

Filing Requirements

Corporation Capital Tax Act

This bulletin provides a brief discussion of the filing requirements under the *Corporation Capital Tax Act* (the Act). The following information is applicable to corporate taxation years ending after March 31, 1994. For taxation years ending on or before that date, taxpayers should refer to the relevant legislation.

The information in this bulletin is provided for your convenience and guidance and is not a replacement for the legislation. The *Corporation Capital Tax Act* and Regulations can be found on the web at www.gov.bc.ca/sbr

In this issue...

- **Annual return**
- **Filing instructions**
- **Due date of return**
- **Penalties and interest**

ANNUAL RETURN

Every corporation that is subject to *corporation capital tax* (CCT) must file a CCT return, regardless of whether tax is payable or not. In situations where a corporation is claiming exempt status, the branch may issue a "Demand to File a CCT Return" in order to verify the corporation's exemption claim.

The branch issues three different types of the CCT return, depending on the nature of the corporation. These are:

General-00: to be completed by corporations other than those listed in the two categories described below;

Special-01: to be completed by a bank, a trust company, a credit union, or a loan corporation which is a subsidiary corporation to a bank;

Special-02: to be completed by an investment dealer registered or licensed under the laws of a province to trade in securities.

The following schedules, if applicable, must be filed with the CCT return:

Schedule A:

Calculation of Retained Earnings (Deficit),
Current Accounts Payable
Investments Eligible for Investment Allowance,
Total Assets

Schedule B:

Partnership/Joint Venture Schedule

Schedule C:

Calculation of Net Paid Up Capital of Non-Resident Corporation Employed in Canada

Schedule D:

Calculation of Eligible British Columbia Expenditures

Schedule E:

Allocation Schedule

Schedule F:

Schedule of Associated Corporations

Schedule G:

Calculation of Capital Tax Applicable to Small Business;

Schedule H:

Authorization Form.

Schedule H, the authorization form, must be completed in order for the branch to discuss any issues relating to CCT with the named representative of the corporation. A corporation may have more than one authorized representative for a specific taxation year.

Blank pre-printed CCT returns and schedules are automatically mailed to all corporations that are

registered with the branch. The corporation's CCT account number is pre-printed on the branch's form, along with a computer bar code containing this data. Consequently, a corporation should not use a CCT return which has been pre-printed for another taxpayer or another taxation year. A generic form can be obtained from the branch upon request.

A corporation may choose to file its return using a computer-generated version of the form, provided that the format and style of the form produced by the software package has been officially approved by the branch. This will eliminate the requirement to distribute a pre-printed form to these corporations.

FILING INSTRUCTIONS

One signed copy of the CCT return must be filed with the Minister of Small Business and Revenue, PO Box 9444 Stn Prov Govt Victoria BC V8W 9W8. Facsimile copies of the return will not be accepted.

The following items must accompany the CCT return:

- where there is tax owing, a cheque for the balance of tax (net of any instalments previously remitted) made payable to the Minister of Finance;
- the corporation's complete set of financial statements, prepared in accordance with Canadian generally accepted accounting principles, other than the equity method of accounting. If the corporation has an interest in a partnership or joint venture, those financial statements must also be included;
- any applicable supporting schedules, including Schedules A to I of the CCT Return; and
- a copy of the corporation's federal income tax return and supporting schedules for the relevant taxation period.

DUE DATE OF RETURN

The CCT return must be filed **within 184 days** of the corporation's taxation year end. A **postmark date** will be accepted as the filing date.

PENALTIES AND INTEREST

A corporation which has failed to file a CCT return by the due date is liable to a late filing penalty of **10%** of the amount of unpaid tax. In addition, debit interest on any overdue tax amounts will be levied at prescribed rates. The legislation also provides for additional penalties in various situations resulting from non-compliance with the legislation.

Where the taxpayer has made a voluntary disclosure, it is the branch's policy to waive penalties associated with the non-filing of the return, gross negligence, or other violation of the statute, provided that the taxpayer meets the conditions for **voluntary disclosure** which are outlined in a separate bulletin.

NEED MORE INFO?

This bulletin is provided for convenience and guidance.

For further information, please contact:

**Ministry of Small Business and Revenue
Income Tax Branch
PO Box 9444 Stn Prov Govt
Victoria BC V8W 9W8**

**Telephone: 250 953-3082
Fax: 250 356-0434**

**Information is also on the web at
www.gov.bc.ca/sbr While there, you can
subscribe to our free electronic update
service.**