

Information Bulletin

CCT-1

Issued: January 1981

Revised: March 2026

THE CORPORATION CAPITAL TAX ACT

GENERAL INFORMATION

This bulletin has been prepared to provide information about the Corporation Capital Tax. It is a general guide and not a substitute for the legislation.

Changes to this bulletin are indicated by a (I) in the left margin.

The contents of this bulletin are presented under the following sections:

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A. GENERAL INFORMATION

Corporation Capital Tax

Corporation Capital Tax (CCT) applies to commercial Crown corporations and financial institutions operating in Saskatchewan, whose paid-up capital exceeds \$10 million. In general, paid-up capital is a company's shareholder's equity, surpluses, reserves, and long-term liabilities. For more information see [CT-2, Calculation of Paid-Up Capital](#) and [CT-3, Allowable Deductions](#).

In addition, large resource corporations are subject to a Resource Surcharge on the value of resource sales of oil, natural gas, potash, uranium, and coal in Saskatchewan. The CCT rate for large resource corporations is 0.0 per cent, however they are still required to calculate CCT in order to determine if they meet the definition of large resource corporations. For more information see [CT-4, Resource Surcharge](#).

Financial Institutions

Corporation Capital Tax applies to small and large Financial Institutions. A Financial Institution is a corporation that at any time in the year is:

- Bank to which the *Bank Act* (Canada) applies;
- Securities dealers;
- Mortgage corporations; or
- A corporation offering their services as trustees.

Small Financial Institutions

A small Financial Institution is a Financial Institution that has aggregate taxable paid-up capital (including all of its associated corporations) of \$1.5 billion or less. Small Financial Institutions are taxed at a lower rate than other Financial Institutions. Effective April 1, 2026, small Financial Institutions are no longer subject to CCT. A final CCT return is required for any fiscal year that has a split tax rate.

Resource Corporations

Large resource corporations are subject to a CCT Resource Surcharge. A large resource corporation is defined as any corporation that has Saskatchewan resource sales and which has:

1. A value for taxable paid-up capital in the fiscal year without claiming the deduction for deferred exploration and development expenses; or,
2. Assets in excess of \$100 million (including assets of all affiliated and associated corporations). The assets of the affiliated and associated group of corporations may be accounted for on a consolidated balance sheet basis. Resource corporations must provide a detailed consolidated balance sheet. An audited financial statement prepared by an independent auditor may be requested in the event of determining assets valuation.

For further information, please see Information Bulletin [CT-4, Resource Surcharge](#).

B. TAX RATES

Corporation Capital Tax Rates

Financial Institutions	4.0 per cent up to March 31, 2026 6.0 per cent effective April 1, 2026
Small Financial Institutions	0.7 per cent up to March 31, 2026 0.0 per cent effective April 1, 2026
Crown Corporations	0.6 per cent up to March 31, 2026 0.3 per cent effective April 1, 2026 0.0 per cent effective April 1, 2027
Resource Corporations	0.0 per cent

Telecommunications Tax Rate

Telecommunications corporations are subject to a telecommunication tax of 0.9 per cent on their telecommunication capital. Effective April 1, 2027 the telecommunication tax is eliminated.

Resource Surcharge Tax Rates

Oil and gas wells with a finished drilling date on or after October 1, 2002, and incremental oil related to new or expanded enhanced oil recovery projects or waterflood projects having a commencement date on or after October 1, 2002	1.7per cent
All other oil and gas wells, coal, potash and uranium	3.0per cent

C. REGISTRATION AND REPORTING REQUIREMENTS

Registration

All corporations that have paid-up capital over \$10 million are required to report and remit CCT. Corporations that qualify as large resource corporations are also required to report and remit Resource Surcharge.

How to Apply

Corporations may register for a CCT account using one of the following methods:

1. Contact the Ministry of Finance, requesting an account be established; or
2. Complete and forward a signed return along with all relevant back-up to:
Ministry of Finance
Revenue Division
Box 200
Regina SK S4P 2Z6

Reporting Requirements

Annual Returns

A corporation that has taxable paid-up capital or a corporation that is liable for the Resource Surcharge must file a CCT return along with any balance of tax due within six months from the close of the fiscal year.

Amalgamations

Amalgamated corporations are required to file a CCT return for the date prior to when the amalgamation occurred.

Currency

Returns must be completed in Canadian dollars.

D. **INSTALMENT REQUIREMENTS**

Generally, corporations are required to pay CCT in monthly instalment payments. Instalment payment calculations differ based on corporation type and are due on or before the last day of each month in the fiscal year. Failure to make sufficient instalment payments on time may result in interest charges. See [Section E, Interest](#), for more information.

Corporations with Tax Payable of \$4,800 or Less

Corporations with less than \$4,800 of CCT or Resource Surcharge payable in the current fiscal year are not required to make monthly instalment payments. The full amount of tax owing is required to be paid on the due date of the return. Tax returns are due six months after the fiscal year end.

Calculating Instalments for the First Year of Filing (All Corporation Types)

Corporations with greater than or equal to \$4,800 of CCT or Resource Surcharge payable in the first year of filing are required to make monthly instalment payments based on 75 per cent of estimated tax payable for the current fiscal year.

Example

A corporation has never filed a CCT return before. The corporation has a December 31 year-end and estimated tax payable for the current year of \$96,000.

Monthly instalment payment will be equal to $\$96,000 * 75 \text{ per cent} \div 12 = \$6,000$ due monthly.

Calculating Instalment Payments for Financial Institutions and Crown Corporations

General Rules

Financial Institutions and commercial Crown Corporations that are liable for CCT can calculate monthly instalment payments based on one of the following options:

- **Option 1** – One-twelfth (1/12) of the estimated tax payable for the current fiscal year; or,
- **Option 2** –
 - **First three months:** One-twelfth (1/12) of the tax payable for the fiscal year before the previous fiscal year; and,
 - **Last nine months:** One-ninth (1/9) of the difference between the tax for the previous fiscal year and the total of the first three instalments.

Example

A Crown Corporation has a December 31 year-end and estimated tax payable for the current year (Year 3) of \$48,000.

Fiscal Year End	Tax Liability
Year 3	\$48,000 (estimated)
Year 2	\$36,000
Year 1	\$12,000

Option 1: Calculation based on estimated current year tax payable.

$$\$48,000 \div 12 = \$4,000 \text{ due monthly}$$

Option 2: Calculation based on previous two fiscal years

- For the first 3 months, monthly instalments are:
 $\$12,000 \div 12 = \$1,000$ due monthly
- For the next 9 months, monthly instalments are:
 $\$36,000 - (\$1,000 \times 3) \div 9 = \$3,667$ due monthly

Short Fiscal Years

Corporations are required to make monthly instalment payments based on the number of months in the fiscal year applied to the instalment payment option selected. Where instalments are based on a prior short year, the tax payable figure used for that year must be increased to reflect the amount that would have been payable for a full year.

Example

A Financial Institution has the following fiscal year ends and tax liabilities, and is calculating their Year 3 instalment payment requirement:

Fiscal Year End	Days in Fiscal Year	Tax Liability
Year 3 - January 1 to December 31	365	\$60,000 (estimated)
Year 2 - October 1 to December 31	92	\$40,000
Year 1 - October 1 to September 30	365	\$48,000

Option 1: Calculation based on estimated current year tax payable.

$$\$60,000 \div 12 = \$5,000 \text{ due monthly}$$

Option 2: Calculation based on previous fiscal years.

- For the first 3 months, monthly instalments are:
 $\$48,000 \div 12 = \$4,000$ due monthly
- For the remaining 9 months, monthly instalments are grossed up to reflect the amount payable for a full year.
 $\$40,000 \div 92 \times 365 = \$158,696$
 $\$158,696 - (\$4,000 \times 3) \div 9 = \$16,300$ due monthly

Where the current fiscal year is less than 12 months, the tax payable figure for the prior years should be reduced to reflect the number of days in the current year. The number of instalments required will be dependent on the number of months in the fiscal year. For example, for a fiscal year from January 5, 2024, to February 14, 2024, two monthly instalment payments will be required based on the tax payable for the previous year prorated for the 40 days.

Calculating Instalment Payments for Resource Corporations

General Rules

Resource corporations that are liable for the CCT Resource Surcharge can calculate monthly instalment payments based on either:

- **Option 1** – One-twelfth (1/12) of the estimated tax payable for the current fiscal year; or
- **Option 2** – One-twelfth (1/12) of the prior year tax payable.

Example

A resource corporation has a December 31 year-end and estimated tax payable for the current year of \$100,000. Tax payable for the previous fiscal year was \$80,000.

Option 1: Calculation based on estimated current year tax payable.

$$\$100,000 \div 12 = \$8,333 \text{ due monthly}$$

Option 2: Calculation based on the previous fiscal year.

$$\$80,000 \div 12 = \$6,667 \text{ due monthly}$$

Short Fiscal Years

Corporations are required to make monthly instalment payments based on the number of months in the fiscal year applied to the instalment payment option selected. Where instalments are based on a prior short year, the tax payable figure used for that year must be increased to reflect the amount that would have been payable for a full year. Conversely, where the current fiscal year is less than 12 months, the tax payable figure for the prior years should be reduced to reflect the number of days in the current year. The number of instalment payments required will be dependent on the number of months in the fiscal year. For example, for a fiscal year from January 5, 2024 to February 14, 2024, two monthly instalment payments will be required based on the tax payable for the previous year prorated for the 40 days.

Example

A resource corporation has the following fiscal year ends and tax liabilities:

Fiscal Year End	Days in Fiscal Year	Tax Liability
January 1, Year 3 to December 31, Year 3	365	\$60,000 (estimated)
October 1, Year 2 to December 31, Year 2	92	\$40,000

Option 1: Calculation based on estimated current year tax payable.

$$\$60,000 \div 12 = \$5,000 \text{ due monthly}$$

Option 2: Calculation based on previous fiscal years.

Tax for the previous fiscal year grossed up to reflect the amount payable for a full year.

$$\$40,000 \times 365 \div 92 = \$158,696$$

Monthly instalment payments will be equal to $\$158,686 \div 12 = \$13,224$ due monthly.

Transferring Instalment Payments

It is important to ensure your instalment payments have been accurately applied to the correct corporate fiscal year end prior to filing your return. Instalment payment balances can be reviewed online using the [Saskatchewan eTax Services \(SETS\)](#).

You can request to transfer an instalment payment up to the date a return is filed. Instalment payments will not be transferred in a period after a return has been filed. Overpayments can be refunded or applied to another tax year.

E. PENALTY AND INTEREST

Penalty and interest charges are applied to late and outstanding returns and tax payments to ensure that taxes are reported, collected, remitted, or paid, on time.

Penalties

As announced with Budget 2024-25, **the penalty provisions for CCT will be revised effective October 1, 2024**, to help foster a fair and competitive environment for all Saskatchewan businesses. The current and revised provisions are outlined below:

	<u>Current Provisions</u>	<u>October 1, 2024</u>
Penalty Applied for Failing to File a Return by the Due Date	Not applicable	A new \$50 penalty applies for failing to file a return by the due date (for each return period);
Penalty for Failing to Produce Books, Records or Documents, as required	Not applicable	A new penalty of \$500 applies for each instance of failing to produce books, records or documents as required;
Penalty for Failing to File in the Manner Required or Failing to Complete Any Information Required on Any Return or Form	Not Applicable	A new penalty of \$100 applies for each instance of failing to file any return or form in the manner required, or failing to provide any information required on any return or form (for example, filing a paper return when required to file electronically or not filling out all required line items in a return).

Note: More than one of the above penalties may be applied to the same return period, in addition to interest as outlined below.

Interest

Interest is charged on all late or insufficient instalment payments. This interest is called instalment interest. Interest is also charged on any balance of tax due if it has not been paid within six months after the fiscal year end. This interest is called interest on balances due.

Instalment Interest

Interest is compounded daily according to your instalment payment requirements. As long as a corporation follows one of the applicable instalment payment methods and pays on time, they will not be charged interest. If Option 1 is used to calculate instalment payments and the estimated tax is lower than the year's actual tax, instalment interest will accrue.

The offset method is used to calculate instalment interest, meaning prepaid or overpaid instalments will attract credit interest and can reduce or eliminate the interest charged on late or insufficient payments. Credit interest is only provided if instalment payments are greater than the minimum required instalment amount(s) as accumulated during the instalment period based on current year tax payable. To reduce or eliminate interest, overpay the next instalment payment, which will provide credit instalment interest. Credit instalment interest is not refundable and can only be used against interest charged on late payments for the same tax year.

Interest on Balances Due

Interest is charged on any balances of tax due if it is not paid by the due date of the return. Interest is compounded daily on any unpaid balance from the due date of the return to the date of payment.

Refund Interest

Refund interest will be paid 21 days after the later of:

- The date the overpayment was received;
- The date that the Minister has received all documents or information required to validate the refund;
- The date that all returns have been filed; and,
- The date that all amounts owing have been paid or remitted as required by *The Corporation Capital Tax Act*.

Refund interest will be paid up to and including the date of the assessment or re-assessment.

Interest Rates

Interest is charged at the prime lending rate plus three percentage points on late or insufficient instalments and on any balance of tax that is not paid by the due date. Credit interest is calculated on overpayments at the prime lending rate.

The interest rates are determined on June 15 and December 15 in each year and are in effect for a six-month period commencing at the beginning of July and January.

To access current listing of interest rates go to [Interest Rates](#) at Saskatchewan.ca.

Penalty and Interest Waivers

When extraordinary circumstances prevent you from meeting your tax obligations, cancelling or waiving certain penalties and/or interest may be possible. To request relief of penalties and/or interest, please complete the [Penalty and Interest Waiver Application](#). Your account(s) must have all returns filed and balances paid prior to applying for a waiver and the request must be received within the tax program limitation period.

The following facts will be considered by Finance when we make our decision:

- Your compliance history;
- If you exercised a reasonable amount of due care and weren't negligent or careless; and,
- If you acted quickly to remedy any filing delay or omission of tax.

Requests to waive penalty and/or interest assessed during an audit should be directed to the auditor.

F. BUYING AND SELLING A BUSINESS

When buying or selling a business, please see Information Bulletin [PST-77, Buying and Selling a Business](#). This bulletin outlines the Provincial Sales Tax (PST) obligations of the buyer and seller, including the requirement to obtain a Clearance Certificate for the bulk sale of business assets.

The seller must ensure that they have filed all returns and paid all amounts owing on their tax account(s), and request closure of the account(s) when closing a location or ceasing all operations.

Before finalizing the purchase of a business, the purchaser should obtain a copy of the Clearance Certificate issued by the Revenue Division from the seller. A Clearance Certificate confirms that all taxes collected, payable or for which the seller has become liable to account, have been paid to Finance in full. Failure to obtain a copy of this Certificate could result in the purchaser or seller being held liable for any outstanding taxes unpaid by the seller.

G. SASKATCHEWAN eTAX SERVICES (SETS)

Finance has made it possible to report and remit tax electronically through a secure, fast, easy and convenient online self-service portal. Several services are currently available to businesses through SETS ([sets.saskatchewan.ca](#)):

- Register for secure, self-managed access to all your tax accounts.
- Apply for a new tax account.
- File and pay returns and amend previously filed returns.
- Make payments on account, including post-dated payments.

- View account balance and statement information.
- Authorize employees or accountants to file on your behalf.
- Receive notifications by email when a tax return should be filed. This replaces the paper forms usually sent in the mail.
- Submit a service request to update the mailing address or add a new business location.
- Submit a service request to receive tax information, interpretations or rulings related to your specific business activities.
- View and download up-to-date tax information promptly.
- Subscribe to receive email notifications when new and revised tax publications are available.

FOR FURTHER INFORMATION

Write: Ministry of Finance
Revenue Division
PO Box 200
REGINA SK S4P 2Z6

Telephone: Toll Free 1-800-667-6102
Regina 306-787-6645

Email: sasktaxinfo@gov.sk.ca

Internet: Tax bulletins, forms and information are available at saskatchewan.ca/business-taxes.

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Government website: Saskatchewan.ca