



**Saskatchewan
Finance
Revenue Division**

12

2350 Albert Street
Regina SK S4P 4A6

**Corporation Capital
Tax Return**

01 50A

22

30 50

Pursuant to The Corporation Capital Tax Act

42	Account Number		49	Due Date			57	Fiscal Year End		Enter Corrections Below				
			Day	Month	Year	Month	Year					Fiscal Year End		
										Corporation Name				
										Mailing Address				
									City				Prov./State	
									Postal Code					
Address of Principal Place of Business in Saskatchewan										Postal Code		Area Code		Telephone Number
City and Jurisdiction of Head Office										Nature of Business				

Calculation of Corporation Capital Tax Payable (See Information Sheet for Tax Rates)

Taxable Capital as determined in Section A or F 63		x	75 % allocated to Sask. as determined in Section H (calculated to four decimal places)	=	82 Taxable Capital allocated to Sask.	x	94 Rate	x	97 No. Days in Fiscal	365 Corporation Capital Tax Payable
						x	100	x	103	106
									365	

Value of Resource Sales In Saskatchewan	Value of Resource Sales Deduction - SECTION I	Taxable Value of Resource Sales	Rate	Resource Surcharge
Resource Surcharge Calculation		116	128 3.6%	131 a)
		141	153 2.0%	156 b)
				166 c)

Less: Corporation Capital Tax Payable, as noted above

Resource Surcharge Payable (a + b - c) (if negative, enter zero)

176

TOTAL CORPORATION CAPITAL TAX PAYABLE
(Line 100 + 170)

186

Less: Amount paid by instalment

Balance

Credit Balance	Disposition of Credit Balance	Remitted With Return
	<input type="checkbox"/> Refund <input type="checkbox"/> Apply to subsequent year	196

This return together with payment of any Corporation Capital Tax remaining unpaid is due on or before the last day of the month that ends six months following the close of the corporation's fiscal year.

Documents and Information Required

1. One completed and signed return.
2. A cheque or money order made payable to the Minister of Finance for any outstanding tax.
3. One complete set of financial statements as presented to the shareholders.
4. One complete set of all statements, schedules, returns and other information submitted with the corporate T2 returns for purposes of the *Income Tax Act* (Canada), including the T2 return.
5. Corporations not resident in Canada must submit reconciliations of world figures to Canadian amounts.

Name (In Block Letters)

Rank of Officer

Certification

Full Resident Address

I am an authorized signing officer of the corporation. I certify that this return, including accompanying schedules and statements has been examined by me and is a true, correct and complete return. I further certify that the allocation of the taxable capital as set out in Section H of this return has been made in accordance with the provisions of *The Corporation Capital Tax Act* and Regulations.

Date _____

Signature

Computation of Taxable Paid-Up Capital

Section A

Only resident corporations complete this section

1. Paid-up capital stock (net of premium and/or discount)

34 _____

Surpluses

2. Earned (if deficit deduct)

45 _____

3. Capital

56 _____

4. Appraisal

67 _____

5. Contributed

78 _____

6. Total Surpluses

(add lines 2 to 5 inclusive)

89 _____

Loans and Advances From

7. Shareholders, related persons and related corporations

100 _____

8. Corporations - include a trade account payable outstanding for more than 90 days, any portion of long term debt and secured debt

111 _____

9. Pension and other trusts

122 _____

10. Total Loans and Advances

(add lines 7, 8 and 9)

133 _____

Reserves

11. Special reserve as per balance sheet - include the amount of the reserve deducted from income under paragraph 20(1)(n) and sub-paragraphs 40(1)(a)(iii) and 44(1)(e)(iii) of the *Income Tax Act* (Canada)

144 _____

12. Contingent, investment, inventory and other like reserves

155 _____

13. Deferred income taxes and other deferred taxes payable

166 _____

14. Other reserves deducted from financial statement income and not allowed as a deduction for income tax purposes

177 _____

15. Total Reserves

(add lines 11 to 14 inclusive)

188 _____

Indebtedness Represented By

16. Bonds and Bond Mortgages

34 _____

17. Debentures

45 _____

18. Lien Notes

56 _____

19. Mortgages

67 _____

20. Bank Loans and Overdrafts

78 _____

21. Other Indebtedness secured by property (specify)

89 _____

22. Total Indebtedness

(add lines 16 to 21 inclusive)

100 _____

23. Sub-Total

(add lines 1, 6 10, 15 and 22)

111 _____

24. Subtract: amounts deducted for income tax purposes in excess of amounts recorded in the books (include the amount by which a) N.B.V. of depreciable assets excluding appraisals exceeds the U.C.C. for income tax purposes b) N.B.V. of deferred exploration and development expenses exceeds the amount available for income tax purposes).

123 _____

25. Total Paid-Up Capital

(line 23 less line 24)

134 _____

Deduct Allowances

26. (a) Standard Exemption

\$ 10,000,000.00

(b) Additional Exemption -

x 146

157

168

See information
sheet for amounts

Sask. Salaries &
Wages

Total Salaries & Wages
paid by Corporation &
Associated Corporations

27. Goodwill allowance (See section B)

176 _____

28. Deferred exploration and development expenses - include Canadian exploration and development expenses which are deductible under the *Income Tax Act*

187 _____

29. Investment Allowance (see section C) not to exceed investments

198 _____

30. Total Deductions

(add lines 26 to 29 inclusive)

210 _____

31. Taxable Paid-Up Capital

(please enter this amount on page 1)

222 _____

Goodwill Allowance

Section B

This section is only to be completed if the corporation has goodwill and other intangible things reported on its balance sheet, that would qualify as cumulative eligible capital. (Corporations not resident in Canada, calculate the allowance on the applicable portion of Canadian intangibles only.)

Calculation I

Sum of intangibles as per balance sheet
(amounts net of amortization.)

Goodwill	33	
Patent Rights	44	
Copyrights	55	
Trademarks	66	
Other Intangible assets (specify)	77	
Total	88	
25% of total equals Calculation I	102	

Calculation II

Excess of paid-up capital stock over value of taxable
income for the current year capitalized at 6%.

Paid-up capital stock (section A line 1)	113	
Less: Capitalized value of taxable income		
Taxable Income	124	
	$\times \frac{100}{6} =$	138
Total Calculation II	150	

Allowance - lesser of I or II 164

Investment Allowance

Section C

Only resident corporations complete this section

Investments	Total Assets	Paid-up Capital	Investment Allowance
33	47	61	= 72
section D line 7	section E line 16	section A line 25 less lines 26, 27, 28	(not to exceed investments)

Investments

Section D

(Corporations not resident in Canada calculate investment allowance on Canadian assets only)

- Bonds of government, municipalities and school districts
- Industrial bonds and debentures
- Mortgages due from corporations (attach list)
- Shares in other corporations at greater of cost or book value (attach list and include cost and book value of each item)
- Trade accounts receivable from other corporations outstanding for more than 90 days prior to the balance sheet date
- Loans and advances to corporations (do not include amounts due from related corporations with Head Office outside Canada unless they are outstanding for more than 90 days as at the fiscal year end.) Attach list

33	
44	
55	
66	
77	
88	
99	

7. Total Investments

Total Assets

Section

(Corporations not resident in Canada report Canadian assets only)

- Total assets as per balance sheet
- Share of partnership(s) / joint venture(s) total assets
- Contingent investment and other like reserves (section A line 12)
- Reserves, the excess of which are not allowed as a deduction (section A line 14)
- Mortgages deducted directly from assets
- Amount by which assets have been written down and not deductible under the *Income Tax Act* (Canada)
- Other (specify)
- Sub total

33	
47	
58	
69	
80	
91	
102	
113	

(add lines 1 to 7 inclusive)

Deductions

\$ 10,000,000.00

- (a) Standard exemption
- (b) Enter amount from Section A Line 26(b) or Section F Line 2(b)
- Goodwill allowance (calculated in section B)
- Amount by which N.B.V. of depreciable assets excluding appraisals exceeds U.C.C. for income tax purposes
- Amount by which N.B.V. of exploration and development expenses exceeds the expenses deducted for income tax purposes
- Deferred exploration and development expenses (Section A line 28)
- Other (specify)
- Total Deductions

127	
135	
146	
157	
168	
179	
190	
202	

16. Total Assets

Taxable Capital Employed in Canada

Section F

Only corporations not resident in Canada need complete this section.

Paid-up capital employed in Canada is the amount equal to the greater of Calculations I or II determined as follows:

Calculation I

Taxable income earned in Canada as determined under
Income Tax Act

$$\boxed{33} \times \frac{100}{8} = \boxed{47}$$

Calculation II

Total assets of corporation in Canada (section E add lines 9, 10, 13 and 16)

$\boxed{59}$

Deduct

Current liabilities of a non-capital nature, excluding trade accounts payable to corporations

$\boxed{73}$

Total II $\boxed{84}$

$\boxed{98}$

1. Total paid-up Capital employed in Canada (greater of I or II)

Deduct Allowances

2. (a) Standard Exemption..... **\$10,000,000.00**

(b) Additional Exemption - $\boxed{112}$ x $\boxed{123}$ $\boxed{134}$
See information Sask. Salaries & Total Salaries & Wages
sheet for amounts paid by Corporation &

3. Goodwill Allowance (calculated in Section B)

$\boxed{142}$

4. Deferred exploration and development expenses (section E line 13)

$\boxed{153}$

5. Investment Allowance (calculated in Section G) not to exceed investments

$\boxed{164}$

$\boxed{176}$

6. Total Allowances

7. Taxable Paid-up Capital Employed in Canada

(Please enter this amount on page 1)

$\boxed{188}$

Investment Allowance

Section G

Only corporations not resident in Canada need complete this section

$$\boxed{33} \text{ Investments section D line 7} \times \boxed{47} \text{ Total Assets section E line 16} \times \boxed{61} \text{ Paid-up Capital section F line 1 less lines 2, 3, 4} = \boxed{72} \text{ Investment Allowance (not to exceed investments)}$$

Allocation Schedule

Section H

Corporations not resident in Canada, report Canadian figures only

Note: Special allocation rules exist for some corporations. Please see attached Information Sheet.

If special rules apply, the Corporation must submit a special schedule.

Indicate whether or not a permanent establishment was maintained in the jurisdiction listed:		Total wages and salaries paid in jurisdiction	% A / F	Gross Revenue Attributable to jurisdiction (exclude investment income)	% C / G	% (B + D) / 2
Yes	No	A	B	C	D	E
		Newfoundland				
		Prince Edward Island				
		Nova Scotia				
		New Brunswick				
		Quebec				
		Ontario				
		Manitoba				
		Alberta				
		British Columbia				
		Yukon				
		Northwest Territories				
		Nunavut				
		Foreign Country (specify)				
		Saskatchewan				
		Total	F	100%	G	100%

Value of Resource Sales Deduction

Section I

Note: If section E line 8 exceeds \$100,000,000.00, you are not entitled to any value of resource sales deduction.

$$\begin{array}{l} \text{Gross Deduction Amount} \\ \mathbf{\$2,500,000} \end{array} \times \begin{array}{l} \text{No. of days in fiscal period} \\ \mathbf{365} \end{array} = \begin{array}{l} \text{Pro-rated Deduction Amount} \\ \mathbf{\$2,500,000} \end{array}$$
$$\begin{array}{l} \text{Pro-rated Deduction Amount} \\ \mathbf{\$2,500,000} \end{array} \times \begin{array}{l} \text{Saskatchewan Wages \& Salaries SECTION H} \\ \mathbf{\$2,500,000} \end{array} = \begin{array}{l} \text{Value of Resource Sales Deduction} \\ \mathbf{\$2,500,000} \end{array}$$

Saskatchewan Corporation Capital Tax Information Sheet

Introduction

Corporations with a permanent establishment in Saskatchewan are required to pay a tax on their paid-up capital if the paid-up capital, less allowable deductions, is greater than zero.

Every corporation that has taxable paid-up capital must, on or before the last day of the month that ends six months following the close of its fiscal year, file a Corporation Capital Tax return and pay any balance of tax owing.

Resident Corporation

Depending upon the nature of its balance sheet and scope of its operations, resident corporations within the meaning of the *Income Tax Act* (Canada), may have to complete Page 1, Sections A to E and Section H. A resident corporation must adjust the balance sheet values of its assets, liabilities and capital to the allowable values for income tax purposes as outlined in Section A. The allowable deductions for goodwill and investments are based on world figures. If a corporation is not claiming these allowances, do not complete Sections B to E.

Non-Resident Corporations

A non-resident corporation within the meaning of the *Income Tax Act* (Canada) will, where applicable, complete Sections F to H as well as the appropriate sections for goodwill and the investment allowance. For the purposes of these deductions, non-resident corporations may only use Canadian figures.

Financial Institutions

This return was designed for the majority of corporations which are required to file at the general rate or are a resource corporation. Financial institutions should complete S.C.T. B1 - Financial Institution Corporation Capital Tax Return.

Resource Corporation

Resource corporations are subject to a corporation capital tax resource surcharge. The surcharge equals the difference between 3.6% of the corporation's value of Saskatchewan resource sales and its existing corporation capital tax liability. The resource surcharge rate is 2.0% for all oil and gas wells with a finished drilling date on or after October 1, 2002, and for incremental oil related to new or expanded enhanced oil recovery projects or waterflood projects having a commencement date on or after October 1, 2002. The resource surcharge rate for all other oil and gas wells is 3.6%

A "resource corporation" is defined as:

- (1) A corporation that has a value of resource sales and which has taxable paid-up capital after deducting the \$10 million standard exemption, the additional exemption, goodwill allowance and the investment allowance but not the deferred exploration and development expenses; or
- (2) A resource corporation which has assets in excess of \$100 million (including assets of all associated corporations) is liable for the resource surcharge, except where the corporation and all the associated corporations have normal Corporation Capital Tax payable in excess of the resource surcharge.

Resource Surcharge Deduction

Corporations with gross assets of less than \$100 million may be entitled to an annual deduction of up to \$2,500,000 from the value of resource sales, in the calculation of the resource surcharge.

The amount that a resource corporation may deduct from its value of resource sales is the lesser of its value of resource sales and 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:

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

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

Tax Rates

The current rate of tax is 0.6% for general corporations.

Interest

Unpaid taxes bear interest from the date the taxes were required to be paid. Interest is charged at the prime lending rate plus three percentage points. The interest rates are determined on June 15 and December 15 in each year and are in effect for a six month period commencing at the beginning of July and January.

Additional Exemption

When calculating the additional exemption at Box 168 of Section A, Line 26(b), the additional exemption amount is \$5 million for corporation taxation years beginning on or after January 1, 2002, \$7.5 million for corporation taxation years beginning on or after January 1, 2004 and \$10 million for corporation taxation years beginning on or after January 1, 2005.

Allocation Rules

Most corporations will allocate the amount taxable on the basis set out in Section H. Corporations conducting business of a type as listed below should allocate the amount taxable on the basis of special rules contained in the Regulations: 7. Banks

- | | | |
|-----------------------------|----------------------------|-------------------------|
| 1. Trust and Loan Companies | 3. Bus and Truck Operators | 5. Airline Corporations |
| 2. Grain Elevator Operators | 4. Pipeline Operators | 6. Railway Corporations |

Partnerships and Joint Ventures

Every corporation must include in taxable paid-up capital or taxable paid-up capital employed in Canada their portion of partnerships and joint venture assets, liabilities and capital. Every resource corporation must include its proportionate share of the value of resource sales of its partnership or joint venture when computing its value of resource sales.

Exempt Corporations

The following corporations are not required to pay the tax:

- (a) Credit Unions, co-operative corporations or family farm corporations.
- (b) Corporations other than Crown corporations designated in the regulations that are exempt from income tax under subsection 149(1) of the *Income Tax Act* (Canada). This includes charities, universities, non-profit organizations, etc.
- (c) Insurance corporations.

Change of Fiscal Year End

Corporations are required to obtain approval before changing their fiscal year end. Normally a copy of a letter from Canada Customs and Revenue Agency approving such fiscal year end change will suffice.

Filing of Returns

Corporations which have taxable paid-up capital or a value of resource sales must file a return within six months following the close of the fiscal year.

Payment of Tax

Corporations that are liable to pay tax are required to pay a monthly instalment payment on or before the last day of each month during their fiscal year. If the monthly instalment payment is less than \$400, the corporation may, instead of paying a monthly instalment payment, pay the entire tax for the fiscal year at the time the Corporation Capital Tax return is required to be filed.

A corporation, other than a resource corporation that is liable for the Corporation Capital Tax resource surcharge, may calculate monthly instalment payments based on either:

- (1) 1/12 of the tax payable for the current fiscal year; or
- (2) for the first three months, 1/12 of the tax payable for the fiscal year prior to the last fiscal year, and for the next nine months, 1/9 of the difference between the tax payable for the last fiscal year and the amount paid for the first three months.

A resource corporation that is liable for the Corporation Capital Tax surcharge in the fiscal year may calculate its monthly instalment payments based on either:

- (1) 1/12 of the tax payable for the current fiscal year; or
- (2) 1/12 of the amount determined when the value of resource sales for the previous fiscal year is multiplied by the applicable rate for the value of resource sales.

A resource corporation that was not liable for the Corporation Capital Tax resource surcharge in the previous fiscal year, may pay monthly instalments based on its tax payable for the current year referenced in option 1. In these situations, interest will not be charged if the monthly instalments are at least 75% of the tax payable for the year (1/12 each month of 75% of the total tax payable).

The material in this Information Sheet is intended as a general guide and not as a substitute for the Act and Regulations. All returns, enquiries and requests for the Act and Regulations should be directed to:

Saskatchewan Finance
Revenue Division
2350 Albert Street
Regina, Saskatchewan

Telephone

Toll Free 1-800-667-6102
Regina 306-787-7689

E-Mail:

sask.tax.info@finance.gov.sk.ca

Fax:

306-787-0241

Plain Paper Corporation Capital Tax Returns

General

The Revenue Division will accept computer printed Corporation Capital Tax returns providing they meet the standards set forth in the following guidelines. **Note: A corporation must obtain approval from the Department of Finance prior to using a computer printed form.**

The division must be able to readily verify and process the form. The format and guidelines describe the minimum acceptable standards.

In developing software to generate the plain paper returns, reference should be made to the *The Corporation Capital Tax Act* and the standard S.C.T. 1 tax return.

Paper

Plain white 8 1/2 x 11" paper.

Print

The quality of print shall be at least as good as the print on the standard S.C.T. 1 return.

Headings and subheadings shall be in bold print or be highlighted in some other readily recognizable manner. To ensure data printed in bold can be readily recognized, only original printed returns should be submitted. Do not submit photocopies or carbon copies.

Data Fields

All data fields given on the S.C.T. 1 tax return form are required on the plain paper return. Each field must be identified by the number input code and the line must be shown even if the data field is blank.

All dates shall be given in DD MM YYYY format.

Narrative / Headings

Identification information shall include corporation name, account number and taxation year end date.

All headings given on the S.C.T. 1 return form are required on the plain paper return.

All data fields shall be adequately titled to describe the contents.

Format

The plain paper return shall be 4 pages plus a remittance advice if a payment is being submitted. Otherwise, the remittance advice may be omitted.

The layout of the data shall be consistent with the standard S.C.T. 1 return.

Assembly

Returns printed on continuous paper shall be separated prior to submission.

Pages of the return shall be sequential and fastened in the upper left hand corner, with attachments (i.e. financial statements and related schedules) fastened behind the return.

A cheque or money order shall be attached to the remittance advice at the front of the return, when applicable.

Mailing

Returns should be mailed to: Saskatchewan Finance
Revenue Division
2350 Albert Street
Regina, Sask. S4P 4A6