

The Freehold Oil and Gas Production Tax Act, 2010

being

Chapter F-22.11* of *The Statutes of Saskatchewan, 2010* (effective April 1, 2012, except for subsections 35(3) and (4) effective May 28, 2012) as amended by the *Statutes of Saskatchewan, 2017, c.19; 2018, c.42; and 2024, c.4.*

***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 F-22.11

An Act to provide for the Taxation of Freehold Oil and Gas Production and to make a consequential amendment to *The Crown Minerals Act*

PART I

Short Title and Interpretation

Short title

1 This Act may be cited as *The Freehold Oil and Gas Production Tax Act, 2010*.

Interpretation

2(1) In this Act:

- (a) “**business day**” means a day other than a Saturday, Sunday or holiday;
- (b) “**court**” means the Court of King’s Bench, unless the context requires otherwise;
- (c) “**Crown**” means the Crown in right of Saskatchewan;
- (d) “**crude oil recovery facility**” means any of the following that are located in Saskatchewan, that are designated by the minister and that oil is recovered from:
 - (i) a cavern disposal facility;
 - (ii) a waste processing facility;
 - (iii) a water disposal facility;
 - (iv) a water injection facility;
 - (v) any other facility or site;
- (e) “**electronic**” means created, recorded, transmitted or stored in digital or other intangible form by electronic, magnetic or optical means or by any other similar means;
- (f) “**freehold lands**” means all lands in Saskatchewan, and all rights to and interests in those lands, other than:
 - (i) Crown mineral lands within the meaning of *The Crown Minerals Act*; and
 - (ii) any lands, and all rights to and interests in any lands, that were acquired by the Crown pursuant to or by virtue of Part III of *The Oil and Gas Conservation, Stabilization and Development Act*;

- (g) **“freehold oil”** and **“freehold gas”** mean respectively all oil and all gas:
 - (i) produced from freehold lands; or
 - (ii) allocated to freehold lands, or to the holder of any right to those lands or interest in those lands, under a voluntary pooling arrangement, a pooling order, an agreement for unit operation or a unit operation order made pursuant to *The Oil and Gas Conservation Act* and the regulations made pursuant to that Act;
- (h) **“minister”** means the member of the Executive Council to whom for the time being the administration of this Act is assigned;
- (i) **“ministry”** means the ministry over which the minister presides;
- (j) **“person”** includes a syndicate, trust, firm, partnership or co-owner;
- (k) **“prescribed”** means prescribed in the regulations;
- (l) **“record”** includes a book, paper, document or thing, whether in electronic form or otherwise, that may contain information and includes any information that is recorded or stored in any medium or by means of any device, including a computer or electronic media;
- (m) **“recovered crude oil”** means oil:
 - (i) that is recovered from a crude oil recovery facility;
 - (ii) that originated from a well that, in the minister’s opinion, is located in Saskatchewan;
 - (iii) to which, in the minister’s opinion, the royalty provisions of *The Crown Minerals Act*, or the tax provisions of Part II of this Act, would apply if the oil had been measured for the purposes of determining the royalty or tax payable;
 - (iv) that, in the minister’s opinion, has not been measured, and could not be measured in the ordinary course of producing the oil from the well, for the purposes of determining the royalty or tax payable; and
 - (v) that could not, in the minister’s opinion, be allocated back to the originating well for the purposes of determining the royalty or the tax payable;
- (n) **“registry”** means the petroleum registry established pursuant to *The Oil and Gas Conservation Act*;
- (o) **“taxpayer”** means, other than in Parts II and III, a person who is liable to pay the tax imposed pursuant to Part II or Part III.

- (2) For the purposes of this Act:
- (a) related persons, as determined in accordance with the *Income Tax Act* (Canada), are deemed not to deal with each other at arm's length; and
 - (b) it is a question of fact whether persons not related to each other, as determined in accordance with the *Income Tax Act* (Canada), were at a particular time dealing with each other at arm's length.

2010, c.F-22.11, s.2; 2024, c4, s.32.

PART II Freehold Oil and Gas Production

DIVISION 1 Interpretation of Part

Interpretation of Part

3 In this Part:

- (a) “**regulations**” means regulations made pursuant to this Part;
- (b) “**taxpayer**” means any person that is liable to pay any of the taxes imposed by this Part.

2010, c.F-22.11, s.3.

DIVISION 2 Calculation and Payment of Taxes

Freehold production taxes

- 4(1) A tax is imposed on all freehold oil produced in Saskatchewan.
- (2) A tax is imposed on all freehold gas produced in Saskatchewan.

2010, c.F-22.11, s.4.

Calculation and payment

- 5** The taxes imposed by this Part shall be calculated and paid by a taxpayer in the manner provided in this Part and in the regulations.

2010, c.F-22.11, s.5.

Time of payment

- 6** The taxes imposed by this Part on any freehold oil or freehold gas shall be paid within the prescribed period.

2010, c.F-22.11, s.6.

Payment of taxes by holders of the working interests

7(1) The taxes imposed by this Part on any freehold oil or freehold gas shall be paid by the holders of the working interests in the well from which that freehold oil or freehold gas is produced, or to which it is allocated, in accordance with their respective proportionate shares of the aggregate of the working interests in the well.

(2) Except as otherwise provided in the regulations, the taxes imposed by this Part shall be remitted to and collected by the operator of the well in the manner provided by this Part and in the regulations within the prescribed period.

2010, c.F-22.11, s.7.

Operator to collect and remit to minister

8(1) Every operator of a well from which any freehold oil or freehold gas is produced, or to which it is allocated, is designated as an agent of the Crown for the purposes of:

(a) collecting the taxes imposed by this Part from the taxpayers holding working interests in the well who are liable to pay those taxes pursuant to section 7; and

(b) remitting the taxes mentioned in clause (a) to the minister in the manner provided in the regulations within the prescribed period.

(2) Without limiting the liability of any taxpayer for any of the taxes imposed by this Part, and in addition to any other liability pursuant to this Part, any operator of a well who fails to deduct, to remit, or to deduct and remit any amount as and when required by the regulations:

(a) is personally liable for and shall pay to the minister an amount equal to the aggregate of all amounts that the operator failed to deduct, to remit, or to deduct and remit, or any lesser amount as the minister may demand; and

(b) shall immediately remit the amount mentioned in clause (a) to the minister in the prescribed manner.

2010, c.F-22.11, s.8.

Limitation on deductions

9 Except as expressly permitted by the regulations, no allowance, credit or other deduction shall be made or taken in calculating, paying or remitting any of the taxes imposed by this Part.

2010, c.F-22.11, s.9.

Interest

10(1) If any amount with respect to the taxes imposed by this Part is not remitted by an operator of a well to the minister as and when required by the regulations, the operator shall pay interest on that amount to the minister at the prescribed rate from the day on which that amount should have been remitted to the day on which it is remitted.

(2) If any amount with respect to the taxes imposed by this Part is not remitted by a taxpayer to an operator of a well as and when required by the regulations, the taxpayer shall:

(a) pay interest on that amount to the minister at the prescribed rate from the day on which that amount should have been remitted to the day on which it is remitted; and

(b) remit the interest to the operator of the well to which that amount relates in the manner required by the regulations.

(3) If any interest has been remitted to an operator of the well pursuant to subsection (2), the operator shall remit the interest to the minister on or before the last day of the month in which the interest is remitted to the operator, and section 8 applies, with any necessary modification, to the interest and to the remittance of it except as otherwise provided in the regulations.

2010, c.F-22.11, s.10.

DIVISION 3

Notices and Working Interest Information

Notices of active operation

11(1) On the commencement of production of freehold oil or freehold gas from a well, the operator of the well shall submit to the minister a notice of active operation in a form and manner approved by the minister.

(2) A notice of active operation required pursuant to subsection (1) must be submitted within the prescribed period.

(3) If there is a change in any of the information set forth in a notice of active operation submitted to the minister pursuant to subsection (1), the operator of the well shall submit to the minister a notice of change of information in a form and manner approved by the minister.

(4) A notice of change of information required pursuant to subsection (3) must be submitted within the prescribed period.

(5) If freehold oil or freehold gas is being produced from a well on the day on which this subsection comes into force, the operator of the well shall submit to the minister a notice of active operation in the form required by subsection (1) within the prescribed period, unless the operator of the well has previously submitted a notice of active operation to the minister with respect to that well.

(6) Every operator of a well who submits a notice of active operation to the minister pursuant to subsection (1) or (5) or who has previously provided a notice of active operation to the minister:

(a) is deemed to have consented to receive any communication from the minister pursuant to this Act or the regulations by electronic means approved by the minister; and

(b) shall provide the minister with the prescribed information to permit the minister to serve that person by electronic means approved by the minister.

2010, c.F-22.11, s.11.

Working interest information

- 12(1)** An operator of a well that is producing or has produced freehold oil or freehold gas shall submit to the minister any prescribed information with respect to a holder of a working interest in the well.
- (2) The information required pursuant to subsection (1) must be submitted within the prescribed period.
- (3) If there is a change in any of the information submitted to the minister pursuant to subsection (1), the operator of a well shall submit to the minister a notice of change of information in a form and manner approved by the minister.
- (4) A notice of change of information required pursuant to subsection (3) must be submitted within the prescribed period.
- (5) Every holder of a working interest identified pursuant to subsection (1):
- (a) is deemed to have consented to receive any communication from the minister pursuant to this Act or the regulations by electronic means approved by the minister; and
 - (b) shall provide the minister with the prescribed information to permit the minister to serve that person by electronic means approved by the minister.

2010, c.F-22.11, s.12.

DIVISION 4
General

Exemption re owners

13(1) In this section:

- (a) **“beneficial owner”**, with respect to oil and gas rights, means a person beneficially entitled to them, whether or not the person is also the registered owner of them, and the area beneficially owned by the person refers to the person’s net interest in the area expressed as a unit of area;
- (b) **“nominal section”** means 259 hectares or 640 acres depending on the measurement shown on the plan approved by the Controller of Surveys for that parcel of land;
- (c) **“oil and gas rights”** means an estate in fee simple in any or all oil, petroleum, natural gas, all other hydrocarbons except coal and valuable stone, and all other gases and minerals and substances, whether liquid or solid and whether hydrocarbon or not, occurring in association with any of the foregoing and the spaces or formations occupied or formerly occupied by them in all producing tracts in Saskatchewan;

- (d) **“producing tract”** means a drainage unit:
- (i) in which or with respect to which a well is situated from which oil, gas or oil and gas:
 - (A) is being produced or is capable of being produced; or
 - (B) is, by virtue of an order of the Lieutenant Governor in Council, deemed to be produced; or
 - (ii) the whole or a portion of which is included in an area with respect to which there exists:
 - (A) a plan;
 - (B) a unit operation agreement; or
 - (C) any other arrangement or agreement for the production of oil, gas or oil and gas or for the allocation of royalty on that production; under which oil, gas or oil and gas is being produced or is capable of being produced from the drainage unit.
- (2) For the purposes of this section, a person shall be considered to be an exempt owner with respect to a producing tract for any month if, throughout that month, the person is a beneficial owner of all or any part of the oil and gas rights in the producing tract and if, throughout that month, the aggregate of the following areas does not exceed two nominal sections:
- (a) the area of oil and gas rights beneficially owned by the person in the producing tract;
 - (b) the area of oil and gas rights beneficially owned by the person in all other producing tracts;
 - (c) the area of oil and gas rights in all producing tracts beneficially owned by all other persons with whom the person does not deal at arm’s length or with whom the person is deemed to be an associated person pursuant to section 14.
- (3) For the purposes of this section, an exempt owner’s share of the freehold oil or freehold gas produced from or allocated to the producing tract with respect to which the person is an exempt owner for any month is the lesser of:
- (a) the person’s share of the freehold oil or freehold gas produced from or allocated to the producing tract during that month, as determined pursuant to this Part; and
 - (b) that proportion of the freehold oil or freehold gas produced from or allocated to the producing tract during that month that the area of oil and gas rights in the producing tract beneficially owned by the person throughout that month is of the total area of oil and gas rights in that producing tract.

cF-22.11 FREEHOLD OIL AND GAS PRODUCTION TAX, 2010

(4) Notwithstanding section 4 or any other provision of this Part, the taxes imposed by this Part shall not be imposed on an exempt owner's share of the freehold oil or freehold gas produced from or allocated to the producing tract with respect to which the person is an exempt owner for any month.

2010, c.F-22.11, s.13.

Associated persons

14(1) The minister may direct that any two or more separate persons are deemed to be associated persons for the purposes of this Part if the minister is satisfied that, notwithstanding the separate existence of the two or more persons:

- (a) their separate existence in any period is not solely for the purpose of carrying out the business of the separate persons in the most effective manner; and
- (b) one of the reasons for their separate existence is to reduce the amount of taxes otherwise payable pursuant to this Part.

(2) Written notice of a direction by the minister pursuant to subsection (1) shall be mailed or delivered immediately to the persons deemed to be associated persons.

2010, c.F-22.11, s.14.

Regulations

15(1) For the purposes of this Part, the Lieutenant Governor in Council may make regulations:

- (a) defining, enlarging or restricting the meaning of any word or expression used in this Part but not defined in this Part;
- (b) respecting the amount and payment of taxes on freehold oil and freehold gas produced in Saskatchewan;
- (c) prescribing formulas to determine the tax rates applicable to and amounts of taxes payable on freehold oil and freehold gas produced in Saskatchewan;
- (d) authorizing the minister to, by prescribed methods, estimate and set average prices for oil and gas to be used in formulas to determine tax rates;
- (e) prescribing the manner in which the minister shall notify taxpayers of the average prices set pursuant to clause (d);
- (f) providing that the price to be used in calculating the taxes on freehold oil and freehold gas may be a price other than the price that has been or will be received for the oil or gas, including:
 - (i) a price equal to a fair market value or another fair value that is less than a fair market value;
 - (ii) if the price is respecting gas, an average price;
 - (iii) a price determined by including other amounts that have been or will be received;

- (iv) a price determined by deducting fees, charges or other factors specified in the regulations; and
- (v) a minimum price determined in the manner specified in the regulations;
- (g) authorizing the minister to estimate, determine, establish, approve or authorize:
 - (i) factors, allowances, allocations, fees, charges, credits, deductions, exemptions, methods of payment, periods, due dates, the applicable prescribed tax rates, values, prices and any other component to be used in the assessment, calculation and payment of tax by a taxpayer; and
 - (ii) any formula, method of calculation, form or method of payment or period to be used in the assessment, calculation or payment of a tax, including, for the purposes of clauses (d) and (f) and subclause (i), a price published or set by a third party and any amendments to the price set by the third party from time to time;
- (h) prescribing the manner in which the minister shall notify taxpayers of acts or things done pursuant to clause (g);
- (i) prescribing the period within which any taxes imposed by this Part must be paid or remitted;
- (j) respecting the manner of payment of the tax;
- (k) respecting the manner in which taxes, interest or amounts are to be remitted;
- (l) requiring the submission of information, including the form and manner in which information is to be submitted;
- (m) for the purposes of section 9, prescribing allowances, credits or other deductions that may be made or taken in calculating, paying or remitting any of the taxes imposed by this Part;
- (n) for the purposes of section 10, prescribing the rates of interest to be paid on amounts with respect to taxes;
- (o) prescribing the contents of any notice or other document required for the purposes of this Part;
- (p) prescribing the periods within which notices or other documents must be provided to the minister;
- (q) for the purposes of section 11, prescribing:
 - (i) the periods within which notices of active operation and notices of change of information must be submitted to the minister; and
 - (ii) information that must be submitted to the minister to permit the minister to serve an operator of a well by electronic means;

- (r) for the purposes of section 12, prescribing:
 - (i) information that must be submitted to the minister with respect to holders of working interests in wells;
 - (ii) the periods within which information and notices of change of information must be submitted to the minister; and
 - (iii) information that must be submitted to the minister to permit the minister to serve the holder of a working interest by electronic means;
 - (s) prescribing any matter or thing required or authorized by this Part to be prescribed in the regulations;
 - (t) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this Part.
- (2) Any regulations made pursuant to this Part may be made retroactive to a date specified in the regulations that is not earlier than three years before the date on which the regulations come into force, and in that case the regulations are deemed to have been in force on and from the date specified in the regulations.

2010, c.F-22.11, s.15.

PART III Recovered Crude Oil

DIVISION 1 Interpretation of Part

Interpretation of Part

16(1) In this Part:

- (a) “**regulations**” means regulations made pursuant to this Part;
 - (b) “**taxpayer**” means any person who is liable to pay the tax imposed pursuant to this Part.
- (2) The provisions of *The Crown Minerals Act* respecting a royalty and Part II of this Act respecting a tax do not apply to recovered crude oil.

2010, c.F-22.11, s.16.

DIVISION 2
Calculation and Payment of Taxes

Recovered crude oil tax

17 A tax is imposed on all recovered crude oil.

2010, c.F-22.11, s.17.

Calculation and payment

18 The tax imposed pursuant to this Part shall be calculated and paid by a taxpayer in the manner provided in this Part and in the regulations.

2010, c.F-22.11, s.18.

Time of payment

19 The taxes imposed by this Part on any recovered crude oil shall be paid within the prescribed period.

2010, c.F-22.11, s.19.

Payment of taxes by holders of the working interests

20(1) The taxes imposed by this Part on any recovered crude oil shall be paid by the holders of the working interests in the crude oil recovery facility from which the recovered crude oil is recovered, in accordance with their respective proportionate shares of the aggregate of the working interests in the crude oil recovery facility.

(2) Except as otherwise provided in the regulations, the taxes imposed by this Part shall be remitted to and collected by the operator who has recovered crude oil at the crude oil recovery facility in the manner provided by this Part and in the regulations within the prescribed period.

2010, c.F-22.11, s.20.

Operator to collect and remit to minister

21(1) Every operator who has recovered crude oil at the crude oil recovery facility is designated as an agent of the Crown for the purposes of:

(a) collecting the taxes imposed by this Part from the taxpayers holding working interests in the crude oil facility who are liable to pay those taxes pursuant to section 20; and

(b) remitting the taxes mentioned in clause (a) to the minister in the manner provided in the regulations within the prescribed period.

cF-22.11 FREEHOLD OIL AND GAS PRODUCTION TAX, 2010

(2) Without limiting the liability of any taxpayer for any of the taxes imposed by this Part, and in addition to any other liability pursuant to this Part, any operator who fails to deduct, to remit, or to deduct and remit any amount as and when required by the regulations:

- (a) is personally liable for and shall pay to the minister an amount equal to the aggregate of all amounts that the operator failed to deduct, to remit, or to deduct and remit, or any lesser amount as the minister may demand; and
- (b) shall immediately remit the amount mentioned in clause (a) to the minister in the prescribed manner.

2010, c.F-22.11, s.21.

Limitation on deductions

22 Except as expressly permitted by the regulations, no allowance, credit or other deduction shall be made or taken in calculating, paying or remitting any of the taxes imposed by this Part.

2010, c.F-22.11, s.22.

Interest

23(1) If any amount with respect to the taxes imposed by this Part is not remitted by an operator to the minister as and when required by the regulations, the operator shall pay interest on that amount to the minister at the prescribed rate from the day on which that amount should have been remitted to the day on which it is remitted.

(2) If any amount with respect to the taxes imposed by this Part is not remitted by a taxpayer to an operator as and when required by the regulations, the taxpayer shall:

- (a) pay interest on that amount to the minister at the prescribed rate from the day on which that amount should have been remitted to the day on which it is remitted; and
- (b) remit the interest to the operator in the manner required by the regulations.

(3) If any interest has been remitted to an operator pursuant to subsection (2), the operator shall remit the interest to the minister on or before the last day of the month in which the interest is remitted to the operator, and section 21 applies, with any necessary modification, to the interest and to the remittance of it except as otherwise provided in the regulations.

2010, c.F-22.11, s.23.

DIVISION 3
Notices and Working Interest Information

Notices of active operation

24(1) On the commencement of recovery of oil from a crude oil recovery facility, the operator who is recovering oil shall submit to the minister a notice of active operation in a form and manner approved by the minister.

(2) A notice of active operation required pursuant to subsection (1) must be submitted within the prescribed period.

(3) If there is a change in any of the information set forth in a notice of active operation submitted to the minister pursuant to subsection (1), the operator shall submit to the minister a notice of change of information in a form and manner approved by the minister.

(4) A notice of change of information required pursuant to subsection (3) must be submitted within the prescribed period.

(5) If oil is being recovered at a crude oil recovery facility on the day on which this subsection comes into force, the operator shall submit to the minister a notice of active operation in the form required by subsection (1) within the prescribed period, unless the operator has previously submitted a notice of active operation with respect to that facility.

(6) Every operator who submits a notice of active operation to the minister pursuant to subsection (1) or (5) or who has previously submitted a notice of active operation to the minister:

(a) is deemed to have consented to receive any communication from the minister pursuant to this Act or the regulations by electronic means approved by the minister; and

(b) shall provide the minister with the prescribed information to permit the minister to serve that person by electronic means approved by the minister.

2010, c.F-22.11, s.24.

Working interest information

25(1) An operator who is recovering or has at any time recovered oil at a crude oil recovery facility shall submit to the minister any prescribed information with respect to a holder of a working interest in the crude oil recovery facility.

(2) The information required pursuant to subsection (1) must be submitted within the prescribed period.

(3) If there is a change in any of the information submitted to the minister pursuant to subsection (1), the operator shall submit to the minister a notice of change of information in a form and manner approved by the minister.

- (4) A notice of change of information required pursuant to subsection (3) must be submitted within the prescribed period.
- (5) Every holder of a working interest identified pursuant to subsection (1):
- (a) is deemed to have consented to receive any communication from the minister pursuant to this Act or the regulations by electronic means approved by the minister; and
 - (b) shall provide the minister with the prescribed information to permit the minister to serve that person by electronic means approved by the minister.

2010, c.F-22.11, s.25.

DIVISION 4 Regulations

Regulations

26(1) For the purposes of this Part, the Lieutenant Governor in Council may make regulations:

- (a) defining, enlarging or restricting the meaning of any word or expression used in this Part but not defined in this Part;
- (b) respecting the basis of calculation of the tax;
- (c) respecting the price to be used in valuing recovered crude oil for the purposes of the tax;
- (d) authorizing the minister to, by prescribed methods, estimate and set average prices for recovered crude oil to be used in formulas to determine tax rates;
- (e) prescribing the manner in which the minister shall notify taxpayers of the average prices set pursuant to clause (d);
- (f) authorizing the minister to estimate, determine, establish, approve or authorize:
 - (i) factors, allowances, allocations, fees, charges, credits, deductions, exemptions, methods of payment, periods, due dates, the applicable prescribed tax rates, values, prices and any other component to be used in the assessment, calculation and payment of tax by a taxpayer; and
 - (ii) any formula, method of calculation, form or method of payment or period to be used in the assessment, calculation or payment of a tax, including, for the purposes of clauses (c) and (d) and subclause (i), a price published or set by a third party and any amendments to the price set by the third party from time to time;
- (g) prescribing the manner in which the minister shall notify taxpayers of acts or things done pursuant to clause (f);

- (h) respecting the amount of recovered crude oil associated with oil and gas operations in Saskatchewan;
 - (i) respecting the times at which the tax is to be assessed and calculated;
 - (j) prescribing the period within which any taxes imposed by this Part must be paid or remitted;
 - (k) respecting the manner of payment of the tax;
 - (l) respecting the manner in which taxes, interest or amounts are to be remitted;
 - (m) requiring the submission of information, including the form and manner in which information is to be submitted;
 - (n) for the purposes of section 22, prescribing allowances, credits or other deductions that may be made or taken in calculating, paying or remitting any of the taxes imposed by this Part;
 - (o) for the purposes of section 23, prescribing the rates of interest to be paid on amounts with respect to taxes;
 - (p) prescribing the contents of any notice or other document required for the purposes of this Part;
 - (q) prescribing the periods within which notices or other documents must be provided to the minister;
 - (r) for the purposes of section 24, prescribing:
 - (i) the periods within which notices of active operation and notices of change of information must be submitted to the minister; and
 - (ii) information that must be submitted to the minister to permit the minister to serve an operator by electronic means; and
 - (s) for the purposes of section 25, prescribing:
 - (i) information that must be submitted to the minister with respect to holders of working interests in crude oil recovery facilities;
 - (ii) the periods within which information and notices of change of information must be submitted to the minister; and
 - (iii) information that must be submitted to the minister to permit the minister to serve the holder of a working interest by electronic means;
 - (t) prescribing any matter or thing that is required or authorized by this Part to be prescribed in the regulations;
 - (u) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this Part.
- (2) Any regulations made pursuant to this Part may be made retroactive to a date specified in the regulations that is not earlier than three years before the date on which the regulations come into force, and in that case the regulations are deemed to have been in force on and from the date specified in the regulations.

PART IV
Registry

Registry

27(1) The minister may use the registry in accordance with this Act and the regulations for the purposes of administering oil and gas operations in Saskatchewan.

(2) The minister may require any person to submit prescribed information and to carry out any duties imposed on the person by this Act and the regulations through the registry in accordance with this Act and the regulations.

(3) If the minister requires a person to comply with subsection (2), the minister shall cause notice of the requirement to be given to the person in any manner that the minister considers appropriate to bring the requirement to that person's attention.

2010, c.F-22.11, s.27.

Disclosure of information

28 Notwithstanding any other provision of this Act, any other Act or law or the terms of an agreement:

(a) the provision of information to the registry by the minister or any employee of the ministry or to any person employed or engaged to operate or maintain the registry for the purposes of the registry:

(i) is deemed not to be a disclosure or communication of information that this Act, any other Act or law or any agreement requires to be kept confidential; and

(ii) is deemed not to be a contravention of any provision of this Act, any other Act or law or any agreement that requires the information to be kept confidential; and

(b) the minister and the employees of the ministry shall preserve the confidentiality of the information in accordance with the provisions of this Act, any other Act or law and the terms of any agreement.

2010, c.F-22.11, s.28.

PART V
Records, Returns and Assessments

Records

29(1) Every operator of a well from which freehold oil or freehold gas is produced, or to which it is allocated, shall keep in Saskatchewan:

(a) any records that relate to the operation of the well and all freehold oil or freehold gas produced from or allocated to the well; and

(b) any other prescribed records.

- (2) Every operator who is recovering or has at any time recovered oil at a crude oil recovery facility shall keep in Saskatchewan:
- (a) any records that relate to the operation of the crude oil recovery facility and all oil recovered from the crude oil recovery facility; and
 - (b) any other prescribed records.
- (3) Every taxpayer shall keep in Saskatchewan:
- (a) any records that relate to the taxpayer's working interest in a well or a crude oil recovery facility; and
 - (b) any other prescribed records.
- (4) Records required to be kept pursuant to this section must be kept in the form and manner approved by the minister.
- (5) If a person who is required to keep records pursuant to this section keeps those records in an electronic format, that person shall:
- (a) ensure that the records are easily retrievable, and easily convertible into a readable format, in the manner the minister may specify;
 - (b) ensure that the records provide a clear and complete audit trail from the source documents that provide details of the originating transactions that relate to a tax, through to any general ledger, financial statements or other documents showing summarized financial information;
 - (c) retain separate copies of source documents providing details of all transactions that relate to a tax; and
 - (d) make those records available to the minister in the format in which they are kept when requested by the minister to do so.
- (6) For the purposes of clause (5)(d), the person shall allow the minister to access any database or computer system, or to obtain downloads or make copies from any database or computer system, that contains or may contain any records required to be kept pursuant to this section.
- (7) Notwithstanding subsections (1) to (3), the minister may, on application by an operator or taxpayer, permit records to be kept at a location outside Saskatchewan but only if the operator or taxpayer undertakes to make those records available to the minister on terms and conditions satisfactory to the minister.

Returns

30(1) In the prescribed circumstances, a person shall submit to the minister a return in a form and manner approved by the minister.

(2) The minister may demand in writing from any taxpayer or from any other person believed to have knowledge relevant to the imposition, calculation or payment of any of the taxes imposed by this Act that the taxpayer or other person:

(a) make a return to the minister containing any information necessary to enable the minister to make a full and complete determination of the amount of any of the taxes imposed by this Act or of the liability of any person to pay any of the taxes imposed by this Act; and

(b) on the receipt of the demand, shall immediately make and submit the return to the minister.

2010, c.F-22.11, s.30.

Assessments

31(1) The minister shall assess, in accordance with this Act and the regulations, the amount of tax and interest, penalties or other amounts, if any, to be paid by a taxpayer.

(2) The minister may, from time to time, in accordance with this Act and the regulations, reassess the amount of tax and interest, penalties or other amounts, if any, to be paid by a taxpayer.

(3) An assessment or reassessment by the minister is to take place:

(a) within four years after the day on which the tax became due and payable pursuant to this Act and the regulations; or

(b) at any time, if the taxpayer:

(i) has made any misrepresentation that is attributable to neglect, carelessness or wilful default or has committed any fraud in connection with the calculation or payment of the tax; or

(ii) has filed with the minister a waiver in a form acceptable to the minister within four years after the day on which the tax became due and payable pursuant to this Act and the regulations.

(4) The minister shall send notice of any assessment or reassessment to the taxpayer, and any amount that is assessed or reassessed by the minister to be payable by the taxpayer is to be paid within the prescribed period and in the manner approved by the minister, whether or not an appeal of the assessment or reassessment is taken.

(5) Liability for the tax imposed by this Act and any interest, penalties or other amounts that may be payable pursuant to this Act or the regulations with respect to the tax are not affected by an incorrect or incomplete assessment or reassessment pursuant to this section or by the fact that no assessment or reassessment has been made pursuant to this section.

2010, c.F-22.11, s.31.

Penalty and interest re taxes not forwarded, discovered by audit

31.1(1) Every taxpayer shall pay to the minister the penalty and interest set out in subsection (2), if:

- (a) an audit is performed on the taxpayer pursuant to this Act or the regulations; and
 - (b) as a result of the audit mentioned in clause (a), the taxpayer is assessed for taxes payable pursuant to this Act or the regulations.
- (2) A taxpayer mentioned in clause (1)(b) is liable to pay to the minister with respect to the amount of taxes payable as assessed by the minister, in addition to any other amount:
- (a) a penalty at the prescribed rate applied in the prescribed manner; and
 - (b) interest at the prescribed rate applied in the prescribed manner from the day on which the taxes were required to be forwarded or paid.

2017, c 19, s.3.

PART VI
Recovery of Tax

Debt due to Crown

32 All amounts required by or pursuant to this Act to be paid or remitted to the minister are a debt due to the Crown and may be recovered in any manner provided in this Act or the regulations, in any manner authorized by *The Financial Administration Act, 1993* or in any other manner authorized by law.

2010, c.F-22.11, s.32.

Estimate of tax – failure to pay

33(1) If the minister has knowledge or reasonable grounds to believe that any of the circumstances mentioned in subsection (2) exist, the minister may make an estimate of the amount of tax payable by a taxpayer that the taxpayer has failed to pay, including any penalty and interest payable on the amount of tax not paid.

- (2) The minister may act in accordance with subsection (1) if:
- (a) an operator or taxpayer has failed to submit complete and accurate information required pursuant to this Act or the regulations to enable the minister to calculate the tax owing;
 - (b) an operator or taxpayer has failed to file a return as required pursuant to this Act;
 - (c) an operator or taxpayer has failed to comply with a request from the minister to provide his or her records for inspection, examination or audit;
 - (d) the records of an operator or taxpayer are inadequate for the purposes of this Act or have been destroyed; or
 - (e) after an inspection, examination or audit by the minister of a return or records, the tax payable has not been paid.

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(3) If the minister makes an estimate in any of the circumstances mentioned in clauses (2)(a) to (e), the minister shall cause a notice of the estimate to be served on the operator or taxpayer:

- (a) indicating the estimated amount of tax payable; and
- (b) directing the operator or taxpayer to, within the period specified by the minister:
 - (i) account for the estimated amount to the satisfaction of the minister; or
 - (ii) pay the estimated amount to the minister.

(4) On service of the notice pursuant to subsection (3), the operator or taxpayer shall, within the period specified by the minister:

- (a) account for the estimated amount to the satisfaction of the minister; or
- (b) pay the estimated amount to the minister.

2010, c.F-22.11, s.33.

Estimate of tax – failure of system

34(1) If for any reason the registry or any other electronic system used by the minister is not operational and as a result, the minister is not able to calculate the tax owing or send a notice of assessment to an operator or a taxpayer, the taxpayer shall pay to the minister an estimated amount of tax determined in accordance with the regulations.

(2) In the circumstances mentioned in subsection (1), the minister shall cause notice of the requirement to comply with subsection (1) to be given to operators and taxpayers in any manner that the minister considers appropriate to bring the requirement to the attention of operators and taxpayers.

(3) The estimated amount of tax payable by a taxpayer pursuant to subsection (1) may not be appealed.

2010, c.F-22.11, s.34.

Collection of taxes

35(1) If a taxpayer owes any tax, penalty, interest or other amount imposed pursuant to this Act or the regulations and no appeal is commenced pursuant to section 56 within the appeal period, the minister may:

- (a) certify the amount due in a certificate; and
- (b) file that certificate at any judicial centre with the local registrar of the court.

(2) A certificate filed pursuant to subsection (1):

- (a) is to be served, within 30 days after filing, on the person who is the subject of the certificate, but failure to serve the certificate within 30 days does not affect the validity of the certificate; and
- (b) has the same force and effect as it would if it were a judgment obtained in the court for the recovery of a debt in the amount specified in the certificate, together with any reasonable costs and charges respecting its filing.

(3) Notwithstanding *The Enforcement of Money Judgments Act*, amounts owed 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.

(4) In subsection (3), “**enforcing judgment creditor**” means enforcing judgment creditor as defined in *The Enforcement of Money Judgments Act*.

2010, c.F-22.11, s.35.

Collection from third parties

36(1) In this section, “**third party**” means a person who is, or is about to become, indebted to or liable to pay money to a person liable to pay or remit any tax, interest, penalty or other amount pursuant to this Act or the regulations.

(2) If a certificate has been filed pursuant to section 35, the minister may serve a notice of intention in the prescribed form on the person liable to pay or remit any tax, interest, penalty or other amount advising that person of the minister’s intention to serve a demand on a third party.

(3) No sooner than five business days after serving the notice of intention, the minister may serve a demand in the prescribed form on a person who is a third party in relation to the person who is the subject of the certificate requiring that all or any part of the money payable by the third party to that person be paid to the minister immediately on it becoming payable to that person.

(4) A demand does not apply to any amount payable by a third party if that amount is payable:

- (a) after 30 days following the day on which the demand is served; or
- (b) after a period not greater than six months following the day on which the demand is served that the minister may specify in the demand.

(5) Payment to the minister by a third party of an amount pursuant to this section discharges the liability of the third party to the person who is the subject of the certificate to the extent of that amount.

(6) If a third party is served with a demand pursuant to this section and subsequently discharges any liability to the person who is the subject of the certificate or fails to comply with the demand, that third party is liable to the Crown to the extent of the lesser of:

- (a) the amount of liability discharged to the person who is the subject of the certificate; and
- (b) the amount specified in the demand.

2010, c.F-22.11, s.36.

Service of demand

37(1) A certificate mentioned in section 35 or a demand or notice mentioned in section 36 may be served personally or by registered mail sent to the last known address of the person being served.

(2) A certificate, demand or notice served by registered mail is deemed to have been received on the fifth business day following the day of its mailing unless the person to whom it was mailed establishes that, through no fault of that person, the person did not receive the certificate, demand or notice or received it a later date.

2010, c.F-22.11, s.37.

Compromise and settlement

38 If it is considered by the Lieutenant Governor in Council to be in the public interest not to demand payment of the whole amount of any taxes, interest, penalties or other amounts imposed pursuant to this Act, the Lieutenant Governor in Council may direct the minister to compromise and settle the matter by accepting any amount that the Lieutenant Governor in Council considers proper and, if the taxes, interest, penalties or other amounts have been paid, the minister may refund them or part of them to the person or persons entitled to them.

2010, c.F-22.11, s.38.

Lien

39 Notwithstanding any other Act:

(a) all taxes imposed by this Act on any freehold oil or freehold gas, or recovered crude oil, and all interest, penalties or other amounts payable pursuant to this Act with respect to those taxes, constitute a first lien, charge and encumbrance in favour of the Crown on the entire estate, real and personal, of the person who is liable to pay those taxes, interest, penalties or other amounts, including the person's interest in the well from which that freehold oil or freehold gas was produced, or to which it was allocated, or in the crude oil recovery facility from which that recovered crude oil was recovered, in priority to every claim, privilege, lien or encumbrance of any other person, whether the right or title of that other person has accrued before or accrues after the attaching of the first lien, charge and encumbrance;

(b) the priority of the first lien, charge and encumbrance mentioned in clause (a) shall not be lost or impaired by any neglect, omission or error of any official, officer or person, or by want of registration, or by the tender or acceptance of any partial payment of the taxes, interest, penalties or other amounts mentioned in clause (a); and

(c) the first lien, charge and encumbrance mentioned in clause (a) may be realized by the seizure or the seizure and sale of all or any part of the estate, real and personal, of the person who is liable to pay those taxes and all interest, penalties or other amounts with respect to those taxes.

2010, c.F-22.11, s.39.

Distress

40(1) If default is made in the payment of any taxes, interest, penalties or other amounts due and owing pursuant to this Act, the taxes, interest, penalties and other amounts may be levied and collected by distress, together with all costs of distress, on the goods and chattels, wherever found, of the taxpayer under a warrant signed by the minister directed to the sheriff having jurisdiction in the area in which the taxpayer may have any goods or chattels.

(2) The sheriff shall realize the amount directed to be realized by the warrant, together with all incidental costs, by the sale of the goods and chattels distrained or as much of the goods and chattels as may be necessary to satisfy the amount directed to be levied by the warrant together with the costs of the distress and sale.

2010, c.F-22.11, s.40.

Deduction or set-off

41 If any taxes, interest, penalties or other amounts imposed pursuant to this Act are not paid when due, the minister may require the retention by way of deduction or set-off of any amount that the minister may specify from or out of any amount that is or may become payable by the Crown to the taxpayer or to any other person on behalf or for the benefit of the taxpayer.

2010, c.F-22.11, s.41.

Action for recovery

42(1) If any tax, interest, penalty or other amount due and owing pursuant to this Act is not paid, the minister may bring an action in a court of competent jurisdiction to obtain payment of the tax, interest, penalty or other amount as a debt due to the Government of Saskatchewan.

(2) The right of action provided in subsection (1) is in addition to all other rights that may be exercised pursuant to this Act.

2010, c.F-22.11, s.42.

PART VII
Inspections, Investigations and Enforcement

DIVISION 1
Interpretation of Part

Interpretation of Part

43 In this Part:

- (a) “**Act**” includes the regulations and any orders of the minister issued pursuant to this Act;
- (b) “**property**” includes computer software.

2010, c.F-22.11, s.43.

DIVISION 2
Inspections and Investigations

Inspections

44(1) The minister may make inquiries and conduct inspections, examinations and audits respecting the business and activities of any person governed by this Act.

(2) Subject to subsection 45(4), the minister may do all or any of the following things in the course of making an inquiry or conducting an inspection, examination or audit:

(a) enter at any reasonable time and inspect any commercial premises used by a person governed by this Act, including entering any building or structure used in connection with the operation of any well or any facility, plant or work at which the production from any well is treated or processed and take from that well, facility, plant or work any samples or specimens to determine the quantity or quality of production from that well, facility, plant or work;

(b) enter at any reasonable time premises containing any records or property required to be kept pursuant to this Act or related to the administration of this Act and inspect, examine or audit those records or that property;

(c) require the person and any agent, representative, partner, director, officer or employee of the person to:

(i) answer any questions that may be relevant to the inquiry, inspection, examination or audit; and

(ii) provide the minister with all reasonable assistance, including using any computer hardware or software or any other data storage, processing or retrieval device or system to produce information;

(d) use any machinery, equipment, appliances or things that the minister considers necessary while at any premises mentioned in clause (a) or (b);

(e) in order to produce information, use any computer hardware or software or any other data storage, processing or retrieval device or system that is used in connection with the business or activities of any person governed by this Act;

(f) remove for examination and copying anything that may be relevant to the inquiry, inspection, examination or audit, including removing any computer hardware or software or any other data storage, processing or retrieval device or system in order to produce information.

(3) The minister may serve a written demand on any person requiring that person to produce any records or property:

(a) required to be kept pursuant to this Act; or

(b) related to the administration of this Act.

(4) No person on whom a written demand is served pursuant to this section shall fail to produce the records or property mentioned in the written demand within the time specified in the written demand.

- (5) If the minister demands any records or property pursuant to this section, the minister may examine the records or property and make copies of the records with reasonable dispatch and promptly return the originals of the records to the person who produced them.
- (6) If the minister requires a person to answer questions, to produce a record or other property or to provide assistance in accordance with this section, the person shall do so in the manner and within the period specified by the minister.
- (7) The minister shall:
- (a) give a receipt for anything that the minister removes for examination and copying;
 - (b) promptly return anything removed pursuant to this section to the place from which it was removed or any other place agreed to by the minister and the person who furnished it; and
 - (c) take all reasonable steps to ensure that, if a record is taken, a copy of the record is left at the premises to allow business to be carried on.

2010, c.F-22.11, s.44.

Investigations

- 45(1)** If a justice or a provincial court judge is satisfied by information under oath that there are reasonable grounds to believe that an offence against this Act has occurred and that evidence of that offence is likely to be found, the justice or the provincial court judge may issue a warrant to do all or any of the following:
- (a) enter and search any place or premises named in the warrant;
 - (b) stop and search any vehicle described in the warrant;
 - (c) seize and remove from any place, premises or vehicle searched anything that may be evidence of an offence against this Act.
- (2) With a warrant issued pursuant to subsection (1), the minister may:
- (a) enter at any time and search any place or premises named in the warrant;
 - (b) stop and search any vehicle described in the warrant;
 - (c) open and examine the contents within any trunk, box, bag, parcel, closet, cupboard or other receptacle that the minister finds in the place, premises or vehicle;
 - (d) require the production of and examine any records or property that the minister believes, on reasonable grounds, may contain information related to an offence against this Act;

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- (e) remove, for the purpose of making copies, any records examined pursuant to this section; and
 - (f) seize and remove from any place, premises or vehicle searched anything that may be evidence of an offence against this Act.
- (3) Subject to subsection (4), the minister may exercise all or any of the powers mentioned in subsection (2) without a warrant issued pursuant to this section if:
- (a) the conditions for obtaining a warrant exist; and
 - (b) the minister has reasonable grounds to believe that the delay necessary to obtain a warrant would result:
 - (i) in danger to human life or safety; or
 - (ii) in the loss, removal or destruction of evidence.
- (4) The minister shall not enter any premises that are a private dwelling without the consent of the occupier or a warrant issued pursuant to this section.

2010, c.F-22.11, s.45.

Copies admissible as evidence

46 A record certified by the minister or any person authorized by the minister, to be a copy of a record made pursuant to section 44 or 45 is admissible in evidence, without proof of the office or signature of the person appearing to have certified the document, and has the same probative force as the original document.

2010, c.F-22.11, s.46.

Entry on land

47 For the purposes of carrying out their duties pursuant to this Act, the minister and any person lawfully accompanying the minister may enter on or pass over any land, whether enclosed or not, without a warrant.

2010, c.F-22.11, s.47.

DIVISION 3 Offences and Penalties

Offences

48(1) No person shall:

- (a) fail to provide any return, notice or other document that the person is required to provide pursuant to this Act;
- (b) fail to complete any information required on any return, notice or other document or fail to provide any information required pursuant to this Act;

- (c) make or sign any false statement or furnish any false or incorrect information to the minister or to any employee of the ministry with respect to any matter or thing with respect to which information is required pursuant to this Act;
 - (d) keep or cause or permit to be kept any false or incorrect records regarding anything required pursuant to this Act;
 - (e) omit to state a fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made to the minister or any employee of the ministry;
 - (f) fail to produce any records required to be kept pursuant to this Act or the regulations to a person entitled to inspect, examine or audit the records;
 - (g) fail to provide all reasonable assistance when required to do so for the purposes of aiding in the conduct of an inquiry, inspection, examination or audit;
 - (h) obstruct or interfere with the minister or any person authorized by the minister while making an inquiry, inspection, examination or audit or carrying out duties pursuant to this Act;
 - (i) fail to comply with an order made by the minister pursuant to section 55; or
 - (j) fail to comply with any provision of this Act or the regulations.
- (2) Every person who contravenes a provision of this Act, the regulations or an order made pursuant to this Act is guilty of an offence and liable on summary conviction to:
- (a) a fine not exceeding \$500,000 for each day or part of a day during which the offence continues;
 - (b) imprisonment for a term not exceeding one year; or
 - (c) both that fine and imprisonment.
- (3) If a person is convicted of an offence pursuant to this Act and the court is satisfied that as a result of the commission of the offence monetary benefits accrued to the offender, the court may order the offender to pay, in addition to a fine pursuant to subsection (2), a fine in an amount equal to the court's estimation of the amount of those monetary benefits.
- (4) Every person who wilfully attempts to evade payment of any of the taxes imposed by this Act or the regulations, or who conspires with any other person to evade payment of those taxes, is guilty of an offence and, in addition to any penalty provided for in this Act or the regulations, is liable on summary conviction to a fine of not less than 25% nor more than double the amount of tax sought to be evaded or to imprisonment for a term of six months, or to both that fine and imprisonment and, in default of payment of that fine, to imprisonment for a term, or an additional term, of six months.

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(5) Every director, officer or agent of a corporation who directed, authorized, assented to, acquiesced in or participated in an act or omission of the corporation that would constitute an offence by the corporation is guilty of that offence and is liable on summary conviction to the penalties provided for that offence whether or not the corporation has been prosecuted or convicted.

(6) A penalty imposed pursuant to this section is in addition to any remedy the Crown may have to recover the amount of any unpaid tax or penalty or interest on the tax.

2010, c.F-22.11, s.48.

Vicarious liability

49 In any prosecution of a person for a contravention of this Act or the regulations, it is sufficient proof of the offence to establish, in the absence of any evidence that the offence was committed without the person's knowledge, that it was committed by an employee, helper or agent of the person, whether or not the employee, helper or agent:

- (a) is identified; or
- (b) has been prosecuted or convicted for the offence.

2010, c.F-22.11, s.49.

Limitation on prosecutions

50 No prosecution for a contravention of this Act or the regulations is to be commenced more than three years after the facts on which the alleged contravention is based first came to the knowledge of the minister.

2010, c.F-22.11, s.50.

Penalties

51(1) The minister may impose a prescribed penalty on a person who:

- (a) fails to provide any return, notice or other document that the person is required to provide pursuant to this Act;
- (b) fails to complete any information required on any return, notice or other document that the person is required to provide pursuant to this Act; or
- (c) fails to provide any information to the minister or to the registry that is required by this Act or the regulations to enable the minister to assess or reassess the amount of tax to be paid pursuant to this Act.

(2) The minister may fix a lesser amount with respect to any particular failure set out in subsection (1).

2010, c.F-22.11, s.51.

DIVISION 4
Enforcement

Minister may apply for compliance order

52(1) The minister may apply to a judge of the court for all or any of the following:

- (a) an order compelling a person to comply with this Act, the regulations, or an order issued pursuant to this Act;
- (b) an order enjoining any person from proceeding contrary to this Act, the regulations, or an order issued pursuant to this Act.

(2) On an application pursuant to this section, the judge of the court may make the order requested or any other order that the judge considers appropriate on any terms and conditions that the judge considers appropriate.

(3) The minister may apply for an order pursuant to subsection (1) regardless of whether an order pursuant to this Act has been issued with respect to the matter.

2010, c.F-22.11, s.52.

Injunctions and receivers

53(1) In addition to any other remedy for the recovery of any tax, interest, penalty or other amount due and owing pursuant to this Act or the regulations, or if the payment of any accrued or future tax, interest, penalty or other amount appears to the minister to be in danger, an application for an injunction or an order in the nature of an injunction, or for the appointment of a receiver with all necessary powers, or for any other relief or remedy that seems necessary or expedient for securing payment of the tax, interest, penalty, or other amount, may be made without notice to the court at the instance and in the name of the minister.

(2) On an application pursuant to subsection (1), the court may grant an injunction or make an order on any terms and conditions that the court considers appropriate.

2010, c.F-22.11, s.53; 2018, c 42, s.65.

Improper avoidance or reduction of taxes

54(1) If the minister has determined that one of the main purposes for a transaction or transactions effected before or after the coming into force of this Act or the regulations was improper avoidance or reduction of taxes that might otherwise have become payable pursuant to this Act or the regulations, the minister may give any directions that the minister considers appropriate to counteract the avoidance or reduction.

(2) An avoidance or reduction of taxes may be regarded as improper for the purposes of this Act although not otherwise illegal or unlawful.

(3) A direction of the minister pursuant to this section may relate to any taxes, interest, penalties or other amounts payable pursuant to this Act or the regulations by one or more persons and for one or more periods.

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(4) If the minister has given a direction pursuant to this section, the tax, interest, penalty or other amount shall be paid and collected in accordance with that direction, notwithstanding any other provision of this Act or the regulations or of any other Act or law.

2010, c.F-22.11, s.54.

Requiring facility to be shut-in

55 If a taxpayer has not paid the tax on recovered crude oil that the taxpayer owes, and no appeal is commenced pursuant to section 56 within the appeal period, the minister may make an order directing that:

- (a) the crude oil recovery facility from which the recovered crude oil was recovered, or any other crude oil recovery facility operated by the taxpayer, be shut-in; and
- (b) any person be prohibited from recovering crude oil from the facility.

2010, c.F-22.11, s.55.

PART VIII Appeals

Appeals

56(1) A taxpayer who objects to an assessment, reassessment or any act or thing done by the minister pursuant to any regulation made pursuant to clause 15(1)(g) or 26(1)(f), other than a determination of price made pursuant to clause 15(1)(d), (f) or (g) or clause 26(1)(c), (d) or (f), may appeal that act or thing to the Board of Revenue Commissioners.

(2) Before appealing pursuant to subsection (1), a taxpayer shall pay to the minister any amount required to be paid as a result of the matter that is the subject of the appeal.

(3) A taxpayer who wishes to appeal shall, within 90 days after receiving notice of the assessment, reassessment or act or thing done by the minister pursuant to clause 15(1)(g) or 26(1)(f), serve the Board of Revenue Commissioners with a written notice of appeal, either personally or by registered mail, setting out the reasons for the taxpayer's objection and the allegations of fact and law on which the taxpayer relies to support the objection.

2010, c.F-22.11, s.56.

Conduct of appeals

57(1) In any appeal by a taxpayer pursuant to section 56:

- (a) the onus of proof of the allegations of fact and law on which the taxpayer relies to support the objection is on the taxpayer; and
- (b) any person, whether or not the person is a party to the appeal:
 - (i) may be examined under oath;

- (ii) shall produce, under oath, any documents, records or things that may be in the possession or under the control of the person; and
 - (iii) may be required to attend for examination and to produce any documents, records or things in the same manner as a party in an action in the court may be required to.
- (2) The Lieutenant Governor in Council may prescribe rules and procedures for appeals made pursuant to section 56.
- (3) The Board of Revenue Commissioners may, when determining an appeal, confirm, reduce, increase or vary any act or thing done by the minister or may refer the matter back to the minister for further consideration.
- (4) A taxpayer or the minister may appeal a decision of the Board of Revenue Commissioners in accordance with sections 21 to 23 of *The Revenue and Financial Services Act*.

2010, c.F-22.11, s.57.

PART IX General Provisions

Immunity

58 No action or other proceeding lies or shall be commenced against the minister, the ministry, the Crown, or officers, employees or agents of the Crown for any loss or damage suffered by a person by reason of anything in good faith done, caused, permitted or authorized to be done, attempted to be done or omitted to be done by any one or more of them, pursuant to or in the exercise or supposed exercise of any power conferred by this Act or the regulations or in the carrying out or supposed carrying out of any function or duty imposed by this Act or the regulations.

2010, c.F-22.11, s.58.

Service of communication

59(1) Any communication required by this Act or the regulations to be given or served may be given or served:

- (a) by personal service;
- (b) by ordinary or registered mail to the last known address of the person being served;
- (c) on an operator who provides notice of active operation to the minister pursuant to section 11 or 24 and a holder of a working interest identified pursuant to section 12 or 25, by electronic means; or
- (d) by any other prescribed means.

- (2) A communication served by ordinary mail or registered mail is deemed to have been received on the fifth business day following the day of its mailing, unless the person to whom it is mailed establishes that through no fault of the person, the person did not receive it or that the person received it at a later date.
- (3) A communication served by electronic means is deemed to have been received on the second business day after it is sent.
- (4) Service of a communication to be sent by any other prescribed means is to be proved in the prescribed manner.
- (5) Irregularity in the service of a communication does not affect the validity of an otherwise valid communication.

2010, c.F-22.11, s.59.

PART X Regulations

Regulations

60(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) governing the development, use and retention of documents and information in electronic form by the ministry and persons dealing with the ministry in carrying out the business processes of the ministry, including:
 - (i) requiring that documents or classes of documents be in an approved electronic format and respecting the manner in which that format is determined or approved, including authorizing the minister to determine the appropriate format;
 - (ii) governing the methods and means of transmission of approved electronic documents or classes of approved electronic documents, including the establishment of rules, procedures and guidelines for their transmission;
 - (iii) governing the means by which the identity and authority of persons who create, submit or send approved electronic documents are verified;
 - (iv) respecting electronic signatures on approved electronic documents and the legal effect of those signatures;
 - (v) authorizing the minister to determine any of the matters set out in this clause;
- (c) providing that a provision in a regulation made pursuant to subclause (b)(i) or (ii) supersedes another Act or regulation of Saskatchewan with respect to the same subject-matter;

- (d) governing the legal effect and enforceability of approved electronic documents, certified copies of approved electronic documents and endorsements made on approved electronic documents, including:
 - (i) giving an approved electronic document the same effect as it would have if it were in writing and signed;
 - (ii) giving an approved electronic document the same probative force as the original electronic document; and
 - (iii) exempting an approved electronic document from any requirement at law that a document must be in writing or signed;
- (e) authorizing the minister to refuse to accept documents that are not approved electronic documents or do not meet the requirements of or established pursuant to the regulations made pursuant to clauses (b) to (d) with respect to the documents;
- (f) authorizing the minister to establish rules respecting the acknowledgment of receipt of approved electronic documents;
- (g) authorizing the minister to exempt a document or class of documents from any requirement of or established pursuant to a regulation made pursuant to clauses (b) to (f), subject to any terms and conditions the minister considers appropriate;
- (h) governing the applicability of regulations made pursuant to clauses (b) to (g) to the business processes administered by the ministry;
- (i) respecting the confidentiality of, and the communication of and access to, reports, returns, estimates, declarations, records and other information obtained pursuant to this Act;
- (j) for the purposes of section 29, prescribing records;
- (k) for the purposes of section 30, prescribing the circumstances in which a person or class of persons shall submit a return to the minister;
- (l) for the purposes of section 31, prescribing the period within which assessed amounts are to be paid;
- (m) for the purposes of section 34, estimating the amount of tax to be paid, including any formula, method of calculation, form or method of payment or period to be used in the calculation or payment of a tax;
- (m.1) for the purposes of section 31.1:
 - (i) prescribing the rate of penalty to be paid by a taxpayer; and
 - (ii) prescribing the rate of interest to be paid by a taxpayer;
- (m.2) prescribing the manner in which penalties and interest imposed by this Act or the regulations are to be applied;
- (n) prescribing the manner in which taxes, interest, penalties and other amounts imposed by this Act or the regulations may be recovered;

- (o) prescribing any forms for the purposes of this Act;
 - (p) prescribing the contents of any notice, return or other document required for this Act;
 - (q) respecting penalties imposed pursuant to section 51, including the manner in which the penalties are to be determined or assessed and authorizing the minister to determine or assess the penalties and to waive all or any portion of a penalty;
 - (r) for the purposes of section 57, prescribing rules and procedures for appeals;
 - (s) for the purposes of section 59, prescribing means and manner of service;
 - (t) extending the time for the payment of any tax, interest, penalty or other amount pursuant to this Act or the regulations or for doing any other act or thing required to be done pursuant to this Act or the regulations or for filing or delivering any return, notice or other document the filing or submission of which is required or provided for by this Act or the regulations;
 - (u) providing for exemptions or waivers from the tax, interest, penalties or other amounts imposed pursuant to this Act or the regulations;
 - (v) exempting, in whole or in part, and on any terms or conditions that the Lieutenant Governor in Council may impose:
 - (i) any freehold oil or freehold gas or any class of freehold oil or freehold gas from any of the taxes imposed by Part II;
 - (ii) any recovered crude oil or class of recovered crude oil from any of the taxes imposed by Part III; or
 - (iii) any person or class of persons from liability to pay or remit any of the taxes imposed by this Act;
 - (w) in connection with an exemption made pursuant to clause (v), authorizing a refund or partial refund of any taxes paid before the exemption is ordered;
 - (x) prescribing any other matter or thing that is required or authorized by this Act to be prescribed in the regulations;
 - (y) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this Act.
- (2) Any regulations made pursuant to this Part may be made retroactive to a date specified in the regulations that is not earlier than three years before the date on which the regulations come into force, and in that case the regulations are deemed to have been in force on and from the date specified in the regulations.
- (3) Notwithstanding any other Act or law, if a regulation is enacted pursuant to clause (1)(c), it operates to supersede another Act or regulation of Saskatchewan specified in the regulation.

PART XI

Repeal, Consequential and Coming into Force

S.S. 1982-83, c.F-22.1 repealed

61 *The Freehold Oil and Gas Production Tax Act* is repealed.

2010, c.F-22.11, s.61.

62 **Dispensed.** This/these section(s) makes consequential amendments to another/ other Act(s). Pursuant to subsection 33(1) of *The Interpretation Act, 1995*, the amendments have been incorporated into the corresponding Act(s). Please refer to the Separate Chapter to obtain consequential amendment details and specifics.

Coming into force

63(1) Subject to subsection (2), this Act comes into force on proclamation.

(2) If this Act comes into force before the day on which section 1 of *The Enforcement of Money Judgments Act* comes into force, subsections 35(3) and (4) come into force on the day on which section 1 of *The Enforcement of Money Judgments Act* comes into force.

2010, c.F-22.11, s.63.

