



Information Bulletin

March 28, 2003

TO: ALL CORPORATIONS

RE: THE CORPORATION CAPITAL TAX ACT

As a result of the March 28, 2003 Saskatchewan Budget, the Corporation Capital Tax exemption has been increased to as high as \$17.5 million for corporation taxation years commencing on or after January 1, 2004 and to as high as \$20 million for corporation taxation years commencing on or after January 1, 2005.

The previous basic exemption of \$10 million was increased to as high as \$15 million for corporation taxation years commencing on or after January 1, 2002.

All corporations are eligible to claim the basic exemption of \$10 million. The additional exemption of \$5 million to \$10 million will apply based upon the proportion of total salaries and wages that is paid in Saskatchewan by a taxable corporation and its associated corporations. If all of the salaries and wages of the corporation and its associated corporations are paid to Saskatchewan residents, the associated corporation group will receive 100 per cent of the exemption increase. If a lesser proportion of total salaries and wages is paid in Saskatchewan, the increase in the Corporation Capital Tax exemption will be reduced accordingly.

Please see Information Bulletin CT-2 for more information on how the additional exemption is calculated.

FOR FURTHER INFORMATION

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Revenue Division
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Regina, Saskatchewan
S4P 4A6

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Regina 787-7773

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*Information bulletins and publications are available on the Internet at:
www.gov.sk.ca/finance*