eligible corporation for a taxation year by reference to the most recent assessment of tax payable by the corporation for the year pursuant to this Act.
- (9) If, after an initial calculation has been made pursuant to subsection (8), the federal minister issues any assessment or reassessment of the amount of tax payable or paid by the corporation for the year pursuant to this Act:
- (a) the corporation must submit to the minister each subsequent notice of assessment or notice of reassessment within three months after the assessment or reassessment; and
  - (b) the minister may make any adjustments to the amount of the corporation's refund determined pursuant to subsection (6) that may be necessary to reflect any subsequent assessment or reassessment issued by the federal minister.

- (10) If the minister acts pursuant to subsection (9), the minister shall:
- (a) pay to the corporation any additional refund to which the corporation is entitled pursuant to this section for the year; or
  - (b) serve a written demand on the corporation for the repayment of the refund or the excess amount of the refund to which the corporation is not entitled for the year.
- (11) If, after a refund pursuant to this section is paid to a corporation, it is subsequently determined that the corporation received a refund to which it was not entitled or received an amount greater than the amount of the refund to which it is entitled or if a written demand is served on the corporation pursuant to clause (10)(b), the corporation shall:
- (a) repay the amount of the refund or the excess amount, as the case may be, to the minister; and
  - (b) pay interest to the minister on the amount of the refund or excess amount, as the case may be, computed pursuant to this Act as if the amount or excess were tax payable pursuant to this Act from the day the amount or excess amount was paid to the corporation to the day it is repaid to the minister.
- (12) Notwithstanding clause (11)(b), interest is not payable by a corporation if the amount of the refund or excess amount as determined pursuant to subsection (11) is the result of the corporation claiming a deduction pursuant to section 111 of the federal Act with respect to a loss for a subsequent taxation year.

2011, c.6, s.3.

#### Rental housing rebate

**64.2(1)** In this section:

- (a) **“certificate of continuing eligibility”** means a certificate issued by the minister responsible for the administration of *The Saskatchewan Housing Corporation Act* indicating that a rental housing project continues to be an eligible rental housing project during a taxation year;
- (b) **“certificate of eligibility”** means a certificate issued by the minister responsible for the administration of *The Saskatchewan Housing Corporation Act* approving a rental housing project as an eligible rental housing project in accordance with subclauses (d)(i) to (iv);
- (c) **“eligible corporation”** means a corporation that provides evidence satisfactory to the minister to establish that:
  - (i) the corporation’s only activities are the ownership and development of an eligible rental housing project and the rental of residential units in the project;
  - (ii) the corporation has developed an eligible rental housing project;
  - (iii) the corporation is the initial and sole owner of the eligible rental housing project; and
  - (iv) the corporation meets any additional conditions that may be prescribed in the regulations;

(d) “**eligible rental housing project**” means a residential rental housing project:

- (i) that will be or is being used for the sole purpose of renting residential units;
- (ii) for which a building permit has been issued on or after March 21, 2012 and before January 1, 2015;
- (iii) that has residential units that are available for rent on or before December 31, 2017;
- (iv) that meets any other criteria specified by the minister responsible for the administration of *The Saskatchewan Housing Corporation Act* for the purposes of this section; and
- (v) for which a certificate of eligibility has been issued;

(e) “**eligible rental income**” means, with respect to an eligible rental housing project, rental income determined in accordance with subsection (11);

(f) “**gross rental revenue**” means, with respect to an eligible rental housing project, the aggregate of all moneys received or receivable in a taxation year by an eligible corporation from or on behalf of tenants for:

- (i) the right to possess a rental unit for any period within that taxation year;
- (ii) the use of common areas as defined in *The Residential Tenancies Act, 2006* for any period within that taxation year; and
- (iii) services or facilities as defined in *The Residential Tenancies Act, 2006* for any period within that taxation year;

but does not include moneys received or receivable by an eligible corporation from or on behalf of tenants with respect to tenant security deposits;

(g) “**rebate**” means a rental housing rebate granted by the minister pursuant to this section.

(2) A corporation that intends to apply for an initial rebate for a taxation year must submit to the minister an application in a form acceptable to the minister that provides:

- (a) evidence satisfactory to the minister that the corporation is an eligible corporation, including:
  - (i) the certificate of eligibility with respect to the rental housing project; and
  - (ii) the certificate of continuing eligibility with respect to the rental housing project for that taxation year;



- (b) evidence satisfactory to the minister that all tax payable by the corporation pursuant to this Act for that taxation year has been paid;
  - (c) subject to subsection (3), the corporation's election of either the detailed calculation method or proxy calculation method for the determination of the corporation's rebate for the 10-year rebate period; and
  - (d) any other information and records that the minister may require in order to determine the corporation's eligibility.
- (3) An election made by a corporation pursuant to clause (2)(c) is irrevocable after it is provided to the minister and applies throughout the 10-year rebate period.
- (4) An application pursuant to subsection (2) must be made within three years after the first taxation year for which the eligible corporation intends to claim a rebate.
- (5) Notwithstanding any of the provisions of this section, no rebate is payable for a taxation year before 2012.
- (6) On receipt of an application pursuant to subsection (2), the minister may:
- (a) if the minister is satisfied that the applicant is an eligible corporation and has complied with this section, grant a rebate equal to the amount of the corporation's rebate determined pursuant to subsection (10) for the taxation year; and
  - (b) if the minister is satisfied that the corporation is not entitled to a rebate, send a written notice of determination to the corporation setting out the determination that the corporation is not entitled to the rebate and the reasons for the determination.
- (7) If the minister has granted a rebate to an eligible corporation for a taxation year pursuant to clause (6)(a), the corporation shall, subject to clause (8)(c) and subclause (9)(b)(ii), for each of the next nine consecutive taxation years, submit to the minister:
- (a) evidence satisfactory to the minister that the corporation is an eligible corporation, including a certificate of continuing eligibility with respect to the rental housing project for that taxation year;
  - (b) evidence satisfactory to the minister that all tax payable by the corporation pursuant to this Act for the taxation year has been paid; and
  - (c) any other information and records that the minister may require in order to determine the corporation's eligibility.
- (8) If a corporation fails, in any taxation year, to submit to the minister the information or records required to be submitted pursuant to subsection (7), the minister may:
- (a) determine that the corporation is not entitled to a rebate for that taxation year;
  - (b) send a written notice of determination to the corporation setting out the determination that the corporation is not entitled to the rebate; and
  - (c) terminate the corporation's eligibility for a rebate for all subsequent taxation years remaining in the 10-year rebate period.

(9) On receipt of the eligible corporation's information and records for a taxation year pursuant to subsection (7), the minister may:

- (a) if the minister is satisfied that the applicant is an eligible corporation and has complied with this section, grant a rebate equal to the amount of the corporation's rebate determined pursuant to subsection (10) for the taxation year; and
- (b) if the minister is satisfied that the corporation is not entitled to a rebate:
  - (i) send a written notice of determination to the corporation setting out the determination that the corporation is not entitled to the rebate and the reasons for the determination; and
  - (ii) terminate the corporation's eligibility for a rebate for all subsequent taxation years remaining in the 10-year rebate period.

(10) The amount of an eligible corporation's rebate for a taxation year is equal to:

- (a) if the eligible corporation has elected the detailed calculation method, the product of TR as determined in accordance with subsection (10.1) and the corporation's eligible rental income for the taxation year; or
- (b) if the eligible corporation has elected the proxy calculation method, the product of TR as determined in accordance with subsection (10.1) and the proxy amount PA determined in accordance with the following formula:

$$PA = GRR \times PM$$

where:

GRR is the eligible corporation's gross rental revenue for income earned for the period in the taxation year from an eligible rental housing project; and

PM is the deemed profit margin of the eligible corporation equal to the rate prescribed in the regulations.

(10.1) For the purposes of subsection (10), TR is the total of all amounts T calculated in accordance with the following formula with respect to each period in the taxation year to which a different rate of tax set out in subsection 56(1) or (2) applies:

$$T = (GR - SR) \frac{DP}{DY}$$

where:

GR is the rate of tax set out in subsection 56(1) that applies to the period in the taxation year;

SR is the rate of tax set out in subsection 56(2) that applies to the period in the taxation year;

DP is the number of days in the period in the taxation year; and

DY is the number of days in the taxation year.

(11) The amount of an eligible corporation's eligible rental income for a taxation year is the amount ERI determined in accordance with the following formula:

$$\text{ERI} = \text{TI} - \text{SB} - \text{D} - \text{I} - \text{RCT} - \text{DS}$$

where:

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

SB is the amount of the eligible corporation's taxable income earned in the taxation year in Saskatchewan that was taxed at the rate of tax SR in the formula set out in section 56.2;

D is amount of the eligible corporation's taxable income earned in the taxation year in Saskatchewan resulting from the disposition of all or any part of the eligible rental housing project;

I is the amount of the eligible corporation's taxable investment income earned in the taxation year in Saskatchewan, except for:

- (a) investment income that the minister determines is directly attributable to the rental of residential units in the eligible rental housing project; and
- (b) interest income on replacement reserves, tenant security deposits and prepaid rents;

RCT is the amount of the eligible corporation's taxable income earned in the taxation year in Saskatchewan resulting from a transaction that the minister in his or her sole discretion determines to have been artificial in nature and undertaken solely as a means to increase the amount of the rebate, including transactions involving financing and management services between the eligible corporation and a person or partnership with whom the eligible corporation is not dealing at arm's length;

DS is the positive difference, if any, between:

- (a) the amount DDS determined in accordance with the following formula:

$$\text{DDS} = \text{CC} \times \text{DR} \times \text{DI}$$

where:

CC is the initial capital cost of the land and buildings associated with the eligible corporation's eligible rental housing project;

DR is the deemed debt ratio of 50%; and

DI is the debt interest rate of 5%; and

- (b) the actual debt servicing costs deducted by the eligible corporation in determining its taxable income earned in the taxation year in Saskatchewan.

(12) If, after reviewing the application and all other relevant information and records, the minister grants a rebate to a corporation for a taxation year pursuant to clause (6)(a) or clause (9)(a), an amount equal to the corporation's rebate for the taxation year is deemed to have been paid by the corporation on account of its tax payable pursuant to this Act for that taxation year and the minister shall:

(a) notify the corporation in writing of the amount of the rebate to which the corporation is entitled for the taxation year; and

(b) pay to the corporation the amount of the rebate, without interest.

(13) The minister shall initially calculate the amount of the rebate payable pursuant to this section to an eligible corporation for a taxation year by reference to the most recent assessment of tax payable by the corporation for the year pursuant to this Act.

(14) If, after making an initial calculation pursuant to subsection (13), the federal minister subsequently issues any assessment or reassessment of the amount of tax payable or paid by the corporation for the taxation year pursuant to this Act:

(a) the corporation must submit to the minister each subsequent notice of assessment or notice of reassessment within three months after the receipt of the assessment or reassessment; and

(b) the minister may make any adjustments to the amount of the corporation's rebate determined pursuant to subsection (10) that may be necessary to reflect any subsequent assessment or reassessment issued by the federal minister.

(15) If the minister acts pursuant to subsection (14):

(a) the amount of any additional rebate to which the corporation is entitled pursuant to this section for the taxation year is deemed to have been paid by the corporation on account of its tax payable pursuant to this Act and the minister shall pay to the corporation the amount of that additional rebate without interest; or

(b) the minister shall serve a written notice on the corporation for the repayment of the rebate or the excess amount of the rebate to which the corporation is not entitled for the taxation year.

(16) If, after a rebate pursuant to this section is paid to a corporation, it is subsequently determined that the corporation received a rebate to which it was not entitled or received an amount greater than the amount of the rebate to which it is entitled, the corporation shall:

(a) repay the amount or the excess amount, as the case may be, to the minister; and

(b) pay interest to the minister on the amount or excess amount, as the case may be, computed pursuant to this Act as if the amount or excess amount were tax payable pursuant to this Act from the day the amount or excess amount was paid to the corporation to the day it is repaid to the minister.

(17) Notwithstanding clause (16)(b), interest is not payable by a corporation if the amount of the rebate or excess amount determined pursuant to subsection (16) is the result of the corporation claiming a deduction pursuant to section 111 of the federal Act with respect to a loss for a subsequent taxation year.

- (18) Notwithstanding any other provision of this section:
- (a) no eligible corporation shall receive a rebate for more than one eligible rental housing project;
  - (b) no rebate paid to an eligible corporation for a taxation year shall exceed the amount of tax paid for the taxation year pursuant to this Act by the eligible corporation;
  - (c) no rebate paid to an eligible corporation for a taxation year shall exceed 10/12ths of the corporation's tax for the taxation year determined pursuant to the portion of the formula in either section 56.1 or 56.2, as the case may be, to which the rate of tax GR applies; and
  - (d) a rebate, or entitlement to a rebate, may not be assigned or transferred by the eligible corporation that applied for the rebate.
- (19) A rebate overpayment mentioned in subsection (16) is a debt due to the Crown in right of Saskatchewan and may be recovered:
- (a) as if it were a tax pursuant to Part III of *The Revenue and Financial Services Act*; or
  - (b) in any other manner authorized by law.

2012, c.17, s.14; 2014, c.14, s.5; 2017, c.14, s.21.

**Manufacturing and processing exporter hiring incentive**

**64.3(1)** In this section:

- (a) **“base year employment level”** means, subject to subsection (3), an eligible corporation's employment level for its 2014 taxation year;
- (b) **“certificate of eligibility”** means a certificate provided by the minister responsible for *The Economic and Co-operative Development Act* approving the corporation as an eligible corporation;
- (c) **“creative industry activities”** means activities as described in clause 2(c) of *The Creative Saskatchewan Act*;
- (d) **“current year employment level”** means an eligible corporation's employment level for its current taxation year;
- (e) **“eligible corporation”** means a corporation that has been granted a certificate of eligibility to establish:
  - (i) that, in the current taxation year, either:
    - (A) the corporation is primarily engaged in manufacturing or processing at a facility in Saskatchewan and at least 25% of revenues of that activity are generated through export; or
    - (B) the corporation is undertaking creative industry activities at a facility in Saskatchewan and at least 25% of revenues of that activity are generated through export; and
  - (ii) that the corporation is in compliance with any additional conditions that may be prescribed in the regulations;

- (f) “**employment level**” means the number, as at the end of a taxation year, of the eligible corporation’s full-time employees at a facility in Saskatchewan, as evidenced by the eligible corporation to the satisfaction of the minister, who are not:
- (i) the business owners or related to the business owners;
  - (ii) seasonal or temporary employees, or independent contractors; or
  - (iii) employees claimed pursuant to section 64.4;
- (g) “**export**” means to sell goods and products produced in Saskatchewan to a destination outside of Saskatchewan;
- (h) “**hiring tax credit**” means the amount calculated pursuant to subsection (8);
- (i) “**manufacturing or processing**” means, subject to subsection (2), 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 the definition of ‘Canadian manufacturing and processing profits’ in subsection 125.1(3) of the federal Act;
- (j) “**rebate**” means the amount determined pursuant to subsection (7).
- (1.1) For the purposes of determining an eligible corporation’s full-time employees at a facility in Saskatchewan in the definition of ‘employment level’, the minister may deem an employee of a corporation that is associated with the eligible corporation to be the employee of the eligible corporation if the eligible corporation provides evidence satisfactory to the minister that the employee either:
- (a) is permanently or normally assigned to work for the eligible corporation; or
  - (b) would qualify within the definition of “employment level” for the purposes of section 64.4 but has not been claimed pursuant to that section.
- (2) In applying the definition of ‘manufacturing or processing’ in subsection 125.1(3) of the federal Act for the purposes of clause (1)(i), that definition is to be read as if it did not include paragraph (h).
- (3) The base year employment level of a corporation that does not have a 2014 taxation year is deemed to be zero.
- (4) An eligible corporation that intends to apply for a rebate must submit to the minister an application on a form acceptable to the minister that:
- (a) provides evidence satisfactory to the minister, including a certificate of eligibility, that the corporation is an eligible corporation;
  - (b) provides evidence satisfactory to the minister that all tax payable by the eligible corporation pursuant to this Act for each taxation year in which it was an eligible corporation has been paid;
  - (c) clearly states the eligible corporation’s base year employment level and current year employment level; and
  - (d) contains any other information and records that the minister may require in order to determine the eligible corporation’s rebate.

- (5) An application pursuant to subsection (4) must be made within three years after the first taxation year for which the eligible corporation intends to claim a rebate.
- (6) On receipt of an application pursuant to subsection (4), the minister may:
- (a) if the minister is satisfied that the applicant is an eligible corporation and has complied with this section, grant a rebate for the taxation year for which a rebate is claimed; or
  - (b) if the minister is satisfied that the corporation is not entitled to a rebate, send a written notice of determination to the corporation setting out the determination that the corporation is not entitled to the rebate and the reasons for the determination.
- (7) The amount of an eligible corporation's rebate for a taxation year is equal to the lesser of:
- (a) the sum of:
    - (i) the eligible corporation's hiring tax credit for the taxation year; and
    - (ii) any portion of the eligible corporation's hiring tax credit determined for any of the five preceding taxation years that has not been previously rebated to the eligible corporation pursuant to this section or that has not been previously renounced by the eligible corporation pursuant to subsection (16); and
  - (b) the eligible corporation's tax otherwise payable pursuant to this Act for the taxation year.
- (8) Subject to subsections (9), (10), (12), (14), (15) and (15.1), for each of an eligible corporation's 2015, 2016, 2017, 2018 and 2019 taxation years, the hiring tax credit for the eligible corporation is the positive amount, HTC, if any, calculated in accordance with the following formula:

$$\text{HTC} = (\text{CYEL} - \text{BYEL}) \times \$3,000$$

where:

CYEL is current year employment level of the eligible corporation;

BYEL is base year employment level of the eligible corporation.

- (9) An eligible corporation that has more than one taxation year during a calendar year may calculate a hiring tax credit pursuant to subsection (8) only once per calendar year.
- (10) An eligible corporation that is a beneficiary under a trust, in calculating its hiring tax credit for a taxation year, must include the eligible corporation's share of the amount that the trust, if the trust were a corporation, would be required to calculate as the amounts CYEL and BYEL pursuant to subsection (8) for that taxation year.

- (11) For the purposes of subsection (10), an eligible 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.
- (12) An eligible corporation that is a partner, in calculating its hiring tax credit for a taxation year, must include the eligible corporation's share of the amount that the partnership, if the partnership were a taxpayer, would be required to calculate as the amounts CYEL and BYEL pursuant to subsection (8) for that taxation year.
- (13) For the purposes of subsection (12), an eligible 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.
- (14) For the purposes of calculating the hiring tax credit of a new corporation that is the result of an amalgamation that occurs after December 31, 2014:
- (a) the new corporation is deemed to be the continuation of each of its predecessor corporations if one of its predecessor corporations had a hiring tax credit, any portion of which was not deducted or renounced in any taxation year by the predecessor corporation in computing its tax otherwise payable pursuant to this Act; and
  - (b) the new corporation's BYEL is deemed to be the sum of the BYEL, if any, of the predecessor corporations.
- (15) For the purpose of calculating the hiring tax credit of a parent corporation, a subsidiary of which has been wound up after December 31, 2014:
- (a) the parent corporation is deemed to be a continuation of its subsidiary if the subsidiary corporation had a hiring tax credit, any portion of which was not deducted or renounced in any taxation year by the subsidiary corporation in computing its tax otherwise payable pursuant to this Act; and
  - (b) the parent corporation's BYEL is deemed to be the sum of the BYEL, if any, of the parent corporation and the subsidiary corporation.
- (15.1) For the purpose of calculating the head office tax credit of an eligible corporation:
- (a) employees who have been transferred to the eligible corporation from a related person or associated corporation are not to be included in the calculation of the eligible corporation's CYEL if, in the opinion of the minister, the transfer has not created net new Saskatchewan-based jobs; and
  - (b) employees who have been converted from independent contractors of the eligible corporation are not to be included in the calculation of the eligible corporation's CYEL if, in the opinion of the minister, the conversion has not created net new Saskatchewan-based jobs.
- (16) An eligible corporation may renounce its hiring tax credit that would otherwise be claimable 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.
- (17) Notwithstanding any of the provisions of this section, no rebate is payable for a taxation year before 2015.



- (18) If, after reviewing the application and all other relevant information and records, the minister grants a rebate pursuant to clause (6)(a), the minister shall:
- (a) notify the eligible corporation in writing of the amount of the rebate to which the eligible corporation is entitled for the taxation year; and
  - (b) pay to the eligible corporation the amount of the rebate, without interest.
- (19) The minister shall initially determine the amount of the rebate payable pursuant to this section to an eligible corporation for a taxation year by reference to the most recent assessment of tax payable by the corporation for the taxation year pursuant to this Act.
- (20) If, after an initial determination has been made pursuant to subsection (19), the federal minister issues any assessment or reassessment of the amount of tax payable or paid by the eligible corporation for the taxation year pursuant to this Act:
- (a) the eligible corporation must submit to the minister each subsequent notice of assessment or notice of reassessment within three months after the assessment or reassessment; and
  - (b) the minister may make any adjustments to the amount of the eligible corporation's rebate determined pursuant to subsection (19) that may be necessary to reflect any subsequent assessment or reassessment issued by the federal minister.
- (21) If the minister acts pursuant to subsection (20), the minister shall:
- (a) pay to the eligible corporation any additional rebate to which the eligible corporation is entitled pursuant to this section for the taxation year, without interest; or
  - (b) serve a written demand on the eligible corporation for the repayment of the rebate or the excess amount of the rebate to which the eligible corporation is not entitled for the taxation year.
- (22) If, after a rebate pursuant to this section is paid to a corporation, it is subsequently determined that the corporation received a rebate to which it was not entitled or received an amount greater than the amount of the rebate to which it was entitled or if a written demand is served on the corporation pursuant to clause (21)(b), the corporation shall:
- (a) repay the amount of the rebate or the excess amount, as the case may be, to the minister; and
  - (b) pay interest to the minister on the amount of the rebate or the excess amount, as the case may be, computed pursuant to this Act as if the amount or excess were tax payable pursuant to this Act from the day the amount or the excess amount was paid to the corporation to the day it is repaid to the minister.
- (23) Notwithstanding clause (22)(b), interest is not payable by an eligible corporation if the amount of the rebate or the excess amount as determined pursuant to subsection (22) is the result of the eligible corporation claiming a deduction pursuant to section 111 of the federal Act with respect to a loss for a subsequent taxation year.

(24) A rebate overpayment mentioned in subsection (22) is a debt due to the Crown in right of Saskatchewan and may be recovered:

- (a) as if it were a tax pursuant to Part III of *The Revenue and Financial Services Act*; or
- (b) in any other manner authorized by law.

2015, c.13, s.14; 2016, c.3, s.9; 2017, c.14, s.22.

**Manufacturing and processing exporter head office incentive**

**64.4(1)** In this section:

- (a) **“base year employment level”** means, subject to subsection (3), an eligible corporation’s employment level for its 2014 taxation year;
- (b) **“certificate of eligibility”** means a certificate provided by the minister responsible for *The Economic and Co-operative Development Act* approving the corporation as an eligible corporation;
- (c) **“creative industry activities”** means activities as described in clause 2(c) of *The Creative Saskatchewan Act*;
- (d) **“current year employment level”** means an eligible corporation’s employment level for its current taxation year;
- (e) **“eligible corporation”** means a corporation that has been granted a certificate of eligibility to establish that the corporation:
  - (i) is a qualifying corporation;
  - (ii) has a current year employment level of a minimum of 10 employees and a staff payroll exceeding \$1,000,000 per year; and
  - (iii) has a current year employment level that exceeds the base year employment level by the greater of:
    - (A) 10 employees; and
    - (B) a 20% increase in the base year employment level;
- (f) **“employment level”** means the number, as at the end of a taxation year, of the eligible corporation’s full-time employees who ordinarily perform head office activities at a single location in Saskatchewan, as evidenced by the eligible corporation to the satisfaction of the minister, who are not:
  - (i) the business owners or related to the business owners;
  - (ii) seasonal, temporary or contracted employees; or
  - (iii) employees claimed pursuant to section 64.3;
- (g) **“export”** means to sell goods and products produced in Saskatchewan to a destination outside of Saskatchewan;

- (h) **“head office activities”** means the carrying out of the following functions:
- (i) strategic planning;
  - (ii) corporate communications;
  - (iii) taxation;
  - (iv) legal;
  - (v) marketing;
  - (vi) finance;
  - (vii) human resources;
  - (viii) information technology;
  - (ix) procurement;
- (i) **“head office tax credit”** means the amount calculated pursuant to subsection (8);
- (j) **“manufacturing or processing”** means, subject to subsection (2), 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 the definition of ‘Canadian manufacturing and processing profits’ in subsection 125.1(3) of the federal Act;
- (k) **“qualifying corporation”** means a corporation that provides evidence satisfactory to the minister to establish:
- (i) that, in the current taxation year, the corporation:
    - (A) is primarily engaged in manufacturing or processing at a facility in Saskatchewan and at least 25% of revenues of that activity are generated through export; or
    - (B) is undertaking creative industry activities at a facility in Saskatchewan and at least 25% of revenues of that activity are generated through export;
  - (ii) that, in the current taxation year, the corporation ordinarily carries out at least five head office activities at a single location in Saskatchewan; and
  - (iii) that the corporation is in compliance with any additional conditions that may be prescribed in the regulations;
- (l) **“rebate”** means the amount determined pursuant to subsection (7).
- (1.1) For the purposes of determining an eligible corporation’s full-time employees at a facility in Saskatchewan in the definition of “employment level”, the minister may deem an employee of a corporation that is associated with the eligible corporation to be the employee of the eligible corporation if the eligible corporation provides evidence satisfactory to the minister that the employee either:
- (a) is permanently or normally assigned to work for the eligible corporation; or
  - (b) is directly supporting the eligible corporation.

- (2) In applying the definition of ‘manufacturing or processing’ in subsection 125.1(3) of the federal Act for the purposes of clause (1)(j), that definition is to be read as if it did not include paragraph (h).
- (3) The base year employment level for a corporation that does not have a 2014 taxation year is deemed to be zero.
- (4) An eligible corporation that intends to apply for a rebate must submit to the minister an application on a form acceptable to the minister that:
- (a) provides evidence satisfactory to the minister, including a certificate of eligibility, that the corporation is an eligible corporation;
  - (b) provides evidence satisfactory to the minister that all tax payable by the eligible corporation pursuant to this Act for each taxation year in which it was an eligible corporation has been paid;
  - (c) clearly states the eligible corporation’s base year employment level and current year employment level; and
  - (d) contains any other information and records that the minister may require in order to determine the eligible corporation’s rebate.
- (5) An application pursuant to subsection (4) must be made within three years after the first taxation year for which the eligible corporation intends to claim a rebate.
- (6) On receipt of an application pursuant to subsection (4), the minister may:
- (a) if the minister is satisfied that the applicant is an eligible corporation and has complied with this section, grant a rebate for the taxation year for which a rebate is claimed; or
  - (b) if the minister is satisfied that the corporation is not entitled to a rebate, send a written notice of determination to the corporation setting out the determination that the corporation is not entitled to the rebate and the reasons for the determination.
- (7) The amount of an eligible corporation’s rebate for a taxation year is equal to the lesser of:
- (a) the sum of:
    - (i) the eligible corporation’s head office tax credit for the taxation year; and
    - (ii) any portion of the eligible corporation’s head office tax credit determined for any of the five preceding taxation years that has not been previously rebated to the eligible corporation pursuant to this section or that has not been previously renounced by the eligible corporation pursuant to subsection (16); and
  - (b) the eligible corporation’s tax otherwise payable pursuant to this Act for the taxation year.

(8) Subject to subsections (9), (10), (12), (14), (15) and (15.1), for each of an eligible corporation's 2015, 2016, 2017, 2018 and 2019 taxation years, the head office tax credit for the eligible corporation is the positive amount, HOTC, if any, calculated in accordance with the following formula:

$$\text{HOTC} = (\text{CYEL} - \text{BYEL}) \times \$10,000$$

where:

CYEL is current year employment level of the eligible corporation;

BYEL is base year employment level of the eligible corporation.

(9) An eligible corporation that has more than one taxation year during a calendar year may calculate a head office tax credit pursuant to subsection (8) only once per calendar year.

(10) An eligible corporation that is a beneficiary under a trust, in calculating its head office tax credit for a taxation year, must include the eligible corporation's share of the amount that the trust, if the trust were a corporation, would be required to calculate as the amounts CYEL and BYEL pursuant to subsection (8) for that taxation year.

(11) For the purposes of subsection (10), an eligible 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.

(12) An eligible corporation that is a partner, in calculating its head office tax credit for a taxation year, must include the eligible corporation's share of the amount that the partnership, if the partnership were a taxpayer, would be required to calculate as the amounts CYEL and BYEL pursuant to subsection (8) for that taxation year.

(13) For the purposes of subsection (12), an eligible 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.

(14) For the purposes of calculating the head office tax credit of a new corporation that is the result of an amalgamation that occurs after December 31, 2014:

(a) the new corporation is deemed to be the continuation of each of its predecessor corporations if one of its predecessor corporations had a head office tax credit, any portion of which was not deducted or renounced in any taxation year by the predecessor corporation in computing its tax otherwise payable pursuant to this Act; and

(b) the new corporation's BYEL is deemed to be the sum of the BYEL, if any, of the predecessor corporations.

- (15) For the purpose of calculating the head office tax credit of a parent corporation, a subsidiary of which has been wound up after December 31, 2014:
- (a) the parent corporation is deemed to be a continuation of its subsidiary if the subsidiary corporation had a head office tax credit, any portion of which was not deducted or renounced in any taxation year by the subsidiary corporation in computing its tax otherwise payable pursuant to this Act; and
  - (b) the parent corporation's BYEL is deemed to be the sum of the BYEL, if any, of the parent corporation and the subsidiary corporation.
- (15.1) For the purpose of calculating the hiring tax credit of an eligible corporation:
- (a) employees who have been transferred to the eligible corporation from a related person or associated corporation are not to be included in the calculation of the eligible corporation's CYEL if, in the opinion of the minister, the transfer has not created net new Saskatchewan-based jobs; and
  - (b) employees who have been converted from independent contractors of the eligible corporation are not to be included in the calculation of the eligible corporation's CYEL if, in the opinion of the minister, the conversion has not created net new Saskatchewan-based jobs.
- (16) An eligible corporation may renounce its head office tax credit that would otherwise be claimable 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.
- (17) Notwithstanding any of the provisions of this section, no rebate is payable for a taxation year before 2015.
- (18) If, after reviewing the application and all other relevant information and records, the minister grants a rebate pursuant to clause (6)(a), the minister shall:
- (a) notify the eligible corporation in writing of the amount of the rebate to which it is entitled for the taxation year; and
  - (b) pay to the eligible corporation the amount of the rebate, without interest.
- (19) The minister shall initially determine the amount of the rebate payable pursuant to this section to an eligible corporation for a taxation year by reference to the most recent assessment of tax payable by the corporation for the year pursuant to this Act.
- (20) If, after an initial determination has been made pursuant to subsection (19), the federal minister issues any assessment or reassessment of the amount of tax payable or paid by the eligible corporation for the year pursuant to this Act:
- (a) the eligible corporation must submit to the minister each subsequent notice of assessment or notice of reassessment within three months after the assessment or reassessment; and
  - (b) the minister may make any adjustments to the amount of the eligible corporation's rebate determined pursuant to subsection (19) that may be necessary to reflect any subsequent assessment or reassessment issued by the federal minister.

- (21) If the minister acts pursuant to subsection (20), the minister shall:
- (a) pay to the eligible corporation any additional rebate to which the eligible corporation is entitled pursuant to this section for the taxation year, without interest; or
  - (b) serve a written demand on the eligible corporation for the repayment of the rebate or the excess amount of the rebate to which the corporation is not entitled for the taxation year.
- (22) If, after a rebate pursuant to this section is paid to a corporation, it is subsequently determined that the corporation received a rebate to which it was not entitled or received an amount greater than the amount of the rebate to which it was entitled or if a written demand is served on the corporation pursuant to clause (21)(b), the corporation shall:
- (a) repay the amount of the rebate or the excess amount, as the case may be, to the minister; and
  - (b) pay interest to the minister on the amount of the rebate or the excess amount, as the case may be, computed pursuant to this Act as if the amount or excess were tax payable pursuant to this Act from the day the amount or the excess amount was paid to the corporation to the day it is repaid to the minister.
- (23) Notwithstanding clause (22)(b), interest is not payable by an eligible corporation if the amount of the rebate or the excess amount as determined pursuant to subsection (22) is the result of the eligible corporation claiming a deduction pursuant to section 111 of the federal Act with respect to a loss for a subsequent taxation year.
- (24) A rebate overpayment mentioned in subsection (22) is a debt due to the Crown in right of Saskatchewan and may be recovered:
- (a) as if it were a tax pursuant to Part III of *The Revenue and Financial Services Act*; or
  - (b) in any other manner authorized by law.

2015, c.13, s.14; 2016, c.3, s.10; 2017, c.14, s.23.

**Primary steel production rebate**

**64.5(1)** In this section:

- (a) **“eligible asset”** means depreciable property of an eligible corporation that is included in any of the classes in Schedule II of the federal regulations for capital cost allowance purposes but does not include any depreciable property that has previously been used in Saskatchewan;
- (b) **“eligible corporation”** means a corporation that provides evidence satisfactory to the minister to establish:
  - (i) that the corporation is engaging in primary steel production at a facility in Saskatchewan using materials that it has acquired at fair market value;

(ii) that, after March 18, 2015, the corporation acquired eligible assets at fair market value for use in primary steel production taking place in Saskatchewan having a capital cost equal to at least \$100 million; and

(iii) that the corporation is in compliance with any additional conditions that may be prescribed in the regulations;

(c) “**eligible tax**” is the amount, ET, determined in accordance with the following formula:

$$ET = TT \times AR$$

where:

TT is total tax for the taxation year of the eligible corporation; and

AR is the average of all amounts PLR calculated in accordance with subsection (1.1) with respect to each product line;

(d) “**expanded productive capacity**” means nameplate capacity for a product line as determined following the capital investment mentioned in subclause (b)(ii);

(e) “**initial productive capacity**” means nameplate capacity for a product line as determined before the capital investment mentioned in subclause (b)(ii);

(f) “**nameplate capacity**” means the maximum sustained output of a facility as measured in product tonnes for a product line over a 12-month period, certified by a professional engineer as defined in *The Engineering and Geoscience Professions Act*;

(g) “**primary steel production**” means smelting and refining metals from ore, pig or scrap to produce steel in ingot or molten form, the output of which is then rolled, drawn or cast to produce sheet, strip or other forms of steel;

(g.1) “**product line**” means a primary steel product or group of related primary steel products, as approved by the minister;

(h) “**rebate**” means a primary steel production tax rebate granted by the minister pursuant to this section;

(i) “**total tax**” means the amount of tax payable by the eligible corporation pursuant to this Act for a taxation year before the application of any deductions or credits pursuant to sections 60.1, 61.1, 63.2, 63.3, 63.4, 64.3, 64.4 or 67.1 for the taxation year.

(1.1) For the purposes of clause (1)(c), the amount PLR with respect to a product line is calculated in accordance with the following formula:

$$PLR = \frac{EC - IC}{EC}$$

where:

EC is expanded productive capacity of the eligible corporation; and

IC is initial productive capacity of the eligible corporation.



- (2) A corporation that intends to apply for a rebate must submit to the minister an application on a form acceptable to the minister that provides:
- (a) evidence satisfactory to the minister that the corporation is an eligible corporation;
  - (b) evidence satisfactory to the minister that all tax payable by the corporation pursuant to this Act for each taxation year in which it was an eligible corporation has been paid; and
  - (c) any other information and records that the minister may require in order to determine the eligible corporation's rebate.
- (3) An application pursuant to subsection (2) must be made within three years after the first taxation year for which the eligible corporation intends to claim a rebate.
- (4) Notwithstanding any of the provisions of this section:
- (a) no rebate is payable for a taxation year before 2015; and
  - (b) no rebate payable to an eligible corporation for a taxation year shall exceed the amount of tax paid by the eligible corporation for the taxation year pursuant to this Act.
- (5) On receipt of an application pursuant to subsection (2), the minister may:
- (a) if the minister is satisfied that the applicant is an eligible corporation and has complied with this section, grant a rebate for the taxation year for which a rebate is claimed and each of the next four taxation years equal to the amount of the corporation's rebate within the meaning of subsection (6) for each of those taxation years; or
  - (b) if the minister is satisfied that the applicant is not entitled to a rebate, send a written notice of determination to the applicant setting out the determination that the applicant is not entitled to the rebate and the reasons for the determination.
- (6) Subject to subsections (7) and (7.1), the amount of an eligible corporation's rebate for a taxation year is equal to:
- (a) for the first taxation year for which a rebate is claimed, 100% of eligible tax;
  - (b) for the second taxation year for which a rebate is claimed, 100% of eligible tax;
  - (c) for the third taxation year for which a rebate is claimed, 75% of eligible tax;
  - (d) for the fourth taxation year for which a rebate is claimed, 50% of eligible tax; and
  - (e) for the fifth taxation year for which a rebate is claimed, 25% of eligible tax.
- (7) For the purposes of subsection (6), the first taxation year for which a rebate is claimed must be within six years after completion of the capital investment mentioned in subclause (1)(b)(ii).

- (7.1) Corporations receiving an incentive pursuant to this section are not eligible to receive an incentive pursuant to section 64.6.
- (8) If, after reviewing the application and all other relevant information and records, the minister grants a rebate pursuant to clause (5)(a), the minister shall:
- (a) notify the eligible corporation in writing of the amount of the rebate to which it is entitled for the taxation year; and
  - (b) pay to the eligible corporation the amount of the rebate, without interest.
- (9) The minister shall initially determine the amount of the rebate payable pursuant to this section to an eligible corporation for a taxation year by reference to the most recent assessment of tax payable by the eligible corporation for the taxation year pursuant to this Act.
- (10) If, after an initial determination has been made pursuant to subsection (9), the federal minister issues any assessment or reassessment of the amount of tax payable or paid by the eligible corporation for the taxation year pursuant to this Act:
- (a) the eligible corporation must submit to the minister each subsequent notice of assessment or notice of reassessment within three months after the assessment or reassessment; and
  - (b) the minister may make any adjustments to the amount of the eligible corporation's rebate determined pursuant to subsection (6) that may be necessary to reflect any subsequent assessment or reassessment issued by the federal minister.
- (11) If the minister acts pursuant to subsection (10), the minister shall:
- (a) pay to the eligible corporation any additional rebate to which it is entitled pursuant to this section for the taxation year, without interest; or
  - (b) serve a written demand on the eligible corporation for the repayment of the rebate or the excess amount of the rebate to which the corporation is not entitled for the taxation year.
- (12) If, after a rebate pursuant to this section is paid to a corporation, it is subsequently determined that the corporation received a rebate to which it was not entitled or received an amount greater than the amount of the rebate to which it was entitled or if a written demand is served on the corporation pursuant to clause (11)(b), the corporation shall:
- (a) repay the amount of the rebate or the excess amount, as the case may be, to the minister; and
  - (b) pay interest to the minister on the amount of the rebate or the excess amount, as the case may be, computed pursuant to this Act as if the amount or excess were tax payable pursuant to this Act from the day the amount or the excess amount was paid to the corporation to the day it is repaid to the minister.

(13) Notwithstanding clause (12)(b), interest is not payable by an eligible corporation if the amount of the rebate or the excess amount as determined pursuant to subsection (12) is the result of the eligible corporation claiming a deduction pursuant to section 111 of the federal Act with respect to a loss for a subsequent taxation year.

(14) A rebate overpayment mentioned in subsection (12) is a debt due to the Crown in right of Saskatchewan and may be recovered:

- (a) as if it were a tax pursuant to Part III of *The Revenue and Financial Services Act*; or
- (b) in any other manner authorized by law.

2015, c.13, s.14; 2016, c.3, s.11; 2017, c.14, s.24.

#### Saskatchewan Commercial Innovation Incentive

64.6(1) In this section:

- (a) “**eligible corporation**” means a corporation that has been issued an SCII certificate pursuant to subsection 11(1) of *The Saskatchewan Commercial Innovation Incentive (Patent Box) Act*;
  - (b) “**qualifying SCII income**” means the amount by which the eligible corporation’s taxable income exceeds, if the corporation was a Canadian-controlled private corporation throughout the taxation year, the least of the amounts determined pursuant to paragraph 125(1)(a) to (c) of the federal Act with respect to the corporation for the taxation year;
  - (c) “**qualifying tax**” means the amount determined pursuant to subsection (7) for an eligible corporation for a taxation year;
  - (d) “**rebate**” means an amount determined pursuant to subsections (6) and (7);
  - (e) “**rebate period**” means the period set out in the SCII certificate based on whether that certificate was issued pursuant to subsection 11(2) or (3) of *The Saskatchewan Commercial Innovation Incentive (Patent Box) Act*;
  - (f) “**SCII certificate**” means a certificate issued by the minister responsible for the administration of *The Saskatchewan Commercial Innovation Incentive (Patent Box) Act*;
  - (g) “**SCII tax rate**” is 6%.
- (2) Subject to subsection (3), an eligible corporation may apply for a rebate pursuant to section 12 of *The Saskatchewan Commercial Innovation Incentive (Patent Box) Act*.
- (3) The minister may establish any procedures that the minister considers appropriate with respect to the manner in which the tax rebate mentioned in subsection (1) is to be claimed.

(4) An eligible corporation that intends to apply for an initial rebate for a taxation year must submit to the minister an application in a form acceptable to the minister that provides:

- (a) a copy of its SCII certificate;
- (b) a copy of its full T2 corporate income tax return, including all schedules;
- (c) its Canada Revenue Agency notice of assessment for that taxation year; and
- (d) any other information and records that the minister may require in order to determine the amount of the rebate.

(5) An application made by an eligible corporation pursuant to subsection (4):

- (a) is irrevocable after it is provided to the minister; and
- (b) initiates the rebate period that continues, subject to section 14 of *The Saskatchewan Commercial Innovation Incentive (Patent Box) Act*, for consecutive taxation years through the rebate period.

(6) The amount of an eligible corporation's rebate for a taxation year is equal to the amount R determined in accordance with the following formula:

$$R = T - QT$$

where:

T is the amount of tax paid by the eligible corporation pursuant to this Act for the taxation year before the application of any deductions or credits pursuant to section 58, 60.1, 61.1, 63.2, 63.3, 63.4, 64.3, 64.4, 67 or 67.1 for the taxation year; and

QT is the amount of the eligible corporation's qualifying tax for the taxation year.

(7) The amount of qualifying tax of the eligible corporation for a taxation year for the purposes of subsection (6) is equal to the total of all amounts QT calculated in accordance with the following formula with respect to each period in the taxation year to which a different rate of tax set out in subsection 56(1) or (2) applies or to which a different amount set out in section 56.5 applies:

$$QT = \left[ \left( QI \times \frac{A}{B} \times QR \right) + \left( SBI \times \frac{A}{B} \times SR \right) \right] \times \frac{DP}{DY}$$

where:

QI is the amount of the eligible corporation's qualifying SCII income for the taxation year;

QR is the SCII tax rate;

SBI is, if the corporation was a Canadian controlled private corporation throughout the taxation year, the least of the amounts, subject to section 56.5, determined pursuant to paragraphs 125(1)(a) to (c) of the federal Act with respect to the corporation for the taxation year;

SR is the rate of tax set out in subsection 56(2) that applies to the period in the taxation year;

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 taxable income earned in the taxation year in all provinces;

DP is the number of days in the period in the taxation year; and

DY is the number of days in the taxation year.

- (8) An application pursuant to subsection (2) must be made within three years after the first taxation year for which the eligible corporation intends to claim a rebate.
- (9) Corporations receiving an incentive pursuant to section 64.1 or 64.5 are not eligible to receive an incentive pursuant to this section.
- (10) Notwithstanding any of the provisions of this section:
- (a) no rebate is payable for a taxation year before 2017;
  - (b) no rebate paid to an eligible corporation for a taxation year shall exceed the amount of tax paid for the taxation year pursuant to this Act by the eligible corporation;
  - (c) a rebate, or an entitlement to a rebate, may not be assigned or transferred by the eligible corporation that applied for the rebate; and
  - (d) if an SCII certificate is cancelled pursuant to section 14 of *The Saskatchewan Commercial Innovation Incentive (Patent Box) Act*, the minister may terminate the corporation's eligibility for a rebate for all subsequent taxation years remaining in the rebate period.
- (11) On receipt of an application pursuant to subsection (2), the minister may:
- (a) if the minister is satisfied that the applicant is an eligible corporation and has complied with this section, grant a rebate equal to the amount of the corporation's rebate determined pursuant to subsection (6) for the taxation year; and
  - (b) if the minister is satisfied that the corporation is not entitled to a rebate, send a written notice of determination to the corporation setting out the determination that the corporation is not entitled to the rebate and the reasons for the determination.
- (12) The minister shall initially determine the amount of the rebate payable pursuant to this section to an eligible corporation for a taxation year by reference to the most recent assessment of tax payable by the eligible corporation for the taxation year pursuant to this Act.
- (13) If, after an initial determination has been made pursuant to subsection (12), the federal minister issues any assessment or reassessment of the amount of tax payable or paid by the eligible corporation for the taxation year pursuant to this Act:
- (a) the eligible corporation must submit to the minister each subsequent notice of assessment or notice of reassessment within three months after the assessment or reassessment; and

- (b) the minister may make any adjustments to the amount of the eligible corporation's rebate determined pursuant to subsection (6) that may be necessary to reflect any subsequent assessment or reassessment issued by the federal minister.
- (14) If the minister acts pursuant to subsection (13), the minister shall:
- (a) pay to the eligible corporation any additional rebate to which it is entitled pursuant to this section for the taxation year, without interest; or
- (b) serve a written demand on the eligible corporation for the repayment of the rebate or the excess amount of the rebate to which the corporation is not entitled for the taxation year.
- (15) If, after a rebate pursuant to this section is paid to a corporation, it is subsequently determined that the corporation received a rebate to which it was not entitled or received an amount greater than the amount of the rebate to which it was entitled or if a written demand is served on the corporation pursuant to clause (14)(b), the corporation shall:
- (a) repay the amount of the rebate or the excess amount, as the case may be, to the minister; and
- (b) pay interest to the minister on the amount of the rebate or the excess amount, as the case may be, computed pursuant to this Act as if the amount or excess were tax payable pursuant to this Act from the day on which the amount or the excess amount was paid to the corporation to the day on which it is repaid to the minister.
- (16) Notwithstanding clause (15)(b), interest is not payable by an eligible corporation if the amount of the rebate or the excess amount as determined pursuant to subsection (15) is the result of the eligible corporation claiming a deduction pursuant to section 111 of the federal Act with respect to a loss for a subsequent taxation year.
- (17) A rebate overpayment mentioned in subsection (15) is a debt due to the Crown in right of Saskatchewan and may be recovered:
- (a) as if it were a tax pursuant to Part III of *The Revenue and Financial Services Act*; or
- (b) in any other manner authorized by law.

2017, c 14, s.25.

#### 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(1)** Subject to subsection (2), 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 with respect to a taxation year ending before January 1, 2007 in accordance with any regulations that may be made pursuant to clause 124(1)(h).

(2) No amount of royalty tax rebate that was earned with respect to a taxation year ending before January 1, 2007 may be deducted pursuant to subsection (1) for any taxation year that ends after December 31, 2013.

2014, c.14, s.6.

**Mining reclamation trust tax credit**

**67(1)** This section applies to qualifying environmental trusts that relate to mines situated in Saskatchewan.

(2) For each taxation year, a qualifying environmental trust must pay a tax equal to the total of all amounts T calculated in accordance with the following formula with respect to each period in the taxation year to which a different rate of tax set out in subsection 56(1) applies:

$$T = (GR \times A) \times \frac{DP}{DY}$$

where:

GR is the rate of tax set out in subsection 56(1) that applies to the period in the taxation year;

A is the amount of the qualifying environmental trust's income that is subject to tax pursuant to Part XII.4 of the federal Act for the taxation year;

DP is the number of days in the period in the taxation year; and

DY is the number of days in the taxation year.

(2.1) For the purposes of this section, Part XII.4 of the federal Act applies.

(3) A taxpayer who is a beneficiary of a qualifying environmental 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 qualifying environmental trust tax credit for that taxation year calculated in accordance with subsection (4).

(4) A taxpayer's qualifying environmental trust tax credit for a taxation year is the amount MRTC calculated in accordance with the following formula:

$$MRTC = CI + CP$$

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:

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

where:

TT is the tax payable pursuant to subsection (2) by the qualifying environmental 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 qualifying environmental 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 qualifying environmental 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.

2000, c.I-2.01, s.67; 2001, c.17, s.31; 2006, c.21, s.15.

#### **Political contributions credit**

**67.1** There may be deducted from the tax otherwise payable pursuant to this Act for a taxation year by a taxpayer a political contributions credit in an amount equal to the tax credits allowed for the taxation year by section 4 of *The Political Contributions Tax Credit Act*.

2001, c.P-15.2, s.22.

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, 61.1, 64.1, 64.2, 64.3, 64.4, 64.5 and 96, subsections 111(5) and 131(2) and sections 136 and 138.

2000, c.I-2.01, s.68; 2006, c.21, s.16; 2011, c.6,  
s.4; 2012, c.17, s.15; 2015, c.13, s.15.

**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.

2000, c.I-2.01, s.69.

**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.

2000, c.I-2.01, s.70.

**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.

2000, c.I-2.01, s.71.

**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.

2000, c.I-2.01, s.72.

#### **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.

2000, c.I-2.01, s.73.

## **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.

2000, c.I-2.01, s.74.

**Return**

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

2000, c.I-2.01, s.75.

**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).

2000, c.I-2.01, s.76.

**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.

2000, c.I-2.01, s.77.

**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.

2000, c.I-2.01, s.78.

**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.

2000, c.I-2.01, s.79.

**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 to be the tax payable pursuant to this Act by the individual for the taxation year; or
- (ii) the individual's instalment base for the preceding taxation year; or
- (b) on or before:
- (i) March 15 and June 15 in the taxation year, an amount equal to one-quarter of the individual's instalment base for the second preceding taxation year; and
- (ii) September 15 and December 15 in the taxation year, an amount I calculated in accordance with the following formula:

$$I = \frac{1}{2} \times (A - B)$$

where:

A is the individual's instalment base for the preceding taxation year; and

B is one-half of the individual's instalment base for the second preceding taxation year.

- (2) Subject to subsection (3), subsections 156(2) and (3) of the federal Act apply for the purposes of this section.
- (3) In applying subsection 156(2) of the federal Act for the purposes of this section, the reference to section 132 of the federal Act is to be read as a reference to section 36 of this Act.

2001, c.17, s.32.

**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.

2000, c.I-2.01, s.81.

**Payment by testamentary trusts**

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

2000, c.I-2.01, s.82.

**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.

2000, c.I-2.01, s.83.

**Payment of remainder**

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

2000, c.I-2.01, s.84.

**Person acting for another**

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

2000, c.I-2.01, s.85.

**Tax liability re property transferred not at arm's length**

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

2000, c.I-2.01, s.86.

**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.

2000, c.I-2.01, s.87.

**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.

2000, c.I-2.01, s.88.

**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.

2000, c.I-2.01, s.89.

**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).

2000, c.I-2.01, s.90.

**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).

2000, c.I-2.01, s.91.

**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.

2000, c.I-2.01, s.92.

**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.

2000, c.I-2.01, s.93.

**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.

2000, c.I-2.01, s.94.

**Refunds, repayment on objections and appeals**

**95(1)** Subsections 164(1) to (1.31), (1.5) to (1.53), (2), (2.01), (2.1), (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) to (1.53), (2), (2.01), (2.1), (2.2) and (3) to (7) of the federal 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) **Repealed.** 2002, c.32, s.17.

(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.

2000, c.I-2.01, s.95; 2002, c.32, s.17; 2014, c.14, s.7; 2015, c.13, s.16.

**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;

(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:

(a) in the case of a refund of \$300 or less, the actual consideration is less than 85% of the amount of the refund payable to the assignor; or

(b) in the case of a refund greater than \$300, the actual consideration is less than \$255 plus 95% of the amount by which the refund payable to the assignor exceeds \$300.

(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.

2000, c.I-2.01, s.96; 2003, c.26, s.6.

#### **Objections to assessments**

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

2000, c.I-2.01, s.97.

#### **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.

2000, c.I-2.01, s.98.

**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.

2000, c.I-2.01, s.99.

**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.

2000, c.I-2.01, s.100.

**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.

2000, c.I-2.01, s.101.

**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.

2000, c.I-2.01, s.102.

**Powers of court on appeal**

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

2000, c.I-2.01, s.103.

**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.

2000, c.I-2.01, s.104.

## 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.

2000, c.I-2.01, s.105.

**Administration and enforcement**

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

2000, c.I-2.01, s.106.

**Application of interest**

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

2000, c.I-2.01, s.107.

**Garnishment**

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

2000, c.I-2.01, s.108.

**Collection restrictions**

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

2000, c.I-2.01, s.109.

**Authorization to collect assessed amount**

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

2000, c.I-2.01, s.110.

**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*.

2000, c.I-2.01, s.111.

**Taxes are debts due to Crown**

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

2000, c.I-2.01, s.112.

**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.

2000, c.I-2.01, s.113.

**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 enforcement instructions for a judgment.

2000, c.I-2.01, s.114; 2010, c.E-9.22, s.165.

**Priority re amounts owed**

**114.1(1)** In this section, “**enforcing judgment creditor**” means enforcing judgment creditor as defined in *The Enforcement of Money Judgments Act*.

(2) Notwithstanding *The Enforcement of Money Judgments Act*, amounts owed to the Crown pursuant to this Act have priority over the claims of all enforcing judgment creditors, whether or not the Crown is also an enforcing judgment creditor with respect to those amounts.

2010, c.E-9.22, s.166.

**Moneys seized from tax debtor**

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

2000, c.I-2.01, s.115.

**Seizure of chattels**

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

2000, c.I-2.01, s.116.



**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.

2000, c.I-2.01, s.117.

**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.

2000, c.I-2.01, s.118.

**Liability of directors for failure to pay tax**

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

2000, c.I-2.01, s.119.

**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.

2000, c.I-2.01, s.120.

**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.

2000, c.I-2.01, s.121.

**Solicitor-client privilege**

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

2000, c.I-2.01, s.122.

**Information returns**

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

2000, c.I-2.01, s.123.

**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) exempting any Act, Act of the Parliament of Canada or regulation made pursuant to an Act or an Act of the Parliament of Canada from the application of clause 40(1)(b) or any portion of clause 40(1)(b) with respect to a refund arising pursuant to section 38 or 39;

- (g.1) establishing an employee's tools credit for the purposes of section 34.2 and governing the entitlement to, and the calculation and deduction of, that credit;
  - (g.2) for the purposes of subclause 64.1(1)(b)(iii), prescribing any additional conditions that must be established by a qualifying corporation;
  - (g.3) for the purposes of subclause 64.1(1)(e)(iii), prescribing any additional conditions that must be established by a corporation;
  - (g.4) for the purposes of subclause 64.2(1)(c)(iv), prescribing any additional conditions that must be established by a corporation;
  - (g.5) for the purposes of clause 64.2(10)(b), prescribing the rate for the calculation of the deemed profit margin of an eligible corporation;
  - (g.6) for the purposes of subclause 64.3(1)(e)(ii), prescribing any additional conditions that must be established by a corporation;
  - (g.7) for the purposes of subclause 64.4(1)(k)(iii), prescribing any additional conditions that must be established by a corporation;
  - (g.8) for the purposes of subclause 64.5(1)(b)(iii), prescribing any additional conditions that must be established by a corporation;
  - (h) **Repealed.** 2014, c.14, s.8.
  - (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.
- (1.1) Regulations made pursuant to clause (1)(e) may be made retroactive to a day not earlier than January 1, 2001.
  - (2) Regulations pursuant to clauses (1)(f) and (g) may be made retroactive to a day not earlier than July 1, 1998.
  - (2.1) Regulations pursuant to clause (1)(g.1) may be made retroactive to a day not earlier than January 1, 2006.
  - (2.2) Regulations made pursuant to clauses (1)(g.2) and (g.3) may be made retroactive to a day not earlier than January 1, 2011.
  - (2.3) Regulations made pursuant to clauses (1)(g.4) and (g.5) may be made retroactive to a day not earlier than March 21, 2012.
  - (2.4) Regulations made pursuant to clauses (1)(g.6) and (g.7) may be made retroactive to a day not earlier than January 1, 2015.
  - (2.5) Regulations made pursuant to clause (1)(g.8) may be made retroactive to a day not earlier than March 19, 2015.
  - (3) **Repealed.** 2014, c.14, s.8.

2000, c.I-2.01, s.124; 2002, c.32, s.18; 2006, c.21, s.17; 2008, c.13, s.10; 2011, c.6, s.5; 2012, c.17, s.16; 2014, c.14, s.8; 2015, c.13, s.17.

**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.

2000, c.I-2.01, s.125; 2002, c.32, s.18.

**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.

2000, c.I-2.01, s.126.

**Execution of documents by corporations**

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

2000, c.I-2.01, s.127.

**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.

2000, c.I-2.01, s.128.

**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.

2000, c.I-2.01, s.129.

**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.

2000, c.I-2.01, s.130.

**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).

2000, c.I-2.01, s.131.

**Liability of officers, directors for offences of corporation**

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

2000, c.I-2.01, s.132.

**Restrictions re minimum fines, suspension of sentences**

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

2000, c.I-2.01, s.133.

**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.

2000, c.I-2.01, s.134.

**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.

2000, c.I-2.01, s.135.

**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.

2000, c.I-2.01, s.136.

**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.

2000, c.I-2.01, s.137.

**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.

2000, c.I-2.01, s.138.

**Anti-avoidance rules**

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

2000, c.I-2.01, s.139.

**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.

2000, c.I-2.01, s.140.

**141 to 146** **Dispensed.** These sections make consequential amendments to other Acts. The amendments have been incorporated into the corresponding Acts.

**Coming into force**

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

2000, c.I-2.01, s.147.