

# *The Corporation Capital Tax Regulations, 1984*

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[Chapter C-38.1 Reg 1](#) (effective December 20, 1984) as amended by Saskatchewan Regulations [2/86](#), [102/88](#), [89/90](#), [63/91](#), [79/92](#), [52/93](#), [23/96](#), [26/98](#), [52/2001](#), [66/2002](#), [59/2003](#), [66/2005](#), [49/2006](#), [63/2012](#), [1/2013](#), [22/2019](#) and [119/2020](#).

**NOTE:**

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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### **Appendix**

**CHAPTER C-38.1 REG 1**  
*The Corporation Capital Tax Act*

**Title**

**1** These regulations may be cited as *The Corporation Capital Tax Regulations, 1984*.

**Interpretation**

**2(1)** In these regulations:

(a) “**Act**” means *The Corporation Capital Tax Act*;

(a.01) “**co-operative corporation**” means a corporation that is incorporated by or under a law of Canada or a province providing for the establishment of the corporation, or respecting the establishment of co-operative corporations, for the purposes of marketing natural products belonging to or acquired from its members or customers, including any processing connected with or incidental to that marketing, purchasing supplies, equipment or household necessities for, or to be sold to, its members or customers or performing services for its members or customers if:

(i) the statute by or under which it is incorporated, its charter, articles of association or bylaws or its contracts with its members, or its members and customers, holds forth the prospect that payments will be made to them in proportion to patronage;

(ii) none of its members, other than other co-operative corporations, has more than one vote in the conduct of the affairs of the corporation; and

(iii) at least 90% of its members are individuals, other co-operative corporations or corporations or partnerships that carry on the business of farming, and at least 90% of its voting shares, if any, are held by those persons or partnerships;

and includes:

(iv) a condominium corporation constituted pursuant to *The Condominium Property Act, 1993*, where the property of the condominium corporation is used solely for personal residences; and

(v) a corporation whose charter or memorandum of association stipulates that any building owned or operated by the corporation must be owned and operated exclusively as personal residences for shareholders of the corporation and that the assets of the corporation include nothing other than the building and equipment necessary for the operation and maintenance of the building;

(a.02) “**credit union**” means a corporation, association or federation incorporated or organized as a credit union or co-operative credit society where:

- (i) it derives all, or substantially all, of its revenues from:
  - (A) loans made to, or cashing cheques for, members;
  - (B) bonds or securities of or loans to or guaranteed by the government of, or an agency of the government of:
    - (I) Canada;
    - (II) a province; or
    - (III) a Canadian municipality;
  - (C) bonds or securities of or loans to a municipality or public body, or an agency of the municipality or public body, which performs a function of government in Canada;
  - (D) bonds of a corporation, commission or association where not less than 90% of the shares or capital of the corporation, commission or association are owned by the government of:
    - (I) Canada;
    - (II) a province; or
    - (III) a Canadian municipality;
  - (E) loans to or deposits with a bank to which the *Bank Act* (Canada) or the *Quebec Savings Bank Act* (Canada) applies or loans to or deposits with a corporation licensed or otherwise authorized under a law of Canada or a province to carry on in Canada the business of offering to the public its services as trustee;
  - (F) charges, fees and dues levied against members or members of members; or
  - (G) loans to or deposits with a credit union or co-operative credit society of which it is a member;
- (ii) its members, or substantially all of its members, are:
  - (A) corporations, associations or federations that are:
    - (I) incorporated as credit unions or co-operative credit societies, all of which derive all, or substantially all, of their revenues from the sources described in subclause (i) or all of the shares of which are owned by credit unions, co-operatives or any combination of credit unions or co-operatives;
    - (II) incorporated, organized or registered under or governed by a law of either Canada or a province with respect to co-operatives; or
    - (III) incorporated or organized for charitable purposes; or

(B) corporations, associations or federations no part of the income of which is payable to, or otherwise available for, the personal benefit of any of its shareholders or members; or

(iii) the corporation, association or federation would be a credit union by virtue of subclause (ii) if all of the members, other than individuals, having full voting rights in each of its members that is a credit union were members having full voting rights in the corporation, association or federation;

(a.03) **“family farm corporation”** means a corporation:

(i) that is solely engaged in farming;

(ii) that is registered or licensed to carry on business in Saskatchewan; and

(iii) that has as beneficial owners of 95% of its shares individuals who are:

(A) resident in Saskatchewan;

(B) related persons; and

(C) actively engaged in farming or who are the parents, children or spouses of persons who are actively engaged in farming;

(b) **Repealed.** 17 May 96 SR 23/96 s2.

(c) **Repealed.** 17 May 96 SR 23/96 s2.

(d) **“employee”** includes officer;

(e) **Repealed.** 17 May 96 SR 23/96 s2.

(f) **“farming”** includes:

(i) tillage of the soil;

(ii) livestock raising or exhibiting;

(iii) maintaining of horses for racing;

(iv) raising of poultry;

(v) fur farming;

(vi) dairy farming;

(vii) fruit growing; and

(viii) bee keeping;

but does not include an office or employment under a person engaged in the business of farming;

(g) **“fee”** does not include a commission paid to a person who is not an employee of a corporation;

- (h) **“gross revenue”** means the aggregate of:
- (i) all amounts received or receivable in a taxation year, depending on the method a corporation regularly follows in computing its income, other than as, or on account of, capital; and
  - (ii) any amount, other than an amount mentioned in subclause (i), which is included in computing a taxpayer’s income from a business or property for a taxation year for the purposes of paragraph 12(1)(o), subsection 12(3), (4) or (8) or section 12.2 of the *Income Tax Act*;
- (i) **“railway”** includes all or any part of a railway that is:
- (i) operated in whole or in part by steam, electricity or other motive power; and
  - (ii) constructed and operated in whole or in part on highways or on land owned by the corporation that owns or operates the railway;

but does not include a street railway that is constructed or operated in whole or in part on or along a highway under an agreement with or a bylaw of a city or town.

- (2) For the purposes of the Act and in these regulations:

(a) **“affiliated persons”** means affiliated persons within the meaning of subsection 251.1(1) of the *Income Tax Act* (Canada) and:

- (i) a resource trust and a unit trust are affiliated persons if the unit trust is the majority-interest beneficiary, directly or indirectly, of the resource trust;
- (ii) two or more resource trusts are affiliated persons if:
  - (A) both or all are affiliated with the same unit trust;
  - (B) the majority-interest beneficiary is, directly or indirectly, the same person or affiliated group of persons; or
  - (C) one resource trust is the majority-interest beneficiary of the other or others;
- (iii) a corporation and a resource trust or a unit trust are affiliated persons if:
  - (A) the resource trust or unit trust, as the case may be, directly or indirectly controls the corporation; or
  - (B) the corporation is a majority-interest beneficiary, directly or indirectly, of the resource trust or unit trust, as the case may be; and
- (iv) a partnership or limited partnership and a resource trust or a unit trust are affiliated persons if:
  - (A) the resource trust or unit trust, as the case may be, directly or indirectly, controls a majority-interest partner or majority-interest group of partners of the partnership or limited partnership; or
  - (B) the partnership or limited partnership is a majority-interest beneficiary, directly or indirectly, of the resource trust or unit trust, as the case may be;

- (b) **“associated corporations”** means corporations that are associated within the meaning of section 256 of the *Income Tax Act* (Canada);
- (c) **“majority-interest beneficiary”** of a trust at any time means a person:
- (i) the fair market value of whose beneficial interest, if any, in the income of the trust at that time, together with the income interests in the trust of all persons with whom the trust is affiliated, is greater than 50% of the fair market value of all the income interests in the trust at that time; or
  - (ii) the fair market value of whose beneficial interest, if any, in the capital of the trust at that time, together with the capital interests in the trust of all persons with whom the trust is affiliated, is greater than 50% of the fair market value of all the capital interests in the trust at that time;
- (d) **“majority-interest group of partners”** means majority-interest group of partners within the meaning of subsection 251.1(3) of the *Income Tax Act* (Canada);
- (e) **“majority-interest partner”** of a particular partnership at any time means a person or partnership:
- (i) whose share of the particular partnership’s income from all sources for the last fiscal period of the particular partnership that ended before that time, or if the particular partnership’s first fiscal period includes that time for that period, would have exceeded  $\frac{1}{2}$  of the particular partnership’s income from all sources for that period if the person had held throughout that period each interest in the partnership that the taxpayer or a person affiliated with the taxpayer held at that time; or
  - (ii) whose share, if any, together with the shares of every person with whom the taxpayer is affiliated, of the total amount that would be paid to all members of the particular partnership, otherwise than as a share of any income of the partnership, if it were wound up at that time exceeds  $\frac{1}{2}$  of that amount;
- (f) **“telecommunications Crown corporation”** means Saskatchewan Telecommunications;
- (g) **“unit trust”** means a unit trust within the meaning of subsection 108(2) of the *Income Tax Act* (Canada);
- (h) **“value of resource sales”** means:
- (i) in the case of oil and gas regulated pursuant to *The Crown Minerals Act*, the product of:
    - (A) the volume of oil and gas produced during each month in a fiscal year that is subject to Crown royalties pursuant to *The Crown Minerals Act* and the regulations made pursuant to that Act; and
    - (B) the well-head value that is applied to the volume of the oil and gas mentioned in paragraph (A) in determining the amount of the Crown royalties payable pursuant to *The Crown Minerals Act* and the regulations made pursuant to that Act;

(ii) subject to subsection (4), in the case of freehold oil and gas as defined in *The Freehold Oil and Gas Production Tax Act*, the product of:

(A) the volume of oil and gas produced during each month in a fiscal year that is subject to freehold production taxes pursuant to *The Freehold Oil and Gas Production Tax Act* and the regulations made pursuant to that Act; and

(B) the well-head value that is applied to the volume of the oil and gas mentioned in paragraph (A) in determining the amount of the freehold production taxes payable pursuant to *The Freehold Oil and Gas Production Tax Act* and the regulations made pursuant to that Act;

(iii) subject to subsection (4), in the case of coal extracted, recovered or produced from or allocated to Crown coal lands, as defined in *The Coal Disposition Regulations, 1988*, the gross sales of that coal as determined pursuant to the provisions of the Schedule to those regulations entitled *The Crown Coal Royalty Schedule*;

(iv) subject to subsection (4), in the case of freehold coal, as defined in the Freehold Coal Production Tax Schedule to *The Mineral Taxation Act, 1983*, the net value of freehold coal as determined pursuant to section 4 of that Schedule;

(v) subject to subsections (2.1) and (2.2), in the case of potash, the gross revenue as determined pursuant to section 5 of *The Potash Production Tax Regulations*;

(vi) in the case of uranium, the gross sales as determined pursuant to Part III of *The Crown Mineral Royalty Schedule, 1986* to *The Mineral Disposition Regulations, 1986*, being Saskatchewan Regulations 30/86.

(2.1) When calculating the tax owing pursuant to section 13.1 of the Act by a resource corporation whose gross revenue includes sales or other dispositions of potash purchased by the resource corporation from another producer, the value of resource sales is the amount V calculated in accordance with the following formula:

$$V = GR - C$$

where:

GR is the gross revenue as determined pursuant to section 5 of *The Potash Production Tax Regulations*; and

C is the cost of the potash purchased by the resource corporation from another producer.

(2.2) For the purposes of subsection (2.1), if the amount C exceeds the amount GR, the amount C is deemed to be equal to the amount GR for the purposes of the calculation.

(2.3) For the purposes of subsection (2.1), “**producer**” means producer as defined in the Third Schedule of *The Mineral Taxation Act, 1983*.

(3) For the purposes of the Act:

(a) “**account payable**” means an amount owing by a corporation to a creditor for the purchase of merchandise, supplies or services from that creditor in the normal course of business of the corporation;

(b) “**account receivable**” means an amount owing to a corporation as a result of the sale by the corporation of merchandise, supplies or services in the normal course of business of the corporation.

(4) For the purpose of determining the value of resource sales:

(a) in the case of freehold oil and gas pursuant to subclause (2)(h)(ii), the value of freehold oil and gas exempted pursuant to section 68 of *The Freehold Oil and Gas Production Tax Regulations, 2012* shall not be included;

(b) in the case of Crown coal pursuant to subclause (2)(h)(iii), the ex-mine cost allowance determined pursuant to section 5 of the Schedule to *The Coal Disposition Regulations, 1988*, entitled *The Crown Coal Royalty Schedule*, shall not be deducted;

(c) in the case of freehold coal pursuant to subclause (2)(h)(iv), the ex-mine cost allowance determined pursuant to section 5 of the Freehold Coal Production Tax Schedule to *The Mineral Taxation Act, 1983* shall not be deducted.

(5) For the purpose of clause 7(1)(d) of the Act, sums or credits that are advanced or loaned to the corporation include banker’s acceptance notes.

(6) For the purposes of clause 2(x.1) and section 14.1 of the Act and these regulations, “**gross assets**” means the value of the assets of a corporation reported on its balance sheet, and includes any amount by which:

(a) the value of any asset of the corporation, as carried on its account books or on its balance sheet, is in excess of the cost of the asset; or

(b) the value of an asset of the corporation has been written down and deducted from its income or undivided profits, where that amount:

(i) is not deductible pursuant to the *Income Tax Act* or, if deductible, has not been deducted in computing its taxable income for the fiscal year or a previous fiscal year pursuant to that Act; or

(ii) is deductible pursuant to paragraph 20(1)(n) or subparagraph 40(1)(a)(iii) or 44(1)(e)(iii) of the *Income Tax Act*, and has been deducted pursuant to that Act.

28 Dec 84 cC-38.1 Reg 1 s2; 24 Jan 86 SR 2/86 s3; 25 Nov 88 SR 102/88 s3; 7 Dec 90 SR 89/90 s3; 28 Aug 92 SR 79/92 s3; 3 Apr 98 SR 26/98 s3; 20 Jly 2001 SR 52/2001 s3; 15 Jly 2005 SR 66/2005 s3; 21 Sep 2012 SR 63/2012 s3; 15 Feb 2013 SR 1/2013 s2.

**Prescribed financial institutions**

**2.1(1)** In these regulations:

- (a) **“loan corporation”** means a corporation that:
    - (i) either:
      - (A) has as its primary business lending money on the security of mortgages or real estate; or
      - (B) uses the word “mortgage” as part of its name; and
    - (ii) accepts money from the public by issuing debentures or by taking deposits;
  - (b) **“trust corporation”** means a corporation that acts as trustee, agent, executor, administrator, receiver, liquidator, assignee, guardian of a minor’s estate or property guardian of a dependent adult;
  - (c) **“trust and loan corporation”** means a corporation that carries on business, or holds itself out, as a loan corporation and a trust corporation.
- (2) For the purposes of subclause 2(j.1)(vi) of the Act, the following classes of corporations are financial institutions:
- (a) loan corporations;
  - (b) trust corporations;
  - (c) trust and loan corporations.

3 Apr 98 SR 26/98 s4.

**Prescribed amount re gross assets**

**2.2** For the purposes of subclause 2(x.1)(ii) of the Act, the prescribed amount is \$100 million.

15 Jly 2005 SR 66/2005 s4.

**Certain fees deemed salaries**

**3** For the purposes of these regulations, where a corporation pays a fee to another person under an agreement pursuant to which the other person, or an employee of the other person, performs services for the corporation that would normally be performed by an employee of the corporation:

- (a) the fee paid is deemed to be a salary paid in the fiscal year by the corporation; and
- (b) any part of the fee that may reasonably be regarded as payment in respect of services rendered at a permanent establishment of the corporation is deemed to be a salary paid to an employee of the permanent establishment.

28 Dec 84 cC-38.1 Reg 1 s3.

**Computation of amount taxable for particular corporations**

4(1) Every corporation that:

- (a) carries on a joint venture; or
- (b) is in partnership;

with any other person shall include, when computing its amount taxable, its proportionate share in assets, liabilities and capital of the joint venture or partnership.

(1.1) Every resource corporation that:

- (a) carries on a joint venture; or
- (b) is in partnership;

with any other person or corporation shall include, when computing its value of resource sales, its proportionate share of the value of resource sales of the joint venture or partnership.

(1.2) For the purposes of subsection (1.1), for taxation years ending after March 22, 2011, a resource corporation's proportionate share of the value of resource sales of a partnership is the amount A calculated in accordance with the following formula:

$$A = B + C - D$$

where:

B means the corporation's proportionate share of the value of resource sales of the partnership for the partnership's fiscal year that ends in the taxation year for which the corporation is filing its return;

C means the corporation's proportionate share of the value of resource sales of the partnership for the stub period; and

D means the amount included as the amount C for the purposes of calculating the corporation's proportionate share of the value of resource sales of the partnership for the corporation's immediately preceding taxation year.

(1.3) For the purposes of subsection (1.2), "**stub period**" means the period commencing on the day after the last day of the fiscal year of the partnership that falls within the taxation year for which the corporation is filing its return and ending on the last day of that taxation year.

(2) Where a corporation has no permanent establishment outside Saskatchewan in a fiscal year, all of its amount taxable for that fiscal year is deemed to have been used in Saskatchewan.

**Rules for determining gross revenue from sales**

5(1) In this section, “**shipment**” means a shipment of merchandise to a customer to whom the merchandise is sold.

(2) Subject to subsection (5), where the destination of a shipment is in a jurisdiction in which the corporation making the sale has a permanent establishment, the gross revenue derived from the sale is attributable to that permanent establishment.

(3) Subject to subsections (4) to (6), where the destination of a shipment is in a jurisdiction in which the corporation making the sale has no permanent establishment, the gross revenue derived from the sale is attributable to the permanent establishment to which the person negotiating the sale may reasonably be regarded as being attached.

(4) Subject to subsection (6), where the destination of a shipment is in a jurisdiction outside Canada in which the corporation making the sale has no permanent establishment:

(a) if the merchandise was produced, manufactured or produced and manufactured by the corporation entirely in one province or territory of Canada, the gross revenue derived from the sale is attributable to its permanent establishment in that province or territory; or

(b) if the merchandise was produced, manufactured or produced and manufactured by the corporation partly in a province or territory of Canada and partly in another jurisdiction, the gross revenue derived from the sale that is attributable to its permanent establishment in the province or territory is equal to the product of:

(i) the gross revenue derived from the sale; and

(ii) the salaries and wages paid in the fiscal year to the employees of the permanent establishment in the province or territory of Canada divided by the aggregate of salaries and wages paid in the fiscal year to employees in all jurisdictions where the merchandise was produced, manufactured or produced and manufactured.

(5) For the purposes of subsections (1) and (2) and subject to subsection (6), where a customer to whom merchandise is sold instructs that shipment be made to another person, the destination of the shipment of the merchandise is deemed to be in the jurisdiction in which the permanent establishment of the customer negotiating the purchase of the merchandise is situated.

(6) Where a customer to whom merchandise is sold instructs that shipment be made to another person and the permanent establishment of the customer negotiating the purchase of the merchandise is situated in a jurisdiction outside Canada in which the corporation making the sale has no permanent establishment:

(a) if the merchandise was produced, manufactured or produced and manufactured by the corporation entirely in one province or territory of Canada, the gross revenue derived from the sale is attributable to its permanent establishment in that province or territory; or

- (b) if the merchandise was produced, manufactured or produced and manufactured by the corporation partly in a province or territory of Canada and partly in another jurisdiction, the gross revenue derived from the sale that is attributable to its permanent establishment in the province or territory is equal to the product of:
- (i) the gross revenue derived from the sale; and
  - (ii) the salaries and wages paid in the fiscal year to the employees of the permanent establishment in the province or territory of Canada divided by the aggregate of salaries and wages paid in the fiscal year to employees in all jurisdictions where the merchandise was produced, manufactured or produced and manufactured.
- (7) Where services are performed by a corporation in a jurisdiction in which the corporation has a permanent establishment, the gross revenue derived from the performance of the services is attributable to that permanent establishment.
- (8) Where services are performed by a corporation in a jurisdiction in which the corporation has no permanent establishment, the gross revenue derived from the performance of the services is attributable to the permanent establishment to which the person negotiating the contract for the corporation may reasonably be regarded as being attached.
- (9) Where standing timber or the right to cut standing timber is sold, the gross revenue derived from the sale is attributable to the permanent establishment that includes the timber lands on which the timber is standing.
- (10) Gross revenue that arises from leasing land owned by the corporation in a province or territory is attributable to the province or territory where that land is situated.
- (11) Where land which constitutes a permanent establishment in a province pursuant to subclause 2(t)(iii) of the Act is sold and the profit derived from the sale is included in the corporation's income, the gross revenue derived from the sale is attributable to that permanent establishment.

28 Dec 84 cC-38.1 Reg 1 s5.

**Allocation of capital used outside Saskatchewan**

**6(1)** In this section and in Part I of the Appendix:

- (a) **“gross revenue”** does not include:
  - (i) interest income from any source;
  - (ii) dividends on share capital; or
  - (iii) rental or royalties from properties that are not held or used in the regular business of a corporation;
- (b) **“jurisdiction”**, in the case of a non-resident corporation, does not include a jurisdiction outside Canada;

- (c) “**non-Saskatchewan amount taxable**” means the portion of a corporation’s amount taxable that is used by the corporation in jurisdictions outside Saskatchewan as computed in accordance with the appropriate formula as required in this section;
- (d) “**permanent establishment**”, in the case of a non-resident corporation, does not include a permanent establishment outside Canada.
- (2) In this section and in Part I of the Appendix, where, in a taxation year, part of the operations of a corporation are conducted jointly, or in partnership with, one or more persons:
- (a) the gross revenue of the corporation for the operations in the taxation year is equal to the product of:
- (i) the total gross revenue of the joint or partnership operations for the fiscal year of the operations that ends in the taxation year of the corporation; and
  - (ii) the corporation’s share of the profit or loss from the joint or partnership operations for the fiscal year of the operations that ends in the taxation year of the corporation divided by the total profits or loss from the joint or partnership operations for that fiscal year; and
- (b) the salaries and wages paid by the corporation for the operations in the taxation year is equal to the product of:
- (i) the total salaries and wages paid by the joint or partnership operations in the fiscal year of the operations that ends in the taxation year of the corporation; and
  - (ii) the amount determined in accordance with subclause (a)(ii).
- (3) Subject to subsections (4) to (14), where, in a fiscal year, a corporation has a permanent establishment in Saskatchewan and in any other jurisdiction, its non-Saskatchewan amount taxable is computed in accordance with Formula 1 in Part I of the Appendix.
- (4) The non-Saskatchewan amount taxable of a financial institution carrying on business as a loan corporation, a trust corporation or a trust and loan corporation is computed in accordance with Formula 2 in Part I of the Appendix.
- (5) Where a corporation’s primary business is the operation of grain elevators, its non-Saskatchewan amount taxable is computed in accordance with Formula 3 in Part I of the Appendix.
- (6) Where a corporation’s primary business is the transportation of goods, passengers or goods and passengers, its non-Saskatchewan amount taxable is computed in accordance with Formula 4 in Part I of the Appendix.
- (7) Notwithstanding subsection (6), where a corporation’s primary business is the operation of airlines, its non-Saskatchewan amount taxable is computed in accordance with Formula 5 in Part I of the Appendix.

- (8) Notwithstanding subsection (6), where a corporation's primary business is the operation of railways, its non-Saskatchewan amount taxable is calculated in accordance with Formula 6 in Part I of the Appendix.
- (9) Where a corporation's business is the operation of a pipeline for oil, gas or water, its non-Saskatchewan amount taxable is computed in accordance with Formula 7 in Part I of the Appendix.
- (10) The non-Saskatchewan amount taxable of a financial institution carrying on business as a bank is computed in accordance with Formula 8 in Part I of the Appendix.
- (11) Where a corporation carries on two or more business operations described in subsections (3) to (10), it may use any two or more appropriate formulas.
- (12) The minister may at any time:
- (a) disallow the use of any formula by a corporation;
  - (b) direct a corporation to use any formula which he considers appropriate.
- (13) The non-Saskatchewan amount taxable of a corporation to which subsection (3) would otherwise apply and whose total gross revenue for a fiscal year is nil is computed in accordance with Formula 8.1 in Part I of the Appendix.
- (14) The non-Saskatchewan amount taxable of a corporation to which subsection (3) would otherwise apply and whose aggregate of salaries and wages paid in a fiscal year is nil is computed in accordance with Formula 8.2 in Part I of the Appendix.

28 Dec 84 cC-38.1 Reg 1 s6; 24 Jan 86 SR 2/86  
s4; 16 Aug 91 SR 63/91 s2; 3 Apr 98 SR 26/98 s5.

#### Taxable Crown corporations

- 7(1) In this section, "**derivative corporation**" means a Crown corporation that:
- (a) is not listed in subsection (2); and
  - (b) acquires shares in, assets of or any other interest in a Crown corporation that is listed in subsection (2).
- (2) For the purposes of clause 3(2)(b) of the Act, the following Crown corporations are not exempt from the provisions of the Act:
- (a) **Repealed.** 5 Apr 2019 SR 22/2019 s2.
  - (b) Canadian Broadcasting Corporation;
  - (c) **Repealed.** 5 Apr 2019 SR 22/2019 s2.
  - (d) **Repealed.** 5 Apr 2019 SR 22/2019 s2.
  - (e) Farm Credit Corporation;
  - (f) Municipal Financing Corporation of Saskatchewan;
  - (g) **Repealed.** 4 Dec 2020 SR 119/2020 s2.

- (h) SaskEnergy Incorporated;
  - (i) Saskatchewan Power Corporation;
  - (j) Saskatchewan Telecommunications;
  - (j.1) Saskatchewan Telecommunications Holding Corporation;
  - (k) **Repealed.** 5 Apr 2019 SR 22/2019 s2.
  - (l) Saskatchewan Water Corporation;
  - (m) VIA Rail Canada Inc.
- (3) For the purposes of clause 3(2)(b) of the Act:
- (a) wholly-owned subsidiaries of the Crown corporations listed in subsection (2); and
  - (b) derivative corporations of the Crown corporations listed in subsection (2), to the extent of the interests acquired by the derivative corporations;
- are not exempt from the provisions of the Act.

7 Dec 90 SR 89/90 s4; 16 Jly 93 SR 52/93 s2; 3  
Apr 98 SR 26/98 s6; 5 Apr 2019 SR 22/2019 s2; 4  
Dec 2020 SR 119/2020 s2.

#### Goodwill

- 8** For the purposes of clause 9(1)(b) of the Act, the deduction from paid-up capital for the amount of any goodwill or other intangible thing is computed by taking the lesser of:
- (a) in the case of fiscal years commencing on or before June 30, 1988, 50% of the book value of the goodwill or other intangible thing of the corporation as at the close of the fiscal year;
  - (a.1) in the case of fiscal years commencing on or after July 1, 1988, 25% of the book value of the goodwill or other intangible thing of the corporation as at the close of the fiscal year; or
  - (b) an amount computed in accordance with Formula 9 in Part II of the Appendix.

28 Dec 84 cC-38.1 Reg 1 s8; 7 Dec 90 SR 89/90 s5.

#### Deduction from resource sales

- 8.1(1) Repealed.** 28 Aug 92 SR 79/92 s4.
- (2) For the purposes of section 14.1 of the Act, the amount that a resource corporation may deduct from its value of resource sales is the lesser of:
- (a) its value of resource sales; and

(b) the amount A calculated in accordance with the following formula:

$$A = \$2,500,000 \times \frac{B}{C} \times \frac{\text{number of days in fiscal year}}{365}$$

where:

(i) “**B**” means the salaries and wages paid in the fiscal year by the corporation to employees of its permanent establishments in Saskatchewan; and

(ii) “**C**” means the aggregate of all of the salaries and wages paid in the fiscal year by the corporation and all of its associated corporations.

7 Dec 90 SR 89/90 s6; 28 Aug 92 SR 79/92 s4.

**Additional amounts for determining taxable paid-up capital**

8.11(1) In this section, “**additional amount**” means the additional amount mentioned in clause 9(1)(a.1) or 10(a.1) of the Act.

(2) For the purposes of clauses 9(1)(a.1) and 10(a.1) of the Act, the additional amount for a corporation in a fiscal year is the amount A calculated in accordance with the following formula:

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

where:

B means:

(a) for corporation fiscal years beginning on or after January 1, 2002 but before January 1, 2004, \$5,000,000;

(b) for corporation fiscal years beginning on or after January 1, 2004 but before January 1, 2005, \$7,500,000; and

(c) for corporation fiscal years beginning on or after January 1, 2005, \$10,000,000;

C means the salaries and wages paid in the fiscal year by the corporation to employees of its permanent establishments in Saskatchewan; and

D means the aggregate of all salaries and wages paid in the fiscal year by the corporation and all of its associated corporations.

19 Jly 2002 SR 66/2002 s3; 11 Jly 2003 SR 59/2003 s2.

**Qualified depreciable property - tax credit**

8.12(1) In this section:

(a) “**amalgamation**” means an amalgamation as defined in subsection 87(1) of the *Income Tax Act* (Canada);

(b) “**depreciable property**” means depreciable property within the meaning of subsection 13(21) of the *Income Tax Act* (Canada);

- (c) “**eligible fiscal year**” means a fiscal year of the corporation that wholly or partly falls within the period commencing on July 1, 2006 and ending on June 30, 2008;
- (d) “**qualified depreciable property**” means, subject to subsection (3), depreciable property that:
- (i) is used primarily in Saskatchewan for carrying on the business in Saskatchewan of the corporation that acquired it; and
  - (ii) is acquired on or after July 1, 2006;
- (e) “**tax credit**” means the tax credit that may be deducted in accordance with this section for the purposes of subsection 14(1.2) of the Act;
- (f) “**winding-up**” means a winding-up of a corporation to which subsection 88(1) of the *Income Tax Act* (Canada) applies.
- (2) For the purposes of this section, property is acquired on the earlier of the following dates:
- (a) the date on which the title to the property is obtained by the corporation acquiring the property;
  - (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) Notwithstanding any other provision of this section, a corporation is not eligible to claim a tax credit with respect to the following depreciable property:
- (a) depreciable property that is acquired by the corporation as a result of an amalgamation;
  - (b) depreciable property that is acquired by the corporation as the result of the winding-up of a subsidiary controlled corporation or a subsidiary wholly owned corporation of the corporation;
  - (c) depreciable property that is acquired by the corporation through a transaction that is not at arm’s length;
  - (d) depreciable property that is acquired and used by the corporation outside Saskatchewan and is subsequently transferred into Saskatchewan for use by the corporation.
- (4) For the purposes of subsection 14(1.2) of the Act, a corporation may deduct a tax credit for an eligible fiscal year.
- (5) The tax credit that a corporation may deduct from its tax payable for an eligible fiscal year is the lesser of:
- (a) the amount of its tax payable for the eligible fiscal year pursuant to subsection 13(1) of the Act; and
  - (b) the amount of the tax credit for the eligible fiscal year calculated pursuant to subsection (6).

(6) The amount of a tax credit that a corporation may deduct for an eligible fiscal year is the amount A calculated in accordance with the following:

(a) for eligible fiscal years ending after June 30, 2006 and before July 1, 2007:

$$A = (B \times 0.6\% \times C/365) + (B \times 0.3\% \times D/365)$$

where:

B is the capital cost to the corporation of the qualified depreciable property acquired by the corporation after June 30, 2006 and before the end of the corporation's fiscal year;

C is the number of days before July 1, 2006 in the eligible fiscal year;

D is the number of days after June 30, 2006 and before July 1, 2007 in the eligible fiscal year;

(b) for eligible fiscal years ending after June 30, 2007 and before July 1, 2008:

$$A = (B \times 0.3\% \times D/365) + (B \times 0.15\% \times E/365)$$

where:

B is the capital cost to the corporation of the qualified depreciable property acquired by the corporation after June 30, 2006 and before the end of the corporation's fiscal year;

D is the number of days after June 30, 2006 and before July 1, 2007 in the eligible fiscal year;

E is the number of days after June 30, 2007 and before July 1, 2008 in the eligible fiscal year;

(c) for eligible fiscal years ending after June 30, 2008:

$$A = (B \times 0.15\% \times E/365)$$

where:

B is the capital cost to the corporation of the qualified depreciable property acquired by the corporation after June 30, 2006 and before the end of the corporation's fiscal year;

E is the number of days before July 1, 2008 in the eligible fiscal year.

9 Jne 2006 SR 49/2006 s2.

**Telecommunications Crown corporation tax**

**8.2** For the purposes of section 13.2 of the Act, a telecommunications Crown corporation shall pay an additional tax equal to 0.9% of its telecommunications capital.

20 Jly 2001 SR 52/2001 s4.

**9 Repealed.** 24 Jan 86 SR 2/86 s5.

**Further information to be filed with returns**

**10** Every corporation which is liable to pay tax shall file with the minister, along with its return for a taxation year:

- (a) any financial statements that the corporation has presented to its shareholders during the taxation year; and
- (b) copies of any schedules that are required pursuant to the *Income Tax Act* and that the corporation has filed with its income tax returns during the taxation year.

28 Dec 84 cC-38.1 Reg 1 s10.

**Monthly instalments**

**11(1)** Subject to subsections (2) and (3), for the purposes of subsection 24(5) of the Act, a corporation that is liable to pay tax shall, on or before the last day of each month during its fiscal year, pay a monthly instalment equal to:

- (a) one-twelfth of the tax payable for that fiscal year; or
- (b) in each of:
  - (i) the first three months of that fiscal year, one-twelfth of the second instalment base of the corporation; and
  - (ii) the subsequent nine months of that fiscal year, one-ninth of the remainder of the first instalment base of the corporation after subtraction of the amounts described in subclause (i).

(2) Subject to subsection (3), every resource corporation that is liable to pay tax pursuant to section 13.1 of the Act in a fiscal year shall, on or before the last day of each month during the fiscal year, pay a monthly instalment equal to:

- (a) one-twelfth of the tax payable for that fiscal year; or
- (b) one-twelfth of its instalment base.

(3) Where a corporation has less than 12 months in a fiscal year, the amounts of the monthly instalments prescribed in:

- (a) clause (1)(a), subclause (1)(b)(i) and

subsection (2) shall be adjusted in proportion to the number of months in that fiscal year; and

- (b) subclause (1)(b)(ii) shall be adjusted in proportion to the number of months remaining in that fiscal year after three months are subtracted.

25 Nov 88 SR 102/88 s6.

**First and second instalment bases**

**11.1(1)** Subject to subsections (2) to (4), for the purposes of clause 11(1)(b):

(a) the first instalment base of a corporation for a particular fiscal year is the product of:

(i) the corporation's tax payable for the fiscal year immediately preceding the particular fiscal year, determined using the rate of tax for the particular fiscal year, divided by the number of days in the fiscal year immediately preceding the particular fiscal year; and

(ii) the number of days in the particular fiscal year; and

(b) the second instalment base of a corporation for a particular fiscal year, is the amount of its first instalment base for the fiscal year immediately preceding the particular year.

(2) In the first fiscal year in which a corporation becomes liable to pay tax, the first instalment base and the second instalment base are each equal to 75% of the tax payable for that fiscal year.

(3) Where a corporation is liable to pay tax in the fiscal year immediately following the fiscal year described in subsection (2), the second instalment base of the corporation is equal to 75% of the tax payable for the first mentioned fiscal year.

(4) Where a corporation:

(a) is liable to pay tax in a particular fiscal year; and

(b) has not filed the returns required pursuant to section 17 of the Act for one or both of the two fiscal years immediately preceding the particular fiscal year;

the first instalment base and the second instalment base for the fiscal years for which a return has not been filed is equal to 75% of the tax payable for the particular fiscal year.

25 Nov 88 SR 102/88 s6.

**Instalment base of resource corporation**

**11.2(1)** Subject to subsection (2), for the purposes of clause 11(2)(b), the instalment base of a resource corporation for a particular fiscal year is the product of:

(a) the amount determined by:

(i) applying the rate mentioned in section 13.1 of the Act for the particular fiscal year to the corporation's value of resource sales for the fiscal year immediately preceding the particular fiscal year; and

(ii) dividing the quantity obtained pursuant to subclause (i) by the number of days in the fiscal year immediately preceding the particular fiscal year that occur on or after July 1, 1988; and

(b) the number of days in the particular fiscal year.

(2) Where a resource corporation:

(a) is liable to pay tax pursuant to section 13.1 of the Act for a particular fiscal year; and

(b) was not liable to pay tax pursuant to that section for the fiscal year immediately preceding the particular fiscal year;

the instalment base mentioned in clause 11(2)(b) is equal to 75% of the tax payable for the particular fiscal year.

25 Nov 88 SR 102/88 s6; 28 Aug 92 SR 79/92 s5.

**12 Repealed.** 19 Jly 2002 SR 66/2002 s4.

**Repeal**

**13** Saskatchewan Regulations 182/80 are repealed.

28 Dec 84 cC-38.1 Reg 1 s13.

## Appendix

### PART I

#### Allocation of Capital Formulas

For the purposes of Formulas 1 to 8, 8.1 and 8.2:

(a) **“A”** means the non-Saskatchewan amount taxable;

(b) **“B”** means the amount taxable;

(c) **“C”** means the aggregate of the salaries and wages paid in a fiscal year by a corporation to employees of its permanent establishments in jurisdictions outside Saskatchewan;

(d) **“D”** means the portion of a corporation’s gross revenue for a fiscal year that is reasonably attributable to its permanent establishments in jurisdictions outside Saskatchewan;

(e) **“E”** means the gross revenue of a corporation’s permanent establishments in jurisdictions outside Saskatchewan and is equal to the aggregate of the corporation’s gross revenue for a fiscal year arising from:

(i) loans secured by real property situated outside Saskatchewan;

(ii) loans not secured by real property and made to persons residing outside Saskatchewan;

(iii) loans administered by the corporation’s permanent establishments in jurisdictions outside Saskatchewan made to persons residing in a jurisdiction in which the corporation has no permanent establishment, but not including loans secured by real property situated in a jurisdiction in which the corporation has a permanent establishment; and

(iv) business conducted at the corporation’s permanent establishments in jurisdictions outside Saskatchewan, other than revenue arising from loans;

- (f) **“F”** means the total gross revenues of a corporation in all jurisdictions for a fiscal year;
- (g) **“G”** means a corporation’s total gross revenue reasonably attributable to its permanent establishments in all jurisdictions for a fiscal year;
- (h) **“H”** means the capital cost of all of a corporation’s fixed assets, except aircraft, in Canadian jurisdictions outside Saskatchewan at the end of a fiscal year;
- (i) **“I”** means the capital cost of all of a corporation’s fixed assets, except aircraft, in Canada at the end of a fiscal year;
- (j) **“J”** means three times the number of revenue plane-kilometres flown (weighted according to the take-off weight of the aircraft operated) by the corporation’s aircraft in Canadian jurisdictions outside Saskatchewan during a fiscal year, where **“take-off weight”** means:
- (i) for an aircraft in respect of which an application for a certificate of airworthiness has been accepted by Transport Canada, the maximum permissible take-off weight shown on the certificate of airworthiness application; or
  - (ii) for any aircraft other than one described in subclause (i), the weight that may reasonably be considered to be the permissible take-off weight;
- (k) **“K”** means the total number of revenue plane-kilometres flown (weighted according to the take-off weight of the aircraft operated) by the corporation’s aircraft in all Canadian jurisdictions during a fiscal year, where **“take-off weight”** has the meaning ascribed to it in clause (j);
- (l) **“L”** means the aggregate of:
- (i) the number of kilometres of first main track;
  - (ii) 80% of the number of kilometres of other main track; and
  - (iii) 50% of the number of kilometres of yard track and sidings;
- in Canadian jurisdictions outside Saskatchewan at the end of a fiscal year;
- (m) **“M”** means the aggregate of the number of kilometres of track, computed in accordance with subclauses (l)(i) to (iii) in Canada at the end of a fiscal year;
- (n) **“N”** means the number of kilometres driven by a corporation’s vehicles in a fiscal year, whether owned or leased, on roads in Canadian jurisdictions outside Saskatchewan in which it had a permanent establishment;
- (o) **“O”** means the number of kilometres driven by a corporation’s vehicles in a fiscal year, whether owned or leased, on roads in all Canadian jurisdictions in which it had a permanent establishment;
- (p) **“P”** means the number of kilometres of pipe of a corporation in Canadian jurisdictions outside Saskatchewan in which it had a permanent establishment;
- (q) **“Q”** means the number of kilometres of pipe of a corporation in all Canadian jurisdictions in which it had a permanent establishment;

- (r) **“R”** means the number of bushels of grain received in a fiscal year in elevators operated by a corporation in jurisdictions outside Saskatchewan;
- (s) **“S”** means the aggregate of the salaries and wages paid in a fiscal year by a corporation to its employees in all jurisdictions;
- (t) **“T”** means the number of bushels of grain received in a fiscal year in elevators operated by a corporation in all jurisdictions;
- (u) **“V”** means a corporation’s gross tonne kilometres for a fiscal year in Canadian jurisdictions outside Saskatchewan;
- (w) **“X”** means two times the aggregate amount of loans made by, and the amount of deposits with, the permanent establishments of a financial institution carrying on business as a bank in jurisdictions outside Saskatchewan in a fiscal year, where:
- (i) **“aggregate amount of loans”** means the aggregate of the amounts outstanding on loans made by a financial institution carrying on business as a bank, as determined at the close of business on the last day of each month in a fiscal year, divided by 12;
  - (ii) **“amount of deposits”** means the aggregate of the amounts on deposit with a financial institution carrying on business as a bank, as determined at the close of business on the last day of each month in a fiscal year, divided by 12;
  - (iii) **“deposits”** does not include bonds, stocks, debentures, items in transit and deposits in favour of the Crown in right of Canada;
  - (iv) **“loans”** does not include bonds, stocks, debentures, items in transit and deposits in favour of the Crown in right of Canada;
- (x) **“Z”** means the aggregate amount of loans made by, and the amount of deposits with, a financial institution carrying on business as a bank in all jurisdictions for a fiscal year where **“aggregate amount of loans”**, **“amount of deposits”**, **“deposits”** and **“loans”** have the meanings ascribed to them in clause (w);
- (y) **“CC”** means the aggregate of the salaries and wages paid in a fiscal year by a corporation to employees of its permanent establishments in Canadian jurisdictions outside Saskatchewan;
- (z) **“CS”** means the aggregate of the salaries and wages paid in a fiscal year by a corporation to its employees in all of its permanent establishments in Canadian jurisdictions.

$$\text{Formula 1: } A = B \times \frac{1}{2} \left( \frac{C}{S} + \frac{D}{G} \right) \quad \text{Formula 6: } A = B \times \frac{1}{2} \left( \frac{L}{M} + \frac{V}{W} \right)$$

$$\text{Formula 2: } A = B \times \frac{E}{F} \quad \text{Formula 7: } A = B \times \frac{1}{2} \left( \frac{CC}{CS} + \frac{P}{Q} \right)$$

$$\text{Formula 3: } A = B \times \frac{1}{2} \left( \frac{C}{S} + \frac{R}{T} \right) \quad \text{Formula 8: } A = B \times \frac{1}{3} \left( \frac{C}{S} + \frac{X}{Z} \right)$$

$$\text{Formula 4: } A = B \times \frac{1}{2} \left( \frac{C}{S} + \frac{N}{O} \right) \quad \text{Formula 8.1: } A = B \times \frac{C}{S}$$

$$\text{Formula 5: } A = B \times \frac{1}{4} \left( \frac{H}{I} + \frac{J}{K} \right) \quad \text{Formula 8.2: } A = B \times \frac{D}{G}$$

4 Dec 2020 SR 119/2020 s2.

## PART II Allocation of Goodwill Formula

For the purposes of Formula 9:

(a) **“D”** means an amount to be deducted from the paid-up capital of a corporation as at the close of a fiscal year, if the amount is less than

(i) in the case of fiscal years commencing on or before June 30, 1988, 50%;  
and

(ii) in the case of fiscal years commencing on or after July 1, 1988, 25%;

of the book value of the goodwill or other intangible thing of the corporation as at the close of a fiscal year;

(b) **“P”** means the taxable income of a corporation in a fiscal year as determined for the purposes of the *Income Tax Act*;

(c) **“S”** means the paid-up capital stock of a corporation as at the close of a fiscal year.

$$\text{Formula 9: } D = S - (I \times 16.66)$$

28 Dec 84 cC-38.1 Reg 1; 24 Jan 86 SR 2/86 s6; 7 Dec 90 SR 89/90 s7.

## PART III **Repealed.** 19 Jly 2002 SR 66/2002 s5.

