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This Act is current to December 31, 2024

See the [Tables of Legislative Changes](#) for this Act's legislative history, including any changes not in force.

INCOME TAX ACT

[RSBC 1996] CHAPTER 215

Definitions and interpretation

1 (1) In this Act:

"agreeing province" means a province that has entered into an agreement with the government of Canada under which the government of Canada will collect taxes payable under that province's income tax statute and will make payments to that province in respect of the taxes so collected;

"amount" has the same meaning as in the federal Act;

"assessment" has the same meaning as in the federal Act;

"balance-due day" has the same meaning as in the federal Act;

"British Columbia" means the Province of British Columbia;

"business" has the same meaning as in the federal Act;

"Canadian-controlled private corporation" has the same meaning as in section 248 of the federal Act;

"collection agreement" means an agreement entered into under section 69 (1);

"corporation" has the same meaning as in the federal Act;

"court" means the Supreme Court of British Columbia;

"deputy head" means,

(a) if a collection agreement is not in effect, the deputy Provincial minister, or

(b) if a collection agreement is in effect, the Commissioner of Revenue;

"employed" has the same meaning as in the federal Act;

"employee" has the same meaning as in the federal Act;

"employer" has the same meaning as in the federal Act;

"federal Act" means the [Income Tax Act](#) (Canada);

"federal minister" means,

(a) in relation to the remittance of any amount as or on account of tax payable under this Act, the Receiver General for Canada, and

(b) in relation to any other matter, the Minister of National Revenue;

"federal regulations" means the regulations made under the federal Act;

"finance minister" means the member of the Executive Council charged with the administration of the [Financial Administration Act](#);

"fiscal period" has the same meaning as in the federal Act;

"income tax statute" means, in relation to an agreeing province, the law of that province that imposes a tax similar to the tax imposed under this Act;

"individual" means a person other than a corporation and includes a trust or estate;

"loss" means a loss as determined in accordance with and for the purposes of the federal Act;

"minister" means,

(a) if a collection agreement is not in effect, the Provincial minister, or

(b) if a collection agreement is in effect, the federal minister;

"ministry" means the ministry of the Provincial minister;

"permanent establishment" has the same meaning as in the federal Act;

"person", or any word or expression descriptive of a person, has the same meaning as in the federal Act;

"Provincial minister" means the member of the Executive Council charged with the administration of this Act;

"regulation" means a regulation made under this Act;

"taxable income" has the same meaning as in the federal Act;

"taxation year" has the same meaning as in section 249 (1) of the federal Act;

"taxpayer" has the same meaning as in the federal Act.

- (2) The expression "last day of the taxation year", in the case of an individual who resided in Canada at any time in the taxation year but ceased to reside in Canada before the last day of that year, is deemed to be a reference to the last day in the taxation year on which the individual resided in Canada.
- (3) The tax payable by a taxpayer under this Act or under Part I of the federal Act means the tax payable by the taxpayer as fixed by assessment or reassessment, subject to variation on objection or on appeal, if any, in accordance with this Act or Part I of the federal Act, as the case may be.
- (4) For the purposes of this Act, unless they are at variance with the definitions in this Act or in the regulations made under this Act, the definitions in the federal Act, and the definitions and interpretations made by federal regulations, apply.
- (4.1) For the purposes of this Act, a series of transactions or events is deemed to include any related transactions or events completed in contemplation of the series.
- (5) In any case of doubt, the provisions of this Act must be applied and interpreted in a manner consistent with similar provisions of the federal Act.
- (6) Section 248 (11) of the federal Act applies for the purposes of this Act to the extent that that provision applies to sections 161 (1), (2) and (11), 164 (3) to (4) and 227 (8.3) and (9.2) of the federal Act.
- (6.1) Section 261 [*Canadian and functional currency reporting*] of the federal Act applies for the purposes of this Act as follows:
 - (a) subject to paragraphs (b) to (d) of this subsection, section 261 of the federal Act applies in respect of taxation years that begin on or after December 14, 2007;
 - (b) the definition of "Canadian tax results" in section 261 (1) of the federal Act applies to all taxation years;
 - (c) section 261 (2) [*Canadian currency requirement*] of the federal Act applies to all taxation years;
 - (d) section 261 (15) [*amounts carried back*] of the federal Act applies on and after December 14, 2007.
- (6.2) If section 261 (5) of the federal Act applies to a taxpayer in respect of a particular taxation year, that section, as it applies for the purposes of this Act, applies to the taxpayer in respect of the particular taxation year.
- (7) If a provision, in this subsection referred to as "that section", of the federal Act or the federal regulations is made applicable for the purposes of this Act, that section, as amended from time to time before or after this subsection came into

force, applies with such modifications as the circumstances require for the purposes of this Act as though it had been enacted as a provision of this Act, and in applying that section for the purposes of this Act, in addition to any other modifications required by the circumstances,

- (a) a reference in that section to tax under Part I of the federal Act must be read as a reference to tax under this Act,
- (b) if that section contains a reference to tax under any of Parts I.1 to XIV of the federal Act, that section must be read without reference to tax under any of those Parts and without reference to any portion of that section that applies only to or in respect of tax under any of those Parts,
- (c) a reference in that section to a particular provision of the federal Act that is the same as or similar to a provision of this Act must be read as a reference to the provision of this Act,
- (d) any reference in that section to a particular provision of the federal Act that applies for the purposes of this Act must be read as a reference to the particular provision as it applies for the purposes of this Act,
- (e) if that section contains a reference to any of Parts I.1 to XIV of the federal Act or to a provision in any of those Parts, that section must be read without reference to that Part or without reference to that provision, as the case may be, and without reference to any portion of that section that applies only because of the application of any of those Parts or the application of a provision in any of those Parts,
- (f) subject to subsection (7.1), if that section contains a reference to the *Bankruptcy and Insolvency Act* (Canada), that section must be read without reference to the *Bankruptcy and Insolvency Act* (Canada),
- (g) subject to paragraph (h), a reference in that section to the federal Act or the federal regulations must be read as including a reference to this Act or a regulation made under this Act,
- (h) a reference in that section to the words "under this Act or under an Act of a province with which the Minister of Finance has entered into an agreement for the collection of taxes payable to the province under that Act" must be read as a reference to this Act, and
- (i) subject to subsections (8) and (8.1), a reference in that section to a word or expression set out in Column 1 of the following table must be read as a reference to the word or expression set out opposite it in Column 2:

TABLE

Column 1	Column 2
Her Majesty	Her Majesty in Right of the Province of British Columbia
Canada	British Columbia
Receiver General	finance minister
Commissioner of Revenue	deputy head
Deputy Attorney General of Canada	Deputy Attorney General of British Columbia
Tax Court of Canada	Supreme Court of British Columbia
Tax Court of Canada Act	<i>Supreme Court Act</i>
Federal Court of Canada	Supreme Court of British Columbia
Federal Court Act	<i>Supreme Court Act</i>
Registrar of the Tax Court of Canada	Registrar of the Supreme Court of British Columbia
Registry of the Federal Court	Registry of the Supreme Court of British Columbia
<i>Criminal Code</i>	<i>Offence Act</i>
Canada Revenue Agency	ministry
Minister	Provincial minister

(7.1) Subsection (7) (f) does not apply to section 222 (8) (d) of the federal Act as that section applies for the purposes of this Act.

(8) In applying any of the following provisions of the federal Act for the purposes of this Act, a reference in that provision to Canada must be read as a reference to Canada:

- (a) section 118.5;
- (b) section 118.6 (1);
- (b.1) the definition of "Canadian exploration expense" in section 66.1 (6) of the federal Act as that definition applies for the purposes of section 4.721 of this Act by virtue of paragraph (b) of the definition of "BC flow-through mining expenditure" in section 4.721 (1) of this Act;
- (c) the definition of "specified individual" in section 120.4 of the federal Act as that definition applies for the purposes of sections 4 (1) and 4.84 of this Act;
- (c.01) the definition of "source individual" in section 120.4 of the federal Act as that definition applies for the purposes of section 4.84 of this Act;
- (c.1) the definition of "return of income" in section 122.5 (1) of the federal Act as that definition applies for the purposes of sections 8.1 and 8.2

of this Act;

(c.2) section 122.5 (6.2) as that section applies for the purposes of sections 8.1, 8.2 and 8.3 of this Act;

(d) the definitions of "eligible individual" and "return of income" in section 122.6 of the federal Act as those definitions apply for the purposes of sections 13.07 to 13.095 of this Act;

(d.1) section 222 (8) (c);

(d.11) section 231.6;

(d.2) the definition of "non-resident" in section 248 (1) of the federal Act as that definition applies for the purposes of section 122.5 (6.2) of the federal Act, as that section applies for the purposes of sections 8.1, 8.2 and 8.3 of this Act;

(e) the definition of "taxable income earned in Canada" in section 248 (1) of the federal Act as that definition applies for the purposes of subsection (6.1) of this section and Division 2 of Part 1 of this Act;

(f) section 261.

(8.1) If a collection agreement is in effect, in applying the federal Act for the purposes of this Act,

(a) a reference to the Commissioner of Revenue in the federal Act must continue to be read as a reference to the Commissioner of Revenue,

(b) a reference to the Minister in the federal Act must continue to be read as a reference to the Minister, and

(c) a reference to the Receiver General in the federal Act must continue to be read as a reference to the Receiver General.

(9) [Repealed 2003-23-16.]

(10) In this Act or a regulation made under this Act, if a reference to a provision of the federal Act or the federal regulations is followed by italicized text in square brackets that is or purports to be descriptive of the subject matter of the provision, the text in square brackets

(a) is not part of this Act or the regulation, and

(b) is to be considered to have been added editorially for convenience of reference only.

Part 1 — Income Tax

Division 1 — Liability for Tax

Liability for tax

- 2 (1) An income tax must be paid as required in this Act for each taxation year by every individual
- (a) who was resident in British Columbia on the last day of the taxation year, or
 - (b) who, not being resident in British Columbia on the last day of the taxation year, had income earned in the taxation year in British Columbia as defined in section 4 (1).
- (2) An income tax must be paid as required in this Act for each taxation year by every corporation that maintained a permanent establishment in British Columbia at any time in the year.

Repealed

- 3 [Repealed 2000-15-3.]

Division 2 — Individual Income Tax

Definitions

- 4 (1) In this Division:

"appropriate percentage" for a taxation year means the lowest percentage specified in section 4.1 (1) that is applicable in determining tax payable under this Act for the year;

"income earned in the taxation year in British Columbia" means the income earned in the taxation year in British Columbia as determined in accordance with federal regulations made for purposes of the definition of "income earned in the year in a province" in section 120 (4) of the federal Act;

"income earned in the taxation year outside British Columbia" means income for the year minus income earned in the taxation year in British Columbia;

"income for the year" means,

- (a) in the case of an individual to whom section 114 of the federal Act applies who was resident in Canada during part only of the year, the individual's income for the year as defined in section 120 (3) (a) of the federal Act,
- (b) in the case of an individual who was not resident in Canada at any

time in the year, the individual's income for the year as defined in section 120 (3) (b) of the federal Act,

- (c) in the case of an individual who is a specified individual in relation to the year, the individual's income for the year as defined in section 120 (3) (c) of the federal Act, and
- (d) in the case of any other individual, the individual's income for the year as determined in accordance with and for the purposes of the federal Act;

"taxable income earned in Canada" has the same meaning as in the federal Act.

(2) [Repealed 2003-23-18.]

Amount of tax payable

4.1 (1) Subject to subsections (2), (3) and (5) to (7) of this section and to sections 4.52 and 4.8 to 4.84, the tax payable under this Act by an individual on the individual's taxable income for the 2008 and subsequent taxation years is as follows:

- (a) if the taxable income does not exceed \$30 004, 5.06% of the taxable income;
- (b) if the taxable income exceeds \$30 004 and does not exceed \$60 009,
 - (i) the highest amount that might be determined for an individual under paragraph (a) of this subsection,
 - plus
 - (ii) 7.7% of the taxable income that exceeds \$30 004 and does not exceed \$60 009;
- (c) if the taxable income exceeds \$60 009 and does not exceed \$70 000,
 - (i) the highest amount that might be determined for an individual under paragraph (b) of this subsection,
 - plus
 - (ii) 10.5% of the taxable income that exceeds \$60 009 and does not exceed \$70 000;
- (d) if the taxable income exceeds \$70 000 and does not exceed \$85 000,
 - (i) the highest amount that might be determined for an individual under paragraph (c) of this subsection,
 - plus
 - (ii) 12.29% of the taxable income that exceeds \$70 000 and does

not exceed \$85 000;

(e) if the taxable income exceeds \$85 000 and does not exceed \$150 000,

(i) the highest amount that might be determined for an individual under paragraph (d) of this subsection,

plus

(ii) 14.7% of the taxable income that exceeds \$85 000 and does not exceed \$150 000;

(f) [Repealed 2013-17-21.]

(g) if the taxable income exceeds \$150 000 and does not exceed \$220 000,

(i) the highest amount that might be determined for an individual under paragraph (e) of this subsection,

plus

(ii) 16.8% of the taxable income that exceeds \$150 000 and does not exceed \$220 000;

(h) if the taxable income exceeds \$220 000,

(i) the highest amount that might be determined for an individual under paragraph (g) of this subsection,

plus

(ii) 20.5% of the taxable income that exceeds \$220 000.

(2) For the purposes of subsection (1) (b) (i), (c) (i), (d) (i), (e) (i), (g) (i) and (h) (i), the highest amount that might be determined for an individual under subsection (1) (a), (b), (c), (d), (e) or (g), as the case may be, must be rounded to the nearest multiple of one dollar or, if the highest amount is equidistant from 2 such consecutive multiples, to the higher multiple.

(3) Subject to subsections (4) to (7) of this section and to sections 4.52 and 4.8 to 4.84, if the individual is a trust, the tax payable under this Act by the trust on its taxable income for a taxation year is the total of the following:

(a) the amount determined by the formula

$$H \times I$$

where

H is the highest percentage specified in subsection (1) of this section that applies in determining tax that might be payable by an individual under this Act for the year, and

I is the taxable income of the trust for the year;

(b) if section 122 (2) of the federal Act applies to the trust for the taxation year, the amount equal to the amount that would be determined under section 122 (1) (c) of the federal Act if

(i) subparagraph (i) of the description of "A" in section 122 (1) (c) of the federal Act were read as follows:

(i) the rate of tax payable under the *Income Tax Act* (British Columbia) by the trust for each taxation year referred to in the description of B were the highest percentage specified in section 4.1 (1) of that Act that applies in determining tax that might be payable by an individual under that Act for the year, and

(ii) the reference in the description of "B" in section 122 (1) (c) of the federal Act to "under this Part" were read as a reference to "under that Act".

(4) Subsection (3) of this section does not apply to a qualified disability trust, as defined in section 122 (3) of the federal Act, or a graduated rate estate.

(5) Subject to section 4.85 (1), if the individual was resident in British Columbia on the last day of the taxation year and had income earned in the taxation year outside British Columbia, the tax payable under this Act is the amount determined by the formula

$$A \times \frac{(B - C)}{B}$$

where

A is the amount determined for the individual under

(a) subsections (1) and (2) of this section, if the individual is not a trust to which subsection (3) applies, or

(b) subsection (3), if the individual is a trust to which subsection (3) applies,

B is the individual's income for the year, and

C is the individual's income earned in the taxation year outside British Columbia.

(6) Subject to section 4.85 (2), if the individual was not resident in British Columbia on the last day of the taxation year but had income earned in the taxation year in British Columbia, the tax payable under this Act is the amount determined by the formula

$$A \times \frac{B}{\text{---}}$$

C

where

A is the amount determined for the individual under

- (a) subsections (1) and (2) of this section, if the individual is not a trust to which subsection (3) applies, or
- (b) subsection (3), if the individual is a trust to which subsection (3) applies,

B is the individual's income earned in the taxation year in British Columbia, and

C is the individual's income for the year.

- (7) For the purposes of applying subsections (1) and (3) of this section to an individual who was not resident in Canada at any time in the taxation year, the phrase "taxable income" in subsections (1) and (3) must be read as "taxable income earned in Canada".

Deductions

- 4.2** (1) The amounts that, in computing an individual's tax, may be deducted under sections 4.3, 4.31 to 4.65, 4.67, 4.69, 4.7 and 20.1 may be deducted only in the order indicated in section 4.79 (1) and, subject to section 4.84 (3) (b), only from the amount of tax payable under section 4.1.

- (2) The amounts that, in computing an individual's tax, may be deducted under sections 4.68 and 4.71 may be deducted only in the order indicated in section 4.79 (2) and, subject to section 4.84 (3) (c), only from

- (a) the amount of tax payable under sections 4.8 to 4.83,

plus

- (b) the amount of tax payable under section 4.1 minus any amounts deducted under the provisions referred to in subsection (1) of this section.

- (3) The amounts that, in computing an individual's tax, may be deducted under sections 4.301, 4.72, 4.721, 4.722, 13.1, 19.1 and 21 may be deducted only in the order indicated in section 4.79 (3) and only from

- (a) [Repealed 2000-15-34.]

- (b) the amount of tax payable under sections 4.1 and 4.8 to 4.83 minus any amounts deducted under the provisions referred to in subsections (1) and (2) of this section.

Personal credits

- 4.3** (1) For the purpose of computing the tax payable under this Act for a taxation year

by an individual, there may be deducted an amount determined by the formula

$$A \times B$$

where

A is the appropriate percentage for the year,

B is the total of

(a) if the individual is entitled to a deduction under section 118 (1) (a) of the federal Act [*spousal credit*] for the year, an amount equal to the total of

(i) the basic personal amount, and

(ii) an amount determined by the formula

$$B.1 - (C - B.2)$$

where

B.1 is the spouse or common-law partner amount,

B.2 is the spouse or dependent amount, and

C is the greater of the spouse or dependent amount and the income for the year of the individual's spouse or common-law partner or, if the individual and the individual's spouse or common-law partner are living separate and apart at the end of that year by reason of a breakdown of their marriage or common-law partnership, the spouse's or common-law partner's income while married or in a common-law partnership and not so separated,

(b) if the individual is entitled to a deduction under section 118 (1) (b) of the federal Act [*equivalent to spousal credit*] for the year by reason of a dependent person referred to in that section, an amount equal to the total of

(i) the basic personal amount, and

(ii) an amount determined by the formula

$$C.1 - (D - C.2)$$

where

C.1 is the spouse or common-law partner amount,

C.2 is the spouse or dependent amount, and

D is the greater of the spouse or dependent amount and the dependent person's income for the year,

(c) if the individual is entitled to a deduction under section 118 (1) (c) of the federal Act [*basic personal credit — single status*], the basic personal amount,

(d) [Repealed 2018-4-15.]

(d.1) if the individual is entitled to a deduction under section 118 (1) (d) of

the federal Act [*Canada caregiver credit*] by reason of a dependant described in that section, the amount determined by the formula

$$\$19\,975 - D.1$$

where

D.1 is the greater of \$15 419 and the dependant's income for the taxation year, and

(e) and (f) [Repealed 2018-4-15.]

(f.1) if the individual is entitled to a deduction in respect of a person under section 118 (1) (a) or (b) of the federal Act and would also be entitled, but for section 118 (4) (c) of that Act, to a deduction in respect of the person because of section 118 (1) (d) [*Canada caregiver credit*] of that Act, the amount by which the amount that would be determined under paragraph (d.1) of this subsection exceeds the amount determined under paragraph (a) or (b) of this subsection, as the case may be, in respect of the person.

(1.1) In subsection (1):

"basic personal amount" means \$9 713 as adjusted under section 4.52;

"spouse or common-law partner amount" means \$8 317 as adjusted under section 4.52;

"spouse or dependent amount" means \$832 as adjusted under section 4.52.

(2) Section 118 (4) to (6) of the federal Act applies for the purposes of this section.

(3) [Repealed 2018-4-15.]

BC tax reduction credit

4.301 For the purpose of computing the tax payable under this Act for a taxation year by an individual, there may be deducted the amount determined by the formula

$$A - B$$

where

A is \$436, and

B is 3.56% of the amount, if any, by which the individual's income for the year exceeds \$19 400.

Age credit

4.31 For the purpose of computing the tax payable under this Act for a taxation year by an individual who is entitled to a deduction under section 118 (2) of the federal Act for the year, there may be deducted the amount determined by the formula

$$A \times (\$3\,531 - B)$$

where

A is the appropriate percentage for the year, and

B is 15% of the amount, if any, by which the individual's income for the year would exceed \$26 284 if no amount were included in respect of a gain from a disposition of property to which section 79 of the federal Act applies in computing that income.

Pension credit

4.32 (1) For the purpose of computing the tax payable under this Act for a taxation year by an individual who was resident in British Columbia on the last day of the taxation year and who is entitled to a deduction under section 118 (3) of the federal Act for the year, there may be deducted the amount determined by the formula

$$A \times B$$

where

A is the appropriate percentage for the year, and

B is the smaller of

(a) \$1 000, and

(b) the amount that is determined under paragraph (b) of the description of "B" in section 118 (3) of the federal Act and used in computing the individual's deduction under that section for the taxation year.

(2) [Repealed 2008-11-10.]

Adoption expense credit

4.33 For the purpose of computing the tax payable under this Act for a taxation year by an individual who was resident in British Columbia on the last day of the taxation year and who is entitled to a deduction under section 118.01 of the federal Act for the year, there may be deducted the amount determined by the formula

$$A \times \left(\frac{B}{C} \right)$$

where

A is the amount deducted by the individual under section 118.01 of the federal Act for the year,

B is the appropriate percentage for the year, and

C is the appropriate percentage for the year as defined in section 248 (1) of the federal Act.

Repealed

4.34- [Repealed 2017-12-18.]

4.341**Repealed****4.35** [Repealed 2017-12-20.]**Repealed****4.351** [Repealed 2017-12-22.]**BC education coaching tax credit****4.36** (1) In this section:

"coaching activity" means coaching or supervising students who are participating in an extracurricular activity or program;

"eligible coach" means

- (a) a teacher, or
- (b) an individual in a prescribed class of individuals;

"eligible coaching activity" means a coaching activity that meets the following criteria:

- (a) the individual who is carrying out the coaching activity is an eligible coach;
- (b) the students who are participating in the extracurricular activity or program to which the coaching activity relates are students of a qualifying school;
- (c) the eligible coach is not paid to carry out the coaching activity;

"First Nation land" has the same meaning as in the *First Nations Jurisdiction over Education in British Columbia Act* (Canada);

"participating First Nation" has the same meaning as in the *First Nations Jurisdiction over Education in British Columbia Act* (Canada);

"qualifying school" means any of the following:

- (a) a school as defined in the *School Act*;
- (b) a francophone school as defined in the *School Act*;
- (c) a Provincial school as defined in the *School Act*;
- (d) an independent school as defined in the *Independent School Act*;
- (e) a school operated on First Nation land by the government of Canada or by a participating First Nation or a Community Education Authority

established by one or more participating First Nations under the *First Nations Jurisdiction over Education in British Columbia Act* (Canada);

- (f) a school operated by the Nisga'a Nation, or a treaty first nation, under its own laws;

"teacher" means an individual who is paid to provide an educational program to students of a qualifying school.

- (2) An individual is eligible for a deduction under this section for a taxation year if the individual meets the following criteria:
 - (a) the individual is resident in British Columbia on the last day of the taxation year;
 - (b) the individual carries out 10 or more hours of eligible coaching activities during the taxation year;
 - (c) the individual meets additional criteria that may be established by regulation;
 - (d) if requested by the minister, the individual provides information in the form required by the minister to establish the individual's eligibility for the deduction.
- (3) For the purpose of computing the tax payable under this Act for a taxation year ending before January 1, 2018 by an individual who is eligible under subsection (2), there may be deducted an amount determined by multiplying \$500 by the appropriate percentage for the year.
- (4) Without limiting section 48 (1) and (2), the Lieutenant Governor in Council may make regulations as follows:
 - (a) prescribing classes of individuals for the purposes of paragraph (b) of the definition of "eligible coach" in subsection (1) of this section;
 - (b) establishing criteria for the purposes of subsection (2) (c) of this section.
- (5) In making regulations under subsection (4), the Lieutenant Governor in Council may make different regulations for different classes of individuals.
- (6) Regulations made under subsection (4) may be made retroactive to January 1, 2015 or a later date, and if made retroactive are deemed to have come into force on the date specified in the regulation.

Tax credit for volunteer firefighters and search and rescue volunteers

- 4.37** (1) For the purpose of computing the tax payable under this Act for a taxation year by an individual who was resident in British Columbia on the last day of the taxation year and who is entitled to a deduction under section 118.06 (2) or 118.07 (2) of the federal Act for the year, there may be deducted an amount determined by multiplying \$3 000 by the appropriate percentage for the year.
- (2) If an amount is not included in computing the individual's income for a taxation year because of section 81 (4) of the federal Act, no deduction may be made under this section in computing the tax payable by the individual for the taxation year.

Charitable and other gifts

- 4.4** (1) In this section, "**total gifts**", in relation to an individual for a taxation year, means the amount that, in computing the individual's deduction under section 118.1 (3) of the federal Act for the year, is used in the formula in that section for the individual's total gifts for the year less any portion of that amount used in calculating a deduction claimed for a preceding taxation year by the individual or the individual's spouse or common-law partner under this section or under a provision of an income tax statute of an agreeing or nonagreeing province that is similar to this section.
- (2) For the purpose of computing the tax payable under this Act for a taxation year by an individual who is entitled to a deduction under section 118.1 (3) of the federal Act for the year, there may be deducted the amount the individual claims not exceeding the amount determined by the formula

$$(A \times B) + (C \times D) + (E \times F)$$

where

A is the appropriate percentage for the year,

B is the smaller of

- (a) \$200, and
- (b) the individual's total gifts for the year,

C is the highest percentage specified in section 4.1 of this Act that applies in determining tax that might be payable under this Act for the year,

D is,

- (a) in the case of a trust, other than a graduated rate estate or a qualified disability trust, as defined in section 122 (3) of the federal Act, the amount, if any, by which its total gifts for the year exceeds \$200, and
- (b) in any other case, the smaller of
 - (i) the amount, if any, by which the individual's total gifts for the year exceeds \$200, and
 - (ii) the amount, if any, by which the individual's taxable income for the year exceeds the amount of \$220 000 referred to in section 4.1 (1) (h), as adjusted under section 4.52,

E is 16.8%, and

F is the amount, if any, by which the individual's total gifts for the year exceed the total of

(a) \$200, and

(b) the amount determined for D.

Medical expense credit

4.5 (1) For the purpose of computing the tax payable under this Act for a taxation year by an individual who is entitled to a deduction under section 118.2 (1) of the federal Act for the year, there may be deducted an amount determined by the formula

$$A \times [(B - C) + D]$$

where

A is the appropriate percentage for the year,

B is the amount used in the formula in section 118.2 (1) of the federal Act for B in computing the individual's deduction under that section for the year,

C is the smaller of \$1 772 and 3% of the individual's income for the taxation year referred to in the description of "C" in section 118.2 (1) of the federal Act, and

D is the total of all amounts each of which is, in respect of a dependant of the individual, the amount determined by the formula

$$E - F$$

where

E is the amount used in the formula in section 118.2 (1) of the federal Act for E in computing the individual's deduction under that section for the year, and

F is the smaller of \$1 772 and 3% of the dependant's income for the taxation year referred to in the description of "F" in section 118.2 (1) of the federal Act.

(2) The same 24 or 12 month period that is used in the formula in section 118.2 (1) of the federal Act for B in computing the individual's deduction under that section for the year must be used in computing the individual's deduction under this section for the year.

(3) In this section, "**dependant**", in respect of the dependant of an individual for a taxation year, has the same meaning as in section 118 (6) of the federal Act, but does not include a child of the individual who has not attained the age of 18 years before the end of the taxation year.

Credit for mental or physical impairment

4.51 (1) For the purpose of computing the tax payable under this Act for a taxation year by an individual who is entitled to a deduction under section 118.3 (1) of the federal Act for the year, there may be deducted an amount determined by the

formula

$$A \times \$6\,126$$

where

A is the appropriate percentage for the year.

(2) For the purpose of computing the tax payable under this Act for a taxation year by an individual who is entitled to a deduction under section 118.3 (2) of the federal Act for the year in respect of a person referred to in that section, there may be deducted the amount, if any, by which

(a) the amount deductible under subsection (1) of this section in computing that person's tax payable under this Act for the year or that would be so deductible if the person were liable under section 2 to pay tax for the year,

exceeds

(b) the amount that would be the person's tax payable under this Act for the year if the person were liable under section 2 to pay tax for the year and if the only amounts deductible were the amounts under sections 4.3 [*personal credits*], 4.31 [*age credit*], 4.32 [*pension credit*], 4.33 [*adoption expense credit*], 4.36 [*BC education coaching tax credit*], 4.37 [*tax credit for volunteer firefighters and search and rescue volunteers*] and 4.64 [*credit for EI premium and CPP contribution*].

(3) For the purpose of computing the tax payable under this Act for a taxation year by an individual who has not reached 18 years of age before the end of the taxation year and who is entitled to a deduction under section 118.3 (1) of the federal Act for the year, there may be deducted an amount determined by the formula

$$A \times (\$3\,574 - B)$$

where

A is the appropriate percentage for the year, and

B is the smaller of

(a) \$3 574, and

(b) the amount, if any, by which the total of all amounts, each of which is an amount paid in the year for the care or supervision of the individual and included in computing the deductions under sections 63, 64 or 118.2 of the federal Act, exceeds \$2 075.

(3.1) For greater certainty, section 64.01 of the federal Act applies for the purposes of subsection (3) of this section.

(4) For the purpose of computing the tax payable under this Act for a taxation year

by an individual who is entitled to a deduction under section 118.3 (2) of the federal Act for the year in respect of a person referred to in that section, there may be deducted an amount determined by the formula

$$D - (T - U)$$

where

D is the amount deductible under subsection (3) of this section in computing that person's tax payable under this Act for the year or that would be so deductible if the person were liable under section 2 to pay tax for the year,

T is the amount that would be the person's tax payable under this Act for the year if the person were liable under section 2 to pay tax for the year and if the only amounts deductible were the amounts under sections 4.3 [*personal credits*], 4.31 [*age credit*], 4.32 [*pension credit*], 4.33 [*adoption expense credit*], 4.36 [*BC education coaching tax credit*], 4.37 [*tax credit for volunteer firefighters and search and rescue volunteers*] and 4.64 [*credit for EI premium and CPP contribution*], and

U is the amount by which the amount deductible under subsection (1) of this section in computing the person's tax payable under this Act for the year, or that would be so deductible if the person were liable under section 2 to pay tax for the year, exceeds any amount deducted for the year in respect of the person under subsection (2).

(5) [Repealed 2002-19-7.]

(6) Section 118.3 (3) of the federal Act applies for the purposes of subsections (2) and (4) of this section.

Indexing

4.52 (1) In this section, "**relevant provision**" means the following:

- (a) section 4.1 (1) [*amount of tax payable*];
- (b) section 4.3 (1) [*personal credits*];
- (b.1) except in respect of the 2016 taxation year, section 4.301 [*BC tax reduction credit*];
- (c) section 4.31 [*age credit*];
- (d) except in respect of the 2004 taxation year, the descriptions of "C" and "F" in section 4.5 (1) [*medical expense credit*];
- (e) section 4.51 [*credit for mental or physical impairment*];
- (e.1) except in respect of the 2023 taxation year, section 8.3 (6) [*renter's tax credit*].
- (f) [Repealed 2023-23-58.]

(2) Subject to subsections (4.1) to (4.6), for the purpose of computing the tax payable by an individual for a taxation year, other than the 2001 taxation year, each amount expressed in dollars in a relevant provision is to be adjusted so

that the amount to be used under the relevant provision for the year is the total of

- (a) the amount that would, but for subsection (5) of this section, be the amount to be used under the relevant provision for the immediately preceding taxation year, and
- (b) the product obtained by multiplying
 - (i) the amount referred to in paragraph (a) of this subsection
 by
 - (ii) the amount, adjusted in the manner that may be prescribed and rounded to the nearest one-thousandth, or, if the result obtained is equidistant from 2 consecutive one-thousandths, to the higher one-thousandth, that is determined by the formula

$$\frac{A}{B} - 1$$

where

- ^A is the Consumer Price Index for British Columbia for the 12-month period that ended on the last September 30 before that year, and
- ^B is the Consumer Price Index for British Columbia for the 12-month period immediately preceding the period mentioned in the description of "A".

(3) In subsection (4), "**specified amount**" means

- (a) the amount of \$30 004 referred to in section 4.1 (1) (a) and (b),
- (b) the amount of \$60 009 referred to in section 4.1 (1) (b) and (c),
- (c) the amount of \$14 047 referred to in section 4.3 (1) (d),
- (d) the amount of \$11 661 referred to in section 4.3 (1) (d),
- (e) the amount of \$2 386 referred to in section 4.3 (1) (e),
- (f) the amount of \$3 531 referred to in section 4.31,
- (g) the amount of \$26 284 referred to in section 4.31,
- (h) the amount of \$1 637 referred to in section 4.5,
- (i) the amount of \$4 293 referred to in section 4.51 (1),
- (j) the amount of \$2 941 referred to in section 4.51 (3), and
- (k) the amount of \$2 000 referred to in section 4.51 (3).

(4) For the purpose of computing the tax payable by an individual for the 2001

taxation year, each specified amount is to be adjusted so that the amount to be used for the year is the specified amount plus the product obtained by multiplying

(a) the specified amount

by

(b) the amount, adjusted and rounded as described in subsection (2) (b) (ii), that is determined by applying the formula in that subsection.

(4.1) For the purpose of computing the tax payable by an individual for the 2002 taxation year, each amount expressed in dollars in a relevant provision is to be adjusted in accordance with subsection (2), except the following:

(a) the amount of \$15 670 referred to in section 4.3 (1) (d);

(b) the amount of \$12 096 referred to in section 4.3 (1) (d);

(c) the amount of \$9 267 referred to in section 4.3 (1) (e);

(d) the amount of \$5 693 referred to in section 4.3 (1) (e);

(e) the amount of \$6 126 referred to in section 4.51 (1);

(f) the amount of \$3 574 in both places where it is referred to in section 4.51 (3);

(g) the amount of \$2 075 referred to in section 4.51 (3).

(4.2) For the purpose of computing the tax payable by an individual for the 2010 taxation year, each amount expressed in dollars in a relevant provision is to be adjusted in accordance with subsection (2), except the following amounts wherever they are referred to in section 4.3 (1):

(a) \$11 000;

(b) \$9 653;

(c) \$965.

(4.21) [Repealed 2013-17-25.]

(4.22) For the purpose of computing the tax payable by an individual for the 2018 taxation year, each amount expressed in dollars in a relevant provision is to be adjusted in accordance with subsection (2), except

(a) the amount of \$150 000 referred to in section 4.1 (e) and (g), and

(b) the amounts of \$19 975 and \$15 419 referred to in section 4.3 (1) (d.1).

(4.23) For the purpose of computing the tax payable by an individual for the 2020 taxation year, each amount expressed in dollars in a relevant provision is to be

adjusted in accordance with subsection (2), except the amount of \$220 000 referred to in section 4.1 (1) (g) and (h).

(4.3) In subsections (4.4) to (4.6), "**specified amount**" means

- (a) the basic personal amount as defined in subsection (1.1) of section 4.3 as if that subsection did not include the words "as adjusted under section 4.52",
- (b) the spouse or common-law partner amount as defined in subsection (1.1) of section 4.3 as if that subsection did not include the words "as adjusted under section 4.52", and
- (c) the spouse or dependent amount as defined in subsection (1.1) of section 4.3 as if that subsection did not include the words "as adjusted under section 4.52".

(4.4) For the purpose of computing the tax payable by an individual for the 2013 taxation year, each specified amount is to be adjusted so that the amount to be used for that year for the purpose of section 4.3 (1) is the specified amount plus the product obtained by multiplying

- (a) the specified amount

by

- (b) the amount, adjusted and rounded as described in subsection (2) (b) (ii), that is determined by applying the formula in that subsection in respect of the period mentioned in the description of "A" in that subsection that ends on September 30, 2012.

(4.5) For the purpose of computing the tax payable by an individual for the 2014 taxation year, each specified amount is to be adjusted so that the amount to be used for that year for the purpose of section 4.3 (1) is the total of

- (a) the specified amount plus the product obtained by multiplying

- (i) the specified amount

by

- (ii) the amount, adjusted and rounded as described in subsection (2) (b) (ii), that is determined by applying the formula in that subsection in respect of the period mentioned in the description of "A" in that subsection that ends on September 30, 2012, and

- (b) the product obtained by multiplying

- (i) the total amount calculated under paragraph (a) of this

subsection

by

- (ii) the amount, adjusted and rounded as described in subsection (2) (b) (ii), that is determined by applying the formula in that subsection in respect of the period mentioned in the description of "A" in that subsection that ends on September 30, 2013.

(4.6) For the purpose of computing the tax payable by an individual for the 2015 and subsequent taxation years, each specified amount is to be adjusted so that the amount to be used for each year for the purpose of section 4.3 (1) is the total of

- (a) the amount that would, but for subsection (5) of this section, be the amount to be used as the specified amount, as adjusted for the purpose of computing the tax payable by an individual,
 - (i) in the case of the 2015 taxation year, for the 2014 taxation year under subsection (4.5) of this section, and
 - (ii) in the case of a taxation year that begins after 2015, for the immediately preceding taxation year under this subsection, and

(b) the product obtained by multiplying

- (i) the amount referred to in paragraph (a) of this subsection

by

- (ii) the amount, adjusted and rounded as described in subsection (2) (b) (ii), that is determined by applying the formula in that subsection in respect of the period mentioned in the description of "A" in that subsection that ends on September 30 of the immediately preceding taxation year.

(5) If an amount to which subsection (2), (4), (4.4), (4.5) or (4.6) applies is not a multiple of one dollar when adjusted as provided in this section, it must be rounded to the nearest multiple of one dollar or, if it is equidistant from 2 such consecutive multiples, to the higher multiple.

(6) If the amount determined by applying the formula in subsection (2) (b) (ii) would, but for this subsection, be a negative amount, that amount is deemed to be nil.

(7) In this section, the Consumer Price Index for British Columbia for any 12 month period is the result arrived at by

- (a) aggregating the Consumer Price Index for British Columbia, as published by Statistics Canada under the authority of the *Statistics Act*

- (Canada), adjusted in the manner that may be prescribed, for each month in that period,
- (b) dividing the aggregate obtained under paragraph (a) by 12, and
 - (c) rounding the result obtained under paragraph (b) to the nearest one-thousandth or, if the result obtained is equidistant from 2 consecutive one-thousandths, to the higher one-thousandth.
- (8) The adjustment under this section of an amount expressed in dollars in section 4.1 (1) is not affected by the following:
- (a) a change to the taxation years specified or referred to in section 4.1 (1);
 - (b) a change to a percentage specified in section 4.1 (1).

Tuition credit

- 4.6** Section 118.5 of the federal Act applies for the purposes of this Act except that, in addition to any other necessary modifications required for this Act, a reference in that section to the appropriate percentage for the year is to be read as the appropriate percentage for the year as defined in section 4 of this Act.

Repealed

- 4.61** [Repealed 2018-4-18.]

Unused tuition and education tax credits

- 4.62** (1) For the purpose of computing the tax payable under this Act for a taxation year by an individual, there may be deducted the smaller of
- (a) the individual's unused tuition and education tax credits at the end of the preceding taxation year, and
 - (b) the amount that would be the individual's tax payable under this Act for the year if the only amounts deductible were the amounts under the following sections:
 - (i) section 4.3 [*personal credits*];
 - (ii) section 4.31 [*age credit*];
 - (iii) section 4.32 [*pension credit*];
 - (iii.1) section 4.33 [*adoption expense credit*];
 - (iii.2) and (iii.21) [Repealed 2017-12-30.]
 - (iii.3) [Repealed 2017-12-30.]
 - (iii.31) [Repealed 2017-12-29.]

- (iii.4) section 4.36 [*BC education coaching tax credit*];
- (iii.5) section 4.37 [*tax credit for volunteer firefighters and search and rescue volunteers*];
- (iv) section 4.51 [*credit for mental or physical impairment*];
- (v) section 4.64 [*credit for EI premium and CPP contribution*].

(2) Subject to subsections (3) and (4), an individual's unused tuition and education tax credits at the end of a taxation year is the amount determined by the formula

$$A + (B - C) - (D + E)$$

where

- A is the individual's unused tuition and education tax credits at the end of the preceding taxation year,
- B is the total of all amounts each of which may be deducted under section 4.6 [*tuition credit*] in computing the individual's tax payable under this Act for the year,
- C is the smaller of the value of "B" and the amount that would be the individual's tax payable under this Act for the year if the only amounts deductible were the amounts under the following sections:
 - (a) section 4.3 [*personal credits*];
 - (b) section 4.31 [*age credit*];
 - (c) section 4.32 [*pension credit*];
 - (c.1) section 4.33 [*adoption expense credit*];
 - (c.2) and (c.21) [Repealed 2017-12-30.]
 - (c.3) [Repealed 2017-12-30.]
 - (c.31) [Repealed 2017-12-29.]
 - (c.4) section 4.36 [*BC education coaching tax credit*];
 - (c.5) section 4.37 [*tax credit for volunteer firefighters and search and rescue volunteers*];
 - (d) section 4.51 [*credit for mental or physical impairment*];
 - (e) section 4.64 [*credit for EI premium and CPP contribution*],
- D is the amount that the individual may deduct under subsection (1) for the year, and
- E is the tuition tax credit transferred for the year by the individual to the individual's spouse, common-law partner, parent or grandparent.

(3) For the purpose of determining the amount that may be deducted under subsection (1) in computing the tax payable for a taxation year that begins after 2006 by an individual who was not resident in British Columbia on the last day of the preceding taxation year, the individual's unused tuition and education tax credits at the end of that year are deemed to equal the amount that would be the individual's unused tuition and education tax credits at the end of that year under section 118.61 of the federal Act if the appropriate percentage applied under sections 118.5 and 118.6 of that Act in computing the individual's tuition

and education tax credits had, at all material times, been the appropriate percentage as defined in section 4 of this Act instead of the appropriate percentage as defined in the federal Act.

- (4) For the purpose of determining the amount that may be deducted under subsection (1) in computing the tax payable for a taxation year by an individual who was resident in British Columbia on the last day of the preceding taxation year, if the appropriate percentage for the taxation year is different from the appropriate percentage for the preceding taxation year, the individual's unused tuition and education tax credits at the end of the preceding taxation year are deemed to be the amount determined by the following formula:

$$\text{amount} = \left(\frac{A}{B} \right) \times C$$

where

A = the appropriate percentage for the taxation year;

B = the appropriate percentage for the preceding taxation year;

C = the amount of the individual's unused tuition and education tax credits at the end of the preceding taxation year.

(5) [Repealed 2007-2-8.]

Credit for interest on student loan

- 4.63** For the purpose of computing the tax payable under this Act for a taxation year by an individual who is entitled to a deduction under section 118.62 of the federal Act for the year, there may be deducted an amount determined by the formula

$$A \times B$$

where

A is the appropriate percentage for the year, and

B is the amount used in the formula in section 118.62 of the federal Act in computing the individual's deduction under that section for the year.

Credit for EI premium and CPP contribution

- 4.64** Section 118.7 of the federal Act applies for the purposes of this Act except that a reference in that section to the appropriate percentage for the year is to be read as the appropriate percentage for the year as defined in section 4 (1) of this Act.

Transfer of unused credits to spouse or common-law partner

4.65 For the purpose of computing the tax payable under this Act for a taxation year by an individual who is entitled to a deduction under section 118.8 of the federal Act for the year, there may be deducted an amount determined by the formula

$$A + B - C$$

where

- A is the tuition tax credit transferred for the year by the individual's spouse or common-law partner to the individual,
- B is the total of all amounts each of which is deductible under section 4.31 *[age credit]*, 4.32 *[pension credit]* or 4.51 *[credit for mental or physical impairment]* in computing the tax payable by the spouse or common-law partner under this Act for the year or that would be so deductible if the spouse or common-law partner were liable under section 2 to pay tax for the year, and
- C is the amount, if any, by which
- (a) the amount that would be the tax payable if the spouse or common-law partner were liable for tax under section 2 for the year and if the only amounts deductible were the amounts under sections 4.3 (1) (c) *[basic personal credit — single status]*, 4.36 *[BC education coaching tax credit]*, 4.37 *[tax credit for volunteer firefighters and search and rescue volunteers]*, 4.62 *[unused tuition and education tax credits]* and 4.64 *[credit for EI premium and CPP contribution]* exceeds
 - (b) the smaller of
 - (i) the total of all amounts that may be deducted under section 4.6 *[tuition credit]* in computing the tax payable by the spouse or common-law partner under this Act for the year or that would be so deductible if the spouse or common-law partner were liable under section 2 to pay tax for the year, and
 - (ii) the amount that would be the tax payable by the spouse or common-law partner under this Act for the year if the spouse or common-law partner were liable under section 2 to pay tax for the year and if the only amounts deductible were the amounts under sections 4.3 *[personal credits]*, 4.31 *[age credit]*, 4.32 *[pension credit]*, 4.33 *[adoption expense credit]*, 4.36 *[BC education coaching tax credit]*, 4.37 *[tax credit for volunteer firefighters and search and rescue volunteers]*, 4.51 *[credit for mental or physical impairment]*, 4.62 *[unused tuition and education tax credits]* and 4.64 *[credit for EI premium and CPP contribution]*.

Tuition tax credit transferred

4.66 In sections 4.65 *[transfer of unused credits to spouse or common-law partner]* and 4.67 *[transfer of unused credits to parent or grandparent]*, the tuition tax credit transferred for a taxation year by a person to an individual is the smaller of

- (a) the amount determined by the formula

$$A - B$$

where

- A is the smaller of
- (i) the total of all amounts that may be deducted under section 4.6 *[tuition credit]* in computing the person's tax payable under this Act for the year or that would be so deductible if the person were liable under section 2 to pay tax for the year, and

- (ii) the amount obtained by multiplying \$5 000 by the appropriate percentage, and
- B is the amount that would be the person's tax payable under this Act for the year if the person were liable under section 2 to pay tax for the year and if the only amounts deductible were the amounts under sections 4.3 [*personal credits*], 4.31 [*age credit*], 4.32 [*pension credit*], 4.33 [*adoption expense credit*], 4.36 [*BC education coaching tax credit*], 4.37 [*tax credit for volunteer firefighters and search and rescue volunteers*], 4.51 [*credit for mental or physical impairment*], 4.62 [*unused tuition and education tax credits*] and 4.64 [*credit for EI premium and CPP contribution*], and

- (b) the amount for the year that the person designates in writing for the purposes of section 4.65 [*transfer of unused credits to spouse or common-law partner*] or 4.67 [*transfer of unused credits to parent or grandparent*].

Transfer of unused credits to parent or grandparent

4.67 (1) This section applies if

- (a) for a taxation year a parent or grandparent of an individual is the only person designated in writing by the individual for the year for the purpose of this section, and
- (b) no other person is designated for the year for the purpose of section 118.9 of the federal Act or a provision of an income tax statute of an agreeing or non-agreeing province that is similar to this section.
- (2) In the circumstances described in subsection (1), there may be deducted in computing the tax payable under this Act for the taxation year by the individual's parent or grandparent, as the case may be, the tuition tax credit transferred for the year by the individual to the parent or grandparent, as the case may be.
- (3) No deduction may be made under this section in computing the tax payable by a parent or grandparent of an individual for a taxation year if the individual's spouse or common-law partner deducts an amount for the year in respect of the individual under
- (a) section 4.3 [*personal credits*] or 4.65 [*transfer of unused credits to spouse or common-law partner*], or
- (b) a provision of an income tax statute of an agreeing or non-agreeing province that is similar to section 4.3 or 4.65 of this Act.

Minimum tax credit

- 4.68** (1) For the purpose of computing the tax payable under this Act for a taxation year by an individual who is entitled to a deduction under section 120.2 of the federal Act for the year, there may be deducted the amount determined by the

formula

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

where

- A is the amount deducted by the individual under section 120.2 of the federal Act for the year,
- B is the appropriate percentage for the year, and
- C is the appropriate percentage for the year as defined in section 248 (1) of the federal Act.

(2) For the purposes of subsection (1) of this section, the result obtained by dividing B, as defined by that subsection, by C, as defined by that subsection, is to be rounded to the nearest one-thousandth or, if the result obtained by that division is equidistant from 2 consecutive one-thousandths, to the higher one-thousandth.

Dividend tax credit

4.69 For the purpose of computing the tax payable under this Act for a taxation year by an individual who was resident in British Columbia on the last day of the taxation year, there may be deducted the total of the following:

- (a) 15% of any amount that is required by section 82 (1) (b) (i) of the federal Act to be included in computing the individual's income for the year under that Act;
- (b) 43 11/19% of any amount that is required by section 82 (1) (b) (ii) of the federal Act to be included in computing the individual's income for the year under that Act.

Overseas employment tax credit

4.7 For the purpose of computing the tax payable under this Act for a taxation year by an individual who was resident in British Columbia on the last day of the taxation year and who is entitled to a deduction under section 122.3 of the federal Act for the year, there may be deducted the amount determined by the formula

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

where

- A is the amount deducted by the individual under section 122.3 of the federal Act for the year,
- B is the amount that, but for this section 4.7 and sections 4.68 [*minimum tax credit*], 4.71 [*foreign tax*

credit], 4.721 [BC mining flow-through share tax credit], 4.722 [political contributions], 4.8 [minimum tax], 4.81 [CPP/QPP disability benefits for previous years], 4.82 [qualifying retroactive lump sum pension payments], 4.83 [lump sum pension payment], 4.84 [tax on split income], 13.1 [net employee investment tax credit], 19.1 [logging tax deduction] and 21 [small business venture capital tax credit], would be the individual's tax payable under this Act for the year, and

C is the amount that, but for sections 120, 120.2, 120.3, 120.31, 120.4 (2), 122.3, 126, 127, 127.4 and 127.5 of the federal Act and section 40 of the *Income Tax Application Rules* (Canada), would be the individual's tax payable under Part I of the federal Act for the year.

Foreign tax credit

4.71 (1) For the purpose of computing the tax payable under this Act for a taxation year by an individual, there may be deducted the aggregate of the amounts determined under subsection (2) if

- (a) the individual resided in British Columbia on the last day of the taxation year, and
- (b) the individual had income for the year that included income earned in a country other than Canada in respect of which non-business-income tax was paid by the individual to the government of a country other than Canada.
- (c) [Repealed 2007-2-13.]

(2) The amount deductible under subsection (1), in respect of each country other than Canada, is the smaller of

- (a) the amount, if any, by which any non-business-income tax paid by the individual for the taxation year to the government of the other country exceeds the amount deductible by the individual for that year under section 126 (1) of the federal Act, and
- (b) that proportion of the tax otherwise payable under this Act for that taxation year that
 - (i) the amount, if any, by which the total of the individual's qualifying incomes exceeds the total of the individual's qualifying losses
 - (A) for that year, if section 114 of the federal Act does not apply, or
 - (B) for the part of the year throughout which the individual was resident in Canada, if section 114 of that Act applies,
 - from sources in the other country, on the assumption that
 - (C) no businesses were carried on by the individual in that country,

- (D) no amount was deducted under section 91 (5) of the federal Act in computing the individual's income for the year, and
- (E) the individual's income from employment in that country for the year was not from a source in that country to the extent of the smaller of the amounts determined in respect of the individual's income under paragraphs (c) and (d) of section 122.3 (1) of the federal Act,

is of

- (ii) the individual's income earned in British Columbia
 - (A) in the year, if section 114 of the federal Act does not apply, or
 - (B) in the part of the year throughout which the individual was resident in Canada, if section 114 of that Act applies,minus any amounts deducted by the individual under section 110.6 or 111 (1) (b) of the federal Act or deductible by the individual under section 110 (1) (d) to (g) of the federal Act for the year or in respect of the part of the year referred to in clause (B) of this subparagraph, as the case may be.

- (2.1) In subsection (2) (b), "**tax otherwise payable under this Act**", in relation to an individual for a taxation year, does not include the amount of tax payable under section 4.8 [*minimum tax*] by the individual for the taxation year.
- (3) For the purposes of subsection (2) (b) (ii) (A) of this section, if section 114 of the federal Act does not apply to the individual in respect of the taxation year, the individual's income is to be computed without reference to section 20 (1) (ww) of the federal Act.
- (4) [Repealed 2003-23-20.]
- (5) Under this section, the non-business-income tax paid by a taxpayer to the government of a country other than Canada in respect of the taxpayer's income for a year is the non-business-income tax paid by the taxpayer to the government of that country in respect of that year as determined under the definition of "non-business-income tax" in section 126 (7) of the federal Act.
- (6) For the purposes of this section,
 - (a) the government of a country other than Canada includes the government of a state, province or other political subdivision of that country,
 - (b) if a taxpayer's income for a taxation year is in whole or in part from

sources in more than one country other than Canada, subsection (2) must be read as providing for separate deductions in respect of each of the countries other than Canada,

- (c) if any income from a source in a particular country would be tax-exempt income but for the fact that a portion of the income is subject to an income or profits tax imposed by the government of a country other than Canada, the portion is deemed to be income from a separate source in the particular country, and
- (d) if, in computing a taxpayer's income for a taxation year from a business carried on by the taxpayer in Canada, an amount is included in respect of interest paid or payable to the taxpayer by a person resident in a country other than Canada, and the taxpayer has paid to the government of that other country a non-business-income tax for the taxation year with respect to the amount, the amount is, in applying the definition of "qualifying incomes" in subsection (7) for the purposes of subsection (2), deemed to be income from a source in that other country.

(7) In this section, "**qualifying incomes**", "**qualifying losses**" and "**tax-exempt income**" have the same meaning as in section 126 (7) of the federal Act.

Supplementary credit for 2000 taxation year

4.72 For the purpose of computing the tax payable under this Act for the 2000 taxation year by an individual who is resident in British Columbia on the last day of that taxation year, there may be deducted the amount determined by the formula

$$A \times B$$

where

A is the appropriate percentage for the year, and

B is

- (a) \$600, if the individual deducts an amount in respect of a dependent spouse or other dependant under section 118 (1) (a) or (b) of the federal Act, or
- (b) \$300, in any other case.

BC mining flow-through share tax credit

4.721 (1) In this section:

"**BC flow-through mining expenditure**", in relation to an individual for a taxation year, means an expense that meets the following criteria:

- (a) the expense is deemed by one of the following sections of the federal

Act to be incurred by the individual in the year:

- (i) section 66 (12.61) of the federal Act;
 - (ii) section 66 (18) of the federal Act as a consequence of the application of section 66 (12.61) of the federal Act to a partnership, referred to in paragraph (f) of this definition, of which the individual is a member;
- (b) the expense is an expense described in paragraph (f) of the definition of "Canadian exploration expense" in section 66.1 (6) of the federal Act;
- (c) the expense is not an expense in respect of the following:
 - (i) trenching, if one of the purposes of the trenching is to carry out preliminary sampling, other than specified sampling;
 - (ii) digging test pits, other than digging test pits for the purpose of carrying out specified sampling;
 - (iii) preliminary sampling, other than specified sampling;
- (d) the expense is an expense incurred by a corporation after July 30, 2001 in conducting mining exploration activity from or above the surface of the earth for the purpose of determining the existence, location, extent or quality of a mineral resource described in paragraph (a) or (d) of the definition of "mineral resource" in section 248 (1) of the federal Act;
- (e) the expense is incurred in respect of mining exploration activity all or substantially all of which is conducted in British Columbia for the purpose of determining the existence, location, extent or quality of a mineral resource in British Columbia;
- (f) the expense is an expense in respect of which an amount is renounced in accordance with section 66 (12.6) of the federal Act by the corporation to the individual, or to a partnership of which the individual is a member, under an agreement described in that section and made after July 30, 2001;
- (g) the expense is not an expense that was renounced under section 66 (12.6) of the federal Act to the corporation, or to a partnership of which the corporation is a member, unless that renunciation was under an agreement described in that section and made after July 30, 2001;

"individual" has the same meaning as in section 1 (1) but does not include a trust or estate;

"mineral resource" means a mineral resource referred to in paragraph (a) of the definition of "flow-through mining expenditure" in section 127 (9) of the federal Act;

"specified sampling" has the same meaning as in section 127 (9) of the federal Act.

(1.1) For the purposes of paragraph (d) of the definition of "BC flow-through mining expenditure" and for greater certainty, an expense incurred by a corporation in a particular year includes an expense that is deemed by section 66 (12.66) of the federal Act to be incurred in that particular year.

(1.2) For greater certainty, section 66 (12.6001) of the federal Act applies for the purposes of paragraphs (f) and (g) of the definition of "BC flow-through mining expenditure" in subsection (1) of this section.

(2) Subject to subsections (4) and (5), an individual may deduct from tax otherwise payable under this Act for a taxation year ending after 1997 an amount not exceeding the smaller of

(a) the BC mining flow-through share tax credit of the individual at the end of the taxation year calculated in accordance with subsection (3), and

(b) the tax otherwise payable by the individual under this Act for the taxation year.

(3) The BC mining flow-through share tax credit of an individual at the end of a taxation year is the amount, if any, by which the total of

(a) an amount equal to 20% of the total of all amounts each of which is a BC flow-through mining expenditure of the individual for the year, and

(b) an amount equal to 20% of the total of all amounts each of which is a BC flow-through mining expenditure of the individual for the 10 taxation years immediately preceding, or the 3 taxation years immediately following, the taxation year,

exceeds

(c) the total of all amounts each of which is an amount deducted under subsection (2) from the tax otherwise payable under this Act by the individual for a preceding taxation year that is in respect of BC flow-through mining expenditures of the individual for the taxation year or any of the 10 taxation years immediately preceding, or the 2 years immediately following, the taxation year.

(4) An individual who wishes to claim a tax credit under this section for a taxation year must file, with the return of income filed by the individual under section 29

for the taxation year, an application for the tax credit in the form, and containing the information, required by the Commissioner of Income Tax.

- (5) In computing a tax credit under this section, an individual is not entitled to include an amount in respect of a BC flow-through mining expenditure of the individual for a taxation year unless the individual files the form containing the information required by subsection (4) in respect of that amount on or before the day that is one year after the individual's filing-due date for the taxation year that includes the effective date of a renunciation made in accordance with section 66 (12.6) of the federal Act in respect of that expenditure.

Political contributions

4.722 (1) In this section:

"candidate" means an individual who is a candidate within the meaning of section 63 of the *Election Act*;

"eligible political contribution" means a political contribution, as defined in the *Election Act*, that is made

- (a) by an individual to a registered political party, a registered constituency association or a candidate, and
- (b) in the form of cash or a negotiable instrument issued by the individual making the contribution, or by means of a credit card in the name of the individual making the contribution,

but does not include a political contribution that is made in contravention of the *Election Act*;

"financial agent" means a financial agent or deputy financial agent under Part 10 of the *Election Act* for a registered political party, a registered constituency association or a candidate;

"registered constituency association" means a registered constituency association as defined in the *Election Act*, but does not include a registered constituency association that is suspended under that Act;

"registered political party" means a registered political party as defined in the *Election Act*, but does not include a registered political party that is suspended under that Act.

- (2) Subject to this section, there may be deducted from the tax otherwise payable by an individual under this Part for a taxation year, in respect of the aggregate of all amounts each of which is an eligible political contribution, whichever of the following is applicable:

- (a) 75% of the aggregate, if the aggregate does not exceed \$100;
 - (b) \$75 plus 50% of the amount by which the aggregate exceeds \$100, if the aggregate exceeds \$100 and does not exceed \$550;
 - (c) the smaller of
 - (i) \$300 plus 33 1/3% of the amount by which the aggregate exceeds \$550, and
 - (ii) \$500.
- (3) To make a deduction under subsection (2), payment of each eligible political contribution that is included in the aggregate must be proved by filing with the minister receipts that
 - (a) include the prescribed information,
 - (b) are signed by the financial agent of the person to whom or organization to which the contribution is made, and
 - (c) if applicable, are in the prescribed form.
- (4) [Repealed 2020-18-18.]
- (5) Sections 58 and 59 apply to a financial agent as if that person were carrying on business in British Columbia.
- (6) Without limiting authority under any other enactment, the Commissioner of Income Tax, or a person authorized by that official, is entitled to inspect and make copies or extracts of
 - (a) all information filed under the *Election Act* with the Chief Electoral Officer, and
 - (b) all records in relation to political contributions required to be kept under the *Election Act* or made for the purpose of complying with a requirement under that Act to file information regarding political contributions with the Chief Electoral Officer.
- (7) Without limiting authority under any other enactment, the Chief Electoral Officer is entitled to inspect and make copies or extracts of all information filed under this Act in relation to eligible political contributions.
- (8) The Lieutenant Governor in Council may make regulations for the purposes of this section as follows:
 - (a) prescribing the information that must be included in a receipt;
 - (b) prescribing a form of receipt that must be used by registered political parties, registered constituency associations or candidates;

- (c) requiring the keeping of records and return of receipts;
- (d) restricting or qualifying the meaning of "eligible political contribution".

Restrictions on credits: trusts

4.73 No deduction may be made under section 4.3 [*personal credits*], 4.301 [*BC tax reduction credit*], 4.31 [*age credit*], 4.32 [*pension credit*] or 4.72 [*supplementary credit for 2000 taxation year*] in computing the tax payable by a trust for a taxation year.

Restrictions on credits: year of bankruptcy

4.74 Despite sections 4.3 to 4.65 and 4.67, for the purpose of computing an individual's tax payable under this Act for a taxation year that ends in a calendar year in which the individual becomes bankrupt, the individual is allowed only

- (a) the deductions the individual is entitled to under sections 4.32 [*pension credit*], 4.33 [*adoption expense credit*], 4.36 [*BC education coaching tax credit*], 4.37 [*tax credit for volunteer firefighters and search and rescue volunteers*], 4.4 [*charitable and other gifts*], 4.5 [*medical expense credit*], 4.6 [*tuition credit*], 4.63 [*credit for interest on student loan*] and 4.64 [*credit for EI premium and CPP contribution*] that can reasonably be considered wholly applicable to the taxation year, and
- (b) the part of the deductions the individual is entitled to under sections 4.3 [*personal credits*], 4.301 [*BC tax reduction credit*], 4.31 [*age credit*], 4.51 [*credit for mental or physical impairment*], 4.65 [*transfer of unused credits to spouse or common-law partner*], 4.67 [*transfer of unused credits to parent or grandparent*] and 4.72 [*supplementary credit for 2000 taxation year*] that can reasonably be considered applicable to the taxation year,

except that the total of the amounts so deductible for all taxation years of the individual in the calendar year under any of those provisions must not exceed the amount that would have been deductible under that provision in respect of the calendar year had the individual not become bankrupt.

Restrictions on credits: income earned outside BC

4.75 (1) Despite sections 4.3, 4.301, 4.31, 4.4 to 4.65, 4.67 and 4.68, for the purpose of computing tax payable under this Act for a taxation year by an individual who was resident in British Columbia on the last day of the taxation year and had income earned in the year outside British Columbia, the amount that may be deducted under those provisions must not exceed the portion of that amount determined by the formula

$$A \times \frac{(B - C)}{B}$$

where

- A is the total of the amounts the individual may deduct under those sections read without reference to this section,
 B is the individual's income for the year, and
 C is the individual's income earned in the taxation year outside British Columbia.

- (2) Despite sections 4.3, 4.301, 4.31, 4.4 to 4.65, 4.67 and 4.68, for the purpose of computing tax payable under this Act for a taxation year by an individual who was not resident in British Columbia on the last day of the taxation year but had income earned in the year in British Columbia, the amount that may be deducted under those provisions must not exceed the portion of that amount determined by the formula

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

where

- A is the total of the amounts the individual may deduct under those sections,
 B is the individual's income earned in the taxation year in British Columbia, and
 C is the individual's income for the year.

Restrictions on credits: part-year residents

- 4.76** (1) Despite sections 4.3 to 4.65 and 4.67 but subject to subsection (2) of this section, if an individual is resident in Canada throughout part of a taxation year and throughout another part of the year is non-resident, for the purpose of computing the individual's tax payable under this Act for the year,

- (a) the amount deductible for the year under each provision of those sections in respect of the part of the year that is not included in the period or periods referred to in paragraph (b) must be computed as though that part of the year were the whole taxation year, and
 (b) the individual is allowed only
 (i) the deductions permitted under sections 4.32 [*pension credit*], 4.33 [*adoption expense credit*], 4.36 [*BC education coaching tax credit*], 4.37 [*tax credit for volunteer firefighters and search and rescue volunteers*], 4.4 [*charitable and other gifts*], 4.5 [*medical expense credit*], 4.6 [*tuition credit*], 4.63 [*credit for interest on*

student loan] and 4.64 [*credit for EI premium and CPP contribution*] that can reasonably be considered wholly applicable, and

- (ii) the part of the deductions permitted under sections 4.3 [*personal credits*], 4.301 [*BC tax reduction credit*], 4.31 [*age credit*], 4.51 [*credit for mental or physical impairment*], 4.65 [*transfer of unused credits to spouse or common-law partner*] and 4.67 [*transfer of unused credits to parent or grandparent*] that can reasonably be considered applicable to the period or periods in the year throughout which the individual was resident in Canada, computed as though that period or those periods were the whole taxation year.
- (2) The amount deductible for the year under each provision referred to in subsection (1) (b) (i) and (ii) must not exceed the amount that would have been deductible under that provision had the individual been resident in Canada throughout the year.

Restrictions on credits: non-residents

4.77 The following provisions of this Act do not apply for the purpose of computing the tax payable under this Act for a taxation year by an individual who at no time in the taxation year is resident in Canada unless all or substantially all of the individual's income for the year is included in computing the individual's taxable income earned in Canada for the year:

- (a) section 4.3 [*personal credits*];
- (a.1) section 4.301 [*BC tax reduction credit*];
- (b) section 4.31 [*age credit*];
- (c) [Repealed 2004-28-14.]
- (d) section 4.5 [*medical expense credit*];
- (e) section 4.51 (2), (4) and (6) [*credit for dependant with impairment and partial dependency rules*];
- (f) [Repealed 2018-4-25.]
- (g) section 4.65 [*transfer of unused credits to spouse or common-law partner*];
- (h) section 4.67 [*transfer of unused credits to parent or grandparent*];
- (i) section 4.72 [*supplementary credit for 2000 taxation year*].

Credits in separate returns

4.78 (1) This section applies if

- (a) a separate return of income with respect to an individual is filed in accordance with section 70 (2), 104 (23) or 150 (4) of the federal Act for a particular period, and
- (b) another return of income with respect to the individual is filed under this Act for a period ending in the calendar year in which the particular period ends.

(2) For the purpose of computing the tax payable under this Act by an individual in a return referred to in subsection (1) (a), the only deductions allowed are those under the following provisions:

- (a) section 4.3 [*personal credits*];
- (b) section 4.31 [*age credit*];
- (c) section 4.32 [*pension credit*];
- (c.1) section 4.33 [*adoption expense credit*];
- (c.2) and (c.21) [Repealed 2017-12-43.]
- (c.3) [Repealed 2017-12-43.]
- (c.31) [Repealed 2017-12-44.]
- (c.4) section 4.36 [*BC education coaching tax credit*];
- (c.5) section 4.37 [*tax credit for volunteer firefighters and search and rescue volunteers*];
- (d) section 4.4 [*charitable and other gifts*];
- (e) section 4.5 [*medical expense credit*];
- (f) section 4.51 [*credit for mental or physical impairment*];
- (g) section 4.6 [*tuition credit*];
- (h) [Repealed 2018-4-25.]
- (i) section 4.62 [*unused tuition and education tax credits*];
- (j) section 4.63 [*credit for interest on student loan*];
- (k) section 4.64 [*credit for EI premium and CPP contribution*];
- (l) section 4.67 [*transfer of unused credits to parent or grandparent*];
- (m) section 4.72 [*supplementary credit for 2000 taxation year*];
- (n) section 20.1 [*farmers' food donation tax credit*].

- (3) The total of all deductions claimed under sections 4.32 to 4.64 and 4.67 of this Act in the returns referred to in subsection (1) (a) and (b) filed in respect of the individual must not exceed the total that could be deducted under those provisions for the year with respect to the individual if no separate returns were filed under sections 70 (2), 104 (23) and 150 (4) of the federal Act.

Order of making deductions

4.79 (1) For the purposes of section 4.2 (1), the following provisions must be applied in the following order:

- (a) section 4.3 [*personal credits*];
- (b) section 4.31 [*age credit*];
- (b.1) [Repealed 2017-12-46.]
- (c) section 4.64 [*credit for EI premium and CPP contribution*];
- (d) section 4.32 [*pension credit*];
- (d.1) section 4.33 [*adoption expense credit*];
- (d.2) and (d.21) [Repealed 2017-12-47.]
- (d.3) [Repealed 2017-12-47.]
- (d.4) section 4.36 [*BC education coaching tax credit*];
- (d.5) section 4.37 [*tax credit for volunteer firefighters and search and rescue volunteers*];
- (e) section 4.51 [*credit for mental or physical impairment*];
- (f) section 4.62 [*unused tuition and education tax credits*];
- (g) section 4.6 [*tuition credit*];
- (h) [Repealed 2018-4-25.]
- (i) section 4.67 [*transfer of unused credits to parent or grandparent*];
- (j) section 4.65 [*transfer of unused credits to spouse or common-law partner*];
- (k) section 4.5 [*medical expense credit*];
- (l) section 4.4 [*charitable and other gifts*];
- (l.1) section 20.1 [*farmers' food donation tax credit*];
- (m) section 4.63 [*credit for interest on student loan*];
- (n) section 4.69 [*dividend tax credit*];
- (o) section 4.7 [*overseas employment tax credit*].

- (2) For the purposes of section 4.2 (2), the following provisions must be applied in the following order:
- (a) section 4.68 *[minimum tax credit]*;
 - (b) section 4.71 *[foreign tax credit]*.
- (3) For the purposes of section 4.2 (3), the following provisions must be applied in the following order:
- (a) section 4.72 *[supplementary credit for 2000 taxation year]*;
 - (a.1) section 4.301 *[BC tax reduction credit]*;
 - (b) section 19.1 *[logging tax deduction]*;
 - (c) and (d) *[Repealed 2007-2-17.]*
 - (e) section 4.722 *[political contributions]*;
 - (f) section 13.1 *[net employee investment tax credit]*;
 - (f.1) section 4.721 (2) *[mining flow-through share tax credit]*;
 - (g) section 21 *[small business venture capital tax credit]*.

Minimum tax

- 4.8** (1) Subject to section 4.85 *[apportionment of additional taxes]*, if tax is payable by an individual under section 127.5 of the federal Act for a taxation year, there must be added in computing the individual's tax payable under this Act for the year the amount determined by the formula

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

where

- A is the amount determined under section 120.2 (3) of the federal Act for the individual for the year,
- B is the appropriate percentage for the year, and
- C is the appropriate percentage for the year as defined in section 248 (1) of the federal Act.

- (2) For the purposes of subsection (1) of this section, the result obtained by dividing B, as defined by that subsection, by C, as defined by that subsection, is to be rounded to the nearest one-thousandth or, if the result obtained by that division is equidistant from 2 consecutive one-thousandths, to the higher one-thousandth.

CPP/QPP disability benefits for previous years

- 4.81** Subject to section 4.85 [*apportionment of additional taxes*], there must be added in computing an individual's tax payable under this Act for a taxation year 49.5% of the amount, if any, added under section 120.3 of the federal Act in computing the individual's tax payable under that Act for the year.

Qualifying retroactive lump sum pension payments

- 4.82** (1) [Repealed 2003-23-22.]

- (2) Subject to section 4.85 [*apportionment of additional taxes*], there must be added in computing an individual's tax payable under this Act for a taxation year 49.5% of the amount, if any, added under section 120.31 of the federal Act in computing the individual's tax payable under that Act for the year.

Lump sum pension payment

- 4.83** Subject to section 4.85 [*apportionment of additional taxes*], there must be added in computing an individual's tax payable under this Act for a taxation year 49.5% of the amount, if any, of the tax payable under section 40 of the [Income Tax Application Rules](#) (Canada) by the individual for the year.

Tax on split income

- 4.84** (1) [Repealed 2001-3-14.]

- (2) Subject to section 4.85 [*apportionment of additional taxes*], there must be added to a specified individual's tax payable under this Act for a taxation year an amount that is determined by multiplying the individual's split income for the year by the highest percentage specified in section 4.1 that applies in determining tax that might be payable under this Act for the year.
- (3) Section 120.4 of the federal Act applies for the purposes of this Act except that, in addition to any other necessary modifications required for this Act,
- (a) subsection (2) of this section applies instead of section 120.4 (2) of the federal Act,
 - (a.1) the reference in the description of "A" in section 120.4 (3) of the federal Act to section 118.3 of the federal Act must be read as a reference to section 4.51 [*credit for mental or physical impairment*] of this Act,
 - (b) the reference in paragraph (a) of the description of "B" in section 120.4 (3) of the federal Act to section 121 of the federal Act must be read as a reference to section 4.69 [*dividend tax credit*] of this Act, and
 - (c) the reference in paragraph (a) of the description of "B" in section 120.4 (3) of the federal Act to section 126 of the federal Act must be read as

a reference to section 4.71 [*foreign tax credit*] of this Act.

Apportionment of additional taxes

4.85 (1) In the case of an individual who was resident in British Columbia on the last day of a taxation year and had income earned in the taxation year outside British Columbia, the tax that must be added under any of sections 4.8 to 4.84 in computing the individual's tax payable under this Act for the year is the amount determined by the formula

$$A \times \frac{(B - C)}{B}$$

where

- A is the amount determined for the individual under section 4.8, 4.81, 4.82, 4.83 or 4.84, as the case may be,
- B is the individual's income for the year, and
- C is the individual's income earned in the taxation year outside British Columbia.

(2) In the case of an individual who was not resident in British Columbia on the last day of a taxation year and had income earned in the taxation year in British Columbia, the tax that must be added under any of sections 4.8 to 4.84 in computing the individual's tax payable under this Act for the year is the amount determined by the formula

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

where

- A is the amount determined for the individual under section 4.8, 4.81, 4.82, 4.83 or 4.84, as the case may be,
- B is the individual's income earned in the taxation year in British Columbia, and
- C is the individual's income for the year.

Repealed

4.86 [Repealed 2000-15-41.]

Bankrupt individuals

4.87 Section 128 (2) of the federal Act applies for the purposes of this Act except that, in addition to any other necessary modifications required for this Act, that section is to be read as if, in addition to the deductions referred to in clauses (A) to (C) of

paragraph (e) (iii), that paragraph included a reference to the deductions under sections 4.301 *[BC tax reduction credit]* and 4.72 *[supplementary credit for 2000 taxation year]* of this Act.

Repealed

5-7 [Repealed 2000-15-6.]

Repealed

7.1 [Repealed RS1996-215-7.1 (8).]

Refundable sales tax credit

8 (1) In this section:

"adjusted income", in relation to an eligible individual for a taxation year, means the total of all amounts each of which would be the income for the year of the individual or the individual's qualified relation if, in computing that income, no amount

- (a) were included in respect of a gain described in section 40 (3.21) *[deemed capital gain under section 180.01]* of the federal Act,
- (b) were included in respect of any gain from a disposition of property to which section 79 *[surrender of property by debtor]* of the federal Act applies,
- (c) were included under section 56 (6) *[universal child care benefit]* of the federal Act,
- (d) were deductible under section 60 (y) *[repayment of universal child care benefit]* of the federal Act,
- (e) were included under section 56 (1) (q.1) *[registered disability savings plan payments]* of the federal Act, and
- (f) were deductible under section 60 (z) *[repayment under the Canada Disability Savings Act]* of the federal Act;

"eligible individual", in relation to a taxation year, means an individual other than a trust who, at the end of December 31 of that year, is resident in British Columbia and is

- (a) married or in a common-law partnership,
- (b) a parent of a child, or
- (c) at least 19 years of age;

"qualified relation", in relation to an individual for a taxation year, means the person who, at the end of December 31 of that year,

- (a) is resident in British Columbia, and
- (b) is the individual's cohabiting spouse or common-law partner, as defined in section 122.6 of the federal Act.

(1.1) Despite the definitions of "eligible individual" and "qualified relation" in subsection (1), a person is not an eligible individual for a taxation year or a qualified relation of an individual for a taxation year if the person

- (a) dies before the end of the year,
- (b) is, at the end of the year, a person described in section 149 (1) (a) or (b) of the federal Act, or
- (c) is, at the end of the year, confined to a prison or similar institution and has been confined for a period of, or periods the total of which in the year was, more than 6 months.

(1.2) Section 122.5 (6.2) [*non-residents and part-year residents*] and (7) [*effect of bankruptcy*] of the federal Act applies for the purposes of this section.

(2) An eligible individual is entitled to a sales tax credit for a taxation year if the individual files, with the individual's return of income under section 29 for the taxation year, a form provided by the minister that contains the information necessary to establish the individual's claim for the sales tax credit.

(2.1) Despite subsection (2), an eligible individual is not entitled to a sales tax credit for a taxation year ending after December 31, 2009 and before January 1, 2013.

(3) The sales tax credit amount for a taxation year is the total of the following, less the excess income reduction under subsection (4):

- (a) \$75 in respect of the eligible individual;
- (b) \$75 in respect of the qualified relation of the eligible individual for that taxation year, if any.

(4) The amount determined under subsection (3) is reduced by 2% of the amount by which the adjusted income of the eligible individual claiming the sales tax credit exceeds the total of the following:

- (a) \$15 000 in respect of the eligible individual;
- (b) \$3 000 in respect of the qualified relation of the eligible individual for that taxation year, if any.

(5) For the purpose of claiming the sales tax credit, an eligible individual who is

entitled to a sales tax credit for a taxation year is deemed to have paid, at the end of the taxation year on account of the individual's tax under this Act for that taxation year, an amount equal to the sales tax credit.

- (6) If an individual is a qualified relation of another individual for a taxation year, only one of them may file a form under subsection (2) for the taxation year.
- (7) In applying this section to an eligible individual who is a bankrupt at any time in a calendar year, the reference to "the individual's return of income under section 29 for the taxation year" in subsection (2) of this section must be read as excluding a return filed under section 128 (2) (e) *[where individual bankrupt]* of the federal Act for any taxation year occurring in the calendar year.

Climate action tax credit

8.1 (1) In this section, "**eligible individual**", in relation to a month specified for a taxation year, means an individual, other than a trust,

(a) who

- (i) has, before the specified month, attained the age of 19 years, or
- (ii) was, at any time before the specified month,
 - (A) a parent who resided with their child, or
 - (B) married or in a common-law partnership, and

(b) who was resident in British Columbia on the first day of the specified month and the preceding specified month.

(2) The following provisions of section 122.5 of the federal Act apply for the purposes of this section in relation to a month specified for the 2021 and subsequent taxation years:

- (a) subsection (1) *[definitions]*, except the definition of "eligible individual";
- (b) subsection (2) *[persons not eligible individuals, qualified relations or qualified dependants]*;
- (c) subsection (3.01) *[shared-custody parent]*;
- (d) subsection (3.1) *[when advance payment applies]*;
- (e) subsection (3.2) *[advance payment]*;
- (f) subsection (4) *[months specified]*;
- (g) subsection (5) *[only one eligible individual]*;
- (h) subsection (6) *[exception re qualified dependant]*;
- (i) subsection (6.1) *[notification to Minister]*;

- (j) subsection (6.2) *[non-residents and part-year residents]*;
- (k) subsection (7) *[effect of bankruptcy]*;
- (l) a prescribed subsection.

- (3) If, in relation to a month specified for a taxation year, an eligible individual files a return of income for the taxation year, the eligible individual is deemed to have paid during the specified month, on account of the eligible individual's tax payable under this Act for the taxation year, an amount equal to 25% of the amount, if any, determined by the following formula:

$$\text{amount} = \text{total credits} - \text{deduction}$$

where

total credits = the total of the following:

- (a) the prescribed amount;
- (b) the prescribed amount, if the individual has a qualified relation in relation to the specified month;
- (c) the prescribed amount, if the individual has no qualified relation in relation to the specified month and is entitled to deduct an amount for the taxation year under section 118 (1) of the federal Act because of paragraph (b) of the description of "B" in that section in respect of a qualified dependant of the individual in relation to the specified month;
- (d) the prescribed amount multiplied by the number of qualified dependants of the individual in relation to the specified month, other than a qualified dependant in respect of whom an amount is included under paragraph (c) in computing the total for the specified month;

deduction = 2% of the amount, if any, by which the individual's adjusted income for the taxation year in relation to the specified month exceeds,

- (a) if the individual has no qualified relation or qualified dependant in relation to the specified month, the prescribed amount, or
- (b) in any other case, the prescribed amount.

- (4) In applying section 122.5 (3.1) *[when advance payment applies]* of the federal Act for the purposes of this section, the references to an amount expressed in dollars in that section must be read as a reference to \$10.
- (5) Despite section 122.5 (5) of the federal Act, as it applies for the purposes of this Act, the individual who is the eligible individual, in relation to a specified month, under section 122.5 (5) of the federal Act, as it applies for the purposes of that Act, is the individual who is the eligible individual, in relation to that specified month, for the purposes of this section.
- (6) Despite section 122.5 (6) of the federal Act, as it applies for the purposes of this Act, a person who is the qualified dependant of an individual, in relation to a specified month, under section 122.5 (6) of the federal Act, as it applies for the

purposes of that Act, is the qualified dependant of that individual, in relation to that specified month, for the purposes of this section.

(7) In applying section 122.5 (6.1) of the federal Act for the purposes of this section, that section must be read as including the following paragraph:

(d) an individual becomes or ceases to be resident in British Columbia.

(8) Without limiting section 48 (1) and (2), the Lieutenant Governor in Council may make regulations as follows:

(a) prescribing subsections of section 122.5 of the federal Act for the purposes of subsection (2) of this section;

(b) prescribing amounts for the purposes of subsection (3) of this section.

(9) A regulation made under subsection (8) (a) may be made retroactive to the date the prescribed subsection came into force for the purposes of the federal Act or a later date, and if made retroactive is deemed to have come into force on the specified date.

BC harmonized sales tax credit

8.2 (1) In this section, "**eligible individual**", in relation to a month specified for a taxation year, means an individual, other than a trust,

(a) who

(i) has, before the specified month, attained the age of 19 years, or

(ii) was, at any time before the specified month,

(A) a parent who resided with their child, or

(B) married or in a common-law partnership, and

(b) who was resident in British Columbia on the first day of the specified month and the preceding specified month.

(2) Subject to subsection (2.1), section 122.5 of the federal Act, except the definition of "eligible individual" in subsection (1) and subsection (3), applies for the purposes of this section in relation to a month specified for the 2009 to 2011 taxation years.

(2.1) Despite subsection (3), an eligible individual is not deemed to have paid an amount under subsection (3), in relation to a month specified for the 2011 taxation year, after the specified month of January 2013.

(3) If, in relation to a month specified for a taxation year, an eligible individual files a return of income for the taxation year, the eligible individual is deemed to have paid during the specified month, on account of the eligible individual's tax

payable under this Act for the taxation year, an amount equal to 25% of the amount, if any, determined by the following formula:

$$\text{amount} = \text{total credits} - \text{deduction}$$

where

total credits = the total of the following:

- (a) the prescribed amount;
- (b) the prescribed amount, if the individual has a qualified relation in relation to the specified month;
- (c) the prescribed amount multiplied by the number of qualified dependants of the individual in relation to the specified month;

deduction = 4% of the amount, if any, by which the individual's adjusted income for the taxation year in relation to the specified month exceeds,

- (a) if the individual has no qualified relation or qualified dependant in relation to the specified month, the prescribed amount, or
- (b) in any other case, the prescribed amount.

- (4) In applying section 122.5 (3.1) [*when advance payment applies*] of the federal Act for the purposes of this section, the references to an amount expressed in dollars in that section must be read as a reference to \$10.
- (5) Despite section 122.5 (5) of the federal Act, as it applies for the purposes of this Act, the individual who is the eligible individual, in relation to a specified month, under section 122.5 (5) of the federal Act, as it applies for the purposes of that Act, is the individual who is the eligible individual, in relation to that specified month, for the purposes of this section.
- (6) Despite section 122.5 (6) of the federal Act, as it applies for the purposes of this Act, a person who is the qualified dependant of an individual, in relation to a specified month, under section 122.5 (6) of the federal Act, as it applies for the purposes of that Act, is the qualified dependant of that individual, in relation to that specified month, for the purposes of this section.
- (7) In applying section 122.5 (6.1) of the federal Act for the purposes of this section, that section must be read as including the following paragraph:
 - (d) an individual becomes or ceases to be resident in British Columbia.
- (8) Without limiting section 48 (1) and (2), the Lieutenant Governor in Council may make regulations prescribing amounts for the purposes of subsection (3) of this section.

Renter's tax credit

8.3 (1) In this section:

"adjusted income", in relation to an eligible individual for a taxation year, means the total of all amounts each of which would be the income for the year of the individual or the individual's cohabiting spouse or common-law partner if, in computing that income,

- (a) no amount were included in respect of a gain described in section 40 (3.21) [*deemed capital gain under section 180.01*] of the federal Act,
- (b) no amount were included in respect of any gain from a disposition of property to which section 79 [*surrender of property by debtor*] of the federal Act applies,
- (c) no amount were included under section 56 (6) [*universal child care benefit*] of the federal Act,
- (d) no amount were deductible under section 60 (y) [*repayment of universal child care benefit*] of the federal Act,
- (e) no amount were included under section 56 (1) (q.1) [*registered disability savings plan payments*] of the federal Act, and
- (f) no amount were deductible under section 60 (z) [*repayment under the Canada Disability Savings Act*] of the federal Act;

"cohabiting spouse or common-law partner" has the same meaning as in section 122.6 of the federal Act;

"eligible individual" has the same meaning as in section 8 (1) [*refundable sales tax credit*] of this Act;

"eligible rental unit" means a living accommodation in British Columbia but does not include prescribed rental units;

"eligible tenant" means an eligible individual who

- (a) occupies an eligible rental unit under a tenancy agreement, licence, sublease agreement or similar arrangement for at least 6 one-month periods in the taxation year, and
- (b) paid rent, or had rent paid on their behalf, to occupy the eligible rental unit;

"rent" does not include the following payments:

- (a) a payment to a person who is not at arm's length as described in section 251 (1) of the federal Act;
- (b) a payment in respect of a capital lease;

- (c) a payment in respect of an amount that is not included in computing the income of the taxpayer under section 6 (6) (a) of the federal Act;
 - (d) a payment in respect of a campsite, moorage or a manufactured home site as defined in the [Manufactured Home Park Tenancy Act](#);
 - (e) a prescribed payment.
- (2) Despite the definition of "eligible tenant" in subsection (1), a person is not an eligible tenant for a taxation year if the person
 - (a) dies before the end of the year,
 - (b) is, at the end of the year, a person described in section 149 (1) (a) or (b) of the federal Act, or
 - (c) is, at the end of the year, confined to a prison or similar institution and has been confined for a period of, or periods the total of which in the year was, more than 6 months.
- (3) Section 122.5 (6.2) [*non-residents and part-year residents*] and (7) [*effect of bankruptcy*] of the federal Act applies for the purposes of this section.
- (4) An individual is deemed to have paid an amount determined under subsections (5) and (6) on December 31 of the taxation year on account of the individual's tax payable under this Act for a taxation year if
 - (a) the individual is an eligible tenant, and
 - (b) the individual files, with the individual's return of income under section 29 for the taxation year, a form provided by the minister that contains the information necessary to establish the individual's claim for the tax credit under this section.
- (5) The amount that an individual is deemed to have paid under subsection (4) is, subject to subsection (6), \$400 in respect of the individual.
- (6) The amount determined under subsection (5) is reduced by 2% of the amount by which the adjusted income of the individual claiming the tax credit under this section exceeds \$60 000 in respect of the individual.
- (7) Despite subsection (4), if, on December 31 of the taxation year, an individual is the cohabiting spouse or common-law partner of another individual and both individuals are eligible tenants, only the individual designated by the minister is eligible for the tax credit under this section.
- (7.1) In applying this section to an individual who is a bankrupt at any time in a calendar year, the following rules apply:
 - (a) the reference to "taxation year" in paragraph (a) of the definition of

"eligible tenant" in subsection (1) must be read as including any taxation year occurring in the calendar year;

- (b) the reference to "the individual's return of income under section 29 for the taxation year" in subsection (4) (b) of this section must be read as excluding a return filed under section 128 (2) (e) [*where individual bankrupt*] of the federal Act for any taxation year occurring in the calendar year.

(8) Without limiting section 48 (1) and (2) [*power to make regulations*], the Lieutenant Governor in Council may make regulations as follows:

- (a) prescribing rental units or classes of rental units for the purposes of the definition of "eligible rental unit" in subsection (1) of this section;
- (b) prescribing types of payments for the purposes of the definition of "rent" in subsection (1) of this section.

(9) Regulations made under subsection (8) may be made retroactive to January 1, 2023 or a later date, and if made retroactive are deemed to have come into force on the date specified in the regulation.

Repealed

9-13 [Repealed 2018-12-6.]

Definitions for climate action dividend

13.01 In this section and sections 13.02 to 13.06:

"cohabiting spouse or common-law partner" has the same meaning as in section 122.6 of the federal Act;

"eligible individual", in respect of a qualified dependant, means a person who, on January 1, 2008,

- (a) resides with the qualified dependant,
- (b) is the parent of the qualified dependant who primarily fulfills the responsibility for the care and upbringing of the qualified dependant, and
- (c) is not described in section 149 (1) (a) or (b) of the federal Act,

and for the purpose of this definition,

- (d) if a qualified dependant resides with the dependant's female parent, the parent who primarily fulfills the responsibility for the care and upbringing of the qualified dependant is presumed to be the female

parent,

- (e) the presumption referred to in paragraph (d) does not apply in the circumstances prescribed for the purposes of paragraph (g) of the definition of "eligible individual" in section 122.6 of the federal Act, and
- (f) the factors prescribed for the purposes of paragraph (h) of the definition of "eligible individual" in section 122.6 of the federal Act must be considered in determining what constitutes care and upbringing;

"individual" does not include a trust;

"qualified dependant" means a person who

- (a) on December 31, 2007, has not attained the age of 18 years,
- (b) is not a person in respect of whom an amount was deducted under paragraph (a) of the description of "B" in section 118 (1) of the federal Act in computing the tax payable by the person's spouse or common-law partner for the taxation year that includes December 31, 2007, and
- (c) is not a person in respect of whom a special allowance under the [Children's Special Allowances Act](#) (Canada) is payable for December 2007,

but does not include a person who, on January 1, 2008, is an eligible individual in respect of another person who is a qualified dependant;

"refund of an overpayment" means a refund of an amount deemed under section 13.02 to be an overpayment.

Climate action dividend

13.02 (1) An individual is deemed to have made an overpayment on account of the individual's liability under this Act for the 2006 taxation year if

- (a) on December 31, 2007, the individual
 - (i) is resident in British Columbia, or
 - (ii) is not resident in British Columbia but is in a prescribed class of individuals, and
- (b) the individual
 - (i) is at least 18 years of age on December 31, 2007,
 - (ii) is less than 18 years of age on December 31, 2007 and is an

- eligible individual in respect of a qualified dependant, or
- (iii) is in a prescribed class of individuals and meets the prescribed conditions on December 31, 2007.
- (2) The amount that an individual is deemed to have overpaid under subsection (1) is
- (a) in the case of an individual who is not an eligible individual in respect of a qualified dependant, \$100, or
 - (b) in the case of an individual who is an eligible individual in respect of one or more qualified dependants, \$100 plus \$100 for each qualified dependant.
- (3) Despite subsection (1), an individual is not deemed to have made an overpayment on account of the individual's liability under this Act for the 2006 taxation year if the individual is confined to a prison or similar institution for a period of at least 90 days that includes January 1, 2008.

Climate action dividend cannot be attached or assigned

13.03 A refund of an overpayment

- (a) cannot be charged or given as security,
- (b) cannot be assigned except under a prescribed Act,
- (c) cannot be garnished or attached,
- (d) is exempt from execution or seizure, and
- (e) cannot be retained by way of deduction or set-off under the *Financial Administration Act*.

Climate action dividend — general

13.04 (1) Despite sections 34 and 40 (1.1), the following sections of the federal Act, as they apply for the purposes of this Act, do not apply to a refund of an overpayment:

- (a) section 160.1 (1) (b) *[interest if excess refunded]*;
 - (b) section 164 (2) *[application of refund or repayment to other debts]*;
 - (c) section 164 (3) *[interest on refunds]*.
- (2) Despite section 40 (1), and section 164 (1) (b) of the federal Act as it applies for the purposes of this Act,
- (a) if an overpayment on account of an individual's liability under this Act is deemed to have arisen under section 13.02 (1) (a) (i) and (b) (i) of this

- Act, the minister must, without application and with all due dispatch, refund the amount of the overpayment after the minister is provided with the information and records required by the regulations, and
- (b) subject to subsection (3), if an overpayment on account of an individual's liability under this Act is deemed to have arisen under section 13.02 (1) of this Act, the Provincial minister must, with all due dispatch, refund the amount of the overpayment after
 - (i) an application is filed in the form, and containing the information, required by the Commissioner of Income Tax, and
 - (ii) the Commissioner of Income Tax is provided with the information and records required by the regulations.
- (3) Subsection (2) (b) does not apply if the minister has refunded the amount of the overpayment to the individual under subsection (2) (a).
- (4) Despite sections 41 and 42, no objection or appeal lies in respect of the determination of the entitlement of an individual to a refund of an overpayment.
- (5) Without limiting any provision of this Act or the federal Act, for the purpose of determining the entitlement of an individual to a refund of an overpayment, the Commissioner of Income Tax has powers equivalent to the federal minister under sections 231, 231.1 and 233 (1) of the federal Act, and for that purpose those sections apply.
- (6) If an individual receives a refund of an overpayment to which the individual is not entitled, the individual must repay the amount to
- (a) the minister, if the minister refunded the amount under subsection (2) (a), and
 - (b) the Provincial minister, if the Provincial minister refunded the amount under subsection (2) (b).

Climate action dividend — no further assessments, determinations or decisions

- 13.05** (1) Despite any other provision of this Act or the federal Act, as it applies for the purposes of this Act, an assessment, determination or decision may not be made on or after the prescribed date with respect to the entitlement of an individual to a refund of an amount deemed under section 13.02 to be an overpayment.
- (2) The date prescribed for the purposes of subsection (1) may not be a date before August 1, 2010.

Climate action dividend regulations

13.06 (1) Without limiting section 48 (1) and (2), the Lieutenant Governor in Council may make regulations as follows:

- (a) prescribing classes of individuals for the purposes of section 13.02 (1) (a) (ii);
 - (b) prescribing classes of individuals for the purposes of section 13.02 (1) (b) (iii);
 - (c) prescribing conditions for the purposes of section 13.02 (1) (b) (iii);
 - (d) prescribing Acts for the purposes of section 13.03 (b);
 - (e) respecting the information and records to be provided under section 13.04 (2) to the minister or Commissioner of Income Tax;
 - (f) prescribing a date for the purposes of section 13.05 (1).
- (2) In making regulations under subsection (1) (c), the Lieutenant Governor in Council may make different regulations for any different classes of individuals prescribed for the purposes of section 13.02 (1) (b) (iii).
- (3) In making regulations under subsection (1) (e), the Lieutenant Governor in Council may delegate a matter to or confer a discretion on the minister or Commissioner of Income Tax.

Application of federal provisions — interpretation for BC early childhood tax benefit

13.07 Section 122.6 of the federal Act applies for the purposes of this section and sections 13.071 to 13.09 of this Act, except that, in addition to any other necessary modifications, paragraph (a) of the definition of "qualified dependant" in section 122.6 of the federal Act is to be read as if the phrase "18 years" were "6 years".

BC early childhood tax benefit

- 13.071** (1) An overpayment on account of an individual's liability under this Act for a taxation year is deemed to have arisen during a month in relation to which the year is the base taxation year, if the following requirements are met:
- (a) the month is after March 2015 and before October 2020;
 - (b) the individual has filed a return of income for that year;
 - (c) if the minister so demands, the individual's cohabiting spouse or common-law partner at the end of the taxation year has filed a return of income for that year;
 - (d) the individual was resident in British Columbia for a period that

- (i) includes the first day of that month, and
 - (ii) began before the first day of that month.
- (2) The amount of the overpayment deemed by subsection (1) to have arisen during a month in respect of an individual's liability under this Act for a taxation year is determined by the following formula:

$$\text{amount} = \frac{1}{12} \{ \$660 \times \text{QD} - [\text{EAI} \times (\text{QD} \times 1.32\%)] \}$$

where

EAI = the amount, if any, by which the individual's adjusted income for the base taxation year exceeds \$100 000;

QD = the number of qualified dependants in respect of whom the individual was an eligible individual at the beginning of the month.

- (3) Despite subsection (2), if an eligible individual is a shared-custody parent in respect of one or more qualified dependants at the beginning of a month, the overpayment deemed by subsection (1) to have arisen during the month is equal to the amount determined by the following formula:

$$\text{amount} = \frac{1}{2} (A + B)$$

where

A = the amount determined by the formula in subsection (2), calculated without reference to this subsection;

B = the amount determined by the formula in subsection (2), calculated without reference to this subsection and subparagraph (b) (ii) of the definition of "eligible individual" in section 122.6 of the federal Act as it applies for the purposes of this section under section 13.07 of this Act.

- (4) If an amount determined by applying the formula in subsection (2) or (3) would, but for this subsection, be a negative amount, that amount is deemed to be nil.
- (5) Section 122.61 (2) of the federal Act applies for the purposes of this section, except that, in addition to any other necessary modifications, section 122.61 (2) of the federal Act is to be read as if
- (a) a reference to subsection (1) of section 122.61 of the federal Act were a reference to subsection (1) of this section, and
 - (b) the phrase "under this Part" were "under this Act".
- (6) For the purposes of this section, if an individual was resident in Canada for only

part of a taxation year or was not resident in Canada at any time in a taxation year, the individual's income for the year is deemed to be equal to the amount that would have been the individual's income for the year had the individual been resident in Canada throughout the year.

- (7) For the purposes of this section, if an individual becomes bankrupt in a taxation year,
- (a) the individual's income for the year includes the individual's income for the taxation year that begins on January 1 of the calendar year that includes the date of bankruptcy, and
 - (b) the total of all amounts deducted under section 63 of the federal Act in computing the individual's income for the year includes the amount deducted under that section for the individual's taxation year that begins on January 1 of the calendar year that includes the date of bankruptcy.

Application of federal provisions to BC early childhood tax benefit — rules about eligible individuals and their spouses or common-law partners

13.08 Section 122.62 (1), (2) and (4) to (8) of the federal Act applies for the purposes of this section and sections 13.07, 13.071, 13.081 and 13.09 of this Act, except that, in addition to any other necessary modifications,

- (a) section 122.62 (4) of the federal Act is to be read as if the phrase "18 years" were "6 years", and
- (b) section 122.62 (5) (b), (6) (b) and (7) (b) of the federal Act is to be read as if
 - (i) a reference to section 122.61 (1) of the federal Act were a reference to section 13.071 of this Act, and
 - (ii) the phrase "under this Part" were "under this Act".

BC early childhood tax benefit cannot be attached or assigned

13.081 A refund of an amount deemed by section 13.071 to be an overpayment on account of an individual's liability under this Act for a taxation year

- (a) cannot be charged or given as security,
- (b) cannot be assigned except under a prescribed Act,
- (c) cannot be garnished or attached,
- (d) is exempt from execution or seizure, and
- (e) cannot be retained by way of deduction or set-off under the *Financial*

Administration Act.

BC early childhood tax benefit regulations

13.09 Without limiting section 48 (1) and (2), the Lieutenant Governor in Council may make regulations for the purposes of sections 13.07 to 13.081, including prescribing Acts for the purposes of section 13.081 (b).

Application of federal provisions — interpretation for BC family benefit

13.091 Section 122.6 of the federal Act applies, with any necessary modifications, for the purposes of this section and sections 13.092 to 13.095 of this Act.

BC family benefit

13.092 (1) An overpayment on account of an individual's liability under this Act for a taxation year, which overpayment is known as the BC family benefit, is deemed to have arisen during a month in relation to which the year is the base taxation year, if the following requirements are met:

- (a) the month is after September 2020;
- (b) the individual is an eligible individual in respect of one or more qualified dependants at the beginning of the month;
- (c) the individual has filed a return of income for that year;
- (d) if the minister so demands, the individual's cohabiting spouse or common-law partner at the end of the taxation year has filed a return of income for that year;
- (e) the individual was resident in British Columbia for a period that
 - (i) includes the first day of that month, and
 - (ii) began before the first day of that month.

(2) Subject to subsections (2.1) and (2.2), the amount of the overpayment deemed by subsection (1) to have arisen during a month in respect of an individual's liability under this Act for a taxation year is the greater of the following 2 amounts:

- (a) the amount determined by the following formula:

$$\frac{1}{12} \times [\text{benefit} + \text{conditional supplement} - (\text{EAI} \times 4\%)]$$

where

the amount based on the number of qualified dependants in respect of whom the

benefit = individual was an eligible individual at the beginning of the month, as follows:

- (i) for one qualified dependant, \$1 750;
- (ii) for 2 qualified dependants, \$2 850;
- (iii) for 3 or more qualified dependants, the amount determined by the following formula:

$$\$2\,850 + [\$900 \times (\text{number of qualified dependants} - 2)];$$

conditional supplement = one of the following amounts:

- (i) if, at the beginning of the month, the individual is an eligible individual in respect of at least one qualified dependant and is not the cohabiting spouse or common-law partner of another individual, \$500;
- (ii) in any other case, nil;

EAI = the amount, if any, by which the individual's adjusted income for the base taxation year exceeds \$25 000;

(b) the amount determined by the following formula:

$$\frac{1}{12} \times [\text{benefit} - (\text{EAI} \times 4\%)]$$

where

benefit = the amount based on the number of qualified dependants in respect of whom the individual was an eligible individual at the beginning of the month, as follows:

- (i) for one qualified dependant, \$775;
- (ii) for 2 qualified dependants, \$1 525;
- (iii) for 3 or more qualified dependants, the amount determined by the following formula:

$$\$1\,525 + [\$725 \times (\text{number of qualified dependants} - 2)];$$

EAI = the amount, if any, by which the individual's adjusted income for the base taxation year exceeds \$80 000.

(2.1) For the purposes of determining under subsection (2) the amount of the overpayment deemed by subsection (1) to have arisen during the months of January, February and March 2023,

(a) the description of "benefit" in subsection (2) (a) is to be read as follows:

benefit = the amount based on the number of qualified dependants in respect of whom the individual was an eligible individual at the beginning of the month, as follows:

- (i) for one qualified dependant, \$2 300;
 - (ii) for 2 qualified dependants, \$4 000;
 - (iii) for 3 or more qualified dependants, the amount determined by the following formula:
- $$\$4\,000 + [\$1\,500 \times (\text{number of qualified dependants} - 2)];$$

, and

(b) the description of "benefit" in subsection (2) (b) is to be read as follows:

benefit = the amount based on the number of qualified dependants in respect of whom the individual was an eligible individual at the beginning of the month, as follows:

- (i) for one qualified dependant, \$1 300;
- (ii) for 2 qualified dependants, \$2 580;
- (iii) for 3 or more qualified dependants, the amount determined by the following formula:
 $\$2\,580 + [\$1\,260 \times (\text{number of qualified dependants} - 2)]$; .

(2.2) For the purposes of determining under subsection (2) the amount of the overpayment deemed by subsection (1) to have arisen during a month after June 2024 and before July 2025,

(a) the descriptions of "benefit" and "EAI" in subsection (2) (a) are to be read as follows:

benefit = the amount based on the number of qualified dependants in respect of whom the individual was an eligible individual at the beginning of the month, as follows:

- (i) for one qualified dependant, \$2 188;
- (ii) for 2 qualified dependants, \$3 563;
- (iii) for 3 or more qualified dependants, the amount determined by the following formula:
 $\$3\,563 + [\$1\,125 \times (\text{number of qualified dependants} - 2)]$;

EAI = the amount, if any, by which the individual's adjusted income for the base taxation year exceeds \$35 902;

, and

(b) the descriptions of "benefit" and "EAI" in subsection (2) (b) are to be read as follows:

benefit = the amount based on the number of qualified dependants in respect of whom the individual was an eligible individual at the beginning of the month, as follows:

- (i) for one qualified dependant, \$969;
- (ii) for 2 qualified dependants, \$1 906;
- (iii) for 3 or more qualified dependants, the amount determined by the following formula:
 $\$1\,906 + [\$906 \times (\text{number of qualified dependants} - 2)]$;

EAI = the amount, if any, by which the individual's adjusted income for the base taxation year exceeds \$114 887.

(3) Despite subsection (2), if an eligible individual is a shared-custody parent in respect of one or more qualified dependants at the beginning of a month, the amount of the overpayment deemed by subsection (1) to have arisen during the

month is equal to the amount determined by the following formula:

$$\text{amount} = \frac{1}{2} (A + B)$$

where

- A = the amount of the overpayment determined under subsection (2), calculated without reference to this subsection;
 - B = the amount of the overpayment determined under subsection (2), calculated without reference to this subsection and subparagraph (b) (ii) of the definition of "eligible individual" in section 122.6 of the federal Act as it applies for the purposes of this section.
- (4) If an amount determined by applying a formula in subsection (2) or (3) would, but for this subsection, be a negative amount, that amount is deemed to be nil.
 - (5) Section 122.61 (2) of the federal Act applies for the purposes of this section, except that, in addition to any other necessary modifications, section 122.61 (2) of the federal Act is to be read as if
 - (a) a reference to subsection (1) of section 122.61 of the federal Act were a reference to subsection (1) of this section, and
 - (b) the phrase "under this Part" were "under this Act".
 - (6) For the purposes of this section, if an individual was resident in Canada for only part of a taxation year or was not resident in Canada at any time in a taxation year, the individual's income for the year is deemed to be equal to the amount that would have been the individual's income for the year had the individual been resident in Canada throughout the year.
 - (7) For the purposes of this section, if an individual becomes bankrupt in a taxation year,
 - (a) the individual's income for the year includes the individual's income for the taxation year that begins on January 1 of the calendar year that includes the date of bankruptcy, and
 - (b) the total of all amounts deducted under section 63 of the federal Act in computing the individual's income for the year includes the amount deducted under that section for the individual's taxation year that begins on January 1 of the calendar year that includes the date of bankruptcy.
 - (8) The amounts expressed in dollars in the descriptions of "EAI" in subsection (2) must be adjusted so that, if the base taxation year in relation to a particular month is after 2019, the amount to be used under that subsection for the

month is the total of

- (a) the amount that would, but for subsections (2.2) and (9), be the relevant amount used under subsection (2) for the month that is one year before the particular month, and
- (b) the product obtained by multiplying
 - (i) the amount referred to in paragraph (a)
 by
 - (ii) the amount, adjusted in the prescribed manner and rounded to the nearest one-thousandth or, if the result obtained is equidistant from 2 consecutive one-thousandths, to the higher one-thousandth, that is determined by the following formula:

$$\left(\frac{A}{B} \right) - 1$$

where

- A = is the Consumer Price Index for British Columbia, within the meaning of section 4.52 (7), for the 12-month period that ended on September 30 of the base taxation year, and
- B = is the Consumer Price Index for British Columbia for the 12-month period preceding the period referred to in the description of "A".

- (9) If an amount referred to in subsection (2), adjusted as provided in subsection (8), is not a multiple of one dollar, it must be rounded to the nearest multiple of one dollar or, if it is equidistant from 2 consecutive multiples, to the higher of them.

Application of federal provisions to BC family benefit — rules about eligible individuals and their spouses or common-law partners

13.093 Section 122.62 (1), (2) and (4) to (8) of the federal Act applies for the purposes of this section and sections 13.091, 13.092, 13.094 and 13.095 of this Act, except that, in addition to any other necessary modifications, section 122.62 (5) (b), (6) (b) and (7) (b) of the federal Act is to be read as if

- (a) a reference to section 122.61 (1) of the federal Act were a reference to section 13.092 of this Act, and
- (b) the phrase "under this Part" were "under this Act".

BC family benefit cannot be attached or assigned

13.094 A refund of an amount deemed by section 13.092 to be an overpayment on account

of an individual's liability under this Act for a taxation year

- (a) cannot be charged or given as security,
- (b) cannot be assigned except under a prescribed Act,
- (c) cannot be garnished or attached,
- (d) is exempt from execution or seizure, and
- (e) cannot be retained by way of deduction or set-off under the *Financial Administration Act*.

BC family benefit regulations

13.095 Without limiting section 48 (1) and (2), the Lieutenant Governor in Council may make regulations for the purposes of sections 13.091 to 13.094, including prescribing Acts for the purposes of section 13.094 (b).

Net employee investment tax credit

13.1 (1) In this section:

"net employee investment tax credit" means, in relation to an individual's taxation year, the aggregate of the tax credit amounts shown on all tax credit certificates issued to an individual for share purchases made during the taxation year or within 60 days after the end of the taxation year, minus the portion of that aggregate amount that was deducted from the individual's tax otherwise payable under this Act for the immediately preceding taxation year;

"tax credit certificate" means a tax credit certificate issued by the administrator under section 7 or 24 of the *Employee Investment Act*.

(2) There may be deducted from the tax payable by an individual under this Act in respect of a taxation year the smaller of

- (a) the individual's net employee investment tax credit for that taxation year, or any smaller amount that the individual elects to deduct, and
- (b) \$2 000.

(3) An individual who is entitled to a deduction under this section must file, with the individual's annual return for any taxation year in respect of which a deduction is claimed under this section, a copy of the tax credit certificate.

(4) An individual is not entitled to a deduction under this section unless the individual files a return under section 29 within 3 years after the end of the taxation year to which the deduction pertains.

(5) Without limiting any provision of this or any other enactment, the Provincial

minister, the federal minister, if a collection agreement is in effect, and the minister responsible for the administration of the *Employee Investment Act* may

- (a) collect information that is relevant to a tax credit being claimed or already claimed under this section, and
- (b) share with each other, in accordance with an information-sharing agreement entered into under section 65, information relevant to a tax credit being claimed or already claimed under this section.

Refunds to mutual fund trusts

13.2 (1) A mutual fund trust that is entitled to a refund under section 132 of the federal Act for a taxation year is entitled to receive, at the time and in the manner provided in section 132 of the federal Act for a refund under that section, a capital gains refund for the taxation year equal to,

- (a) if the trust had no income earned in the taxation year outside British Columbia, that proportion of the refund for the year calculated under section 132 of the federal Act that
 - (i) the highest percentage specified in section 4.1 (1) of this Act that applies in determining tax that might be payable under this Act for the yearis of
 - (ii) the highest percentage specified in section 117 of the federal Act that applies in determining tax that might be payable under the federal Act for the year, or
- (b) if the trust had income earned in the taxation year outside British Columbia, that proportion of the amount that would be determined under paragraph (a) of this subsection, if all income earned in the taxation year by the trust had been earned in British Columbia, that the income earned by it in British Columbia is of its income for the year.

(2) [Repealed 2000-15-42.]

(3) If a mutual fund trust is entitled to a capital gains refund under subsection (1) and is liable or about to become liable to make a payment under this Act, the minister may

- (a) apply all or part of the amount that would otherwise be refunded under subsection (1) to the liability, and
- (b) pay to the trust the balance, if any, of the refund not so applied.

- (4) The minister must notify the mutual fund trust of an amount applied under subsection (3) to its liability to make a payment under this Act.

Division 3 — Corporate Income Tax

Definitions

13.3 In this Division:

"foreign investment income" means income described in section 126 (1) (b) (i) of the federal Act from sources in a country other than Canada;

"taxable income earned in the year in British Columbia" means the taxable income earned in the year in British Columbia by a corporation as determined in accordance with regulations made under section 124 (4) of the federal Act.

Corporation income tax

14 (1) [Repealed 2002-19-14.]

(1.1) In this section, **"tax-exempt income"** has the same meaning as in section 126 (7) of the federal Act.

(2) The tax payable by a corporation under this Act is 12% of the corporation's taxable income earned in the year in British Columbia.

(3) A corporation may deduct from the tax otherwise payable under this Act for the taxation year the aggregate of the amounts determined under subsection (3.1) if

- (a) the corporation maintained a permanent establishment in British Columbia at any time in the taxation year,
- (b) the corporation's income for the year includes foreign investment income, and
- (c) the corporation has claimed a deduction under section 126 (1) of the federal Act in respect of the foreign investment income.

(3.1) The amount deductible under subsection (3), in respect of each country other than Canada, is the smaller of

- (a) the amount determined by the following formula:

$$12\% \times \text{FII} \times \frac{\text{BCTI}}{\text{TI}}$$

where

BCTI = the corporation's taxable income earned in the year in British Columbia;

FII = the corporation's foreign investment income for the year from sources in that other country;

TI = the corporation's taxable income earned in the year, and

(b) the amount determined by the following formula:

$$(NBIT - AD) \times \frac{BCTI}{ATI}$$

where

AD = the amount deductible by the corporation for the year under section 126 (1) of the federal Act in respect of that other country;

ATI = the corporation's taxable income earned in the year in all provinces, as determined in accordance with section 124 (4) of the federal Act;

BCTI = the corporation's taxable income earned in the year in British Columbia;

NBIT = the non-business-income tax paid by the corporation for the year to the government of that other country, as determined under the definition of "non-business-income tax" in section 126 (7) of the federal Act, except any tax that may reasonably be regarded as having been paid in respect of income from a share of the capital stock of a foreign affiliate of the corporation.

(4) [Repealed 2000-15-13.]

(5) For the purposes of this section,

(a) the government of a country other than Canada includes the government of a state, province or other political subdivision of that country,

(b) if a corporation's income for a taxation year is in whole or in part from sources in more than one country other than Canada, subsection (3.1) must be read as providing for separate deductions in respect of each of the countries other than Canada, and

(c) if any income from a source in a particular country would be tax-exempt income but for the fact that a portion of the income is subject to an income or profits tax imposed by the government of a country other than Canada, the portion is deemed to be income from a separate source in the particular country.

(5.1) In subsection (5.2), "**deduction calculation change**" means any amendment to this Act that effects a change to the percentage referred to in the formula in subsection (3.1) (a).

(5.2) If, during the taxation year of a corporation, there are one or more deduction calculation changes, the corporation must determine the amounts under

subsection (3.1) for that taxation year as if the percentage referred to in the formula in subsection (3.1) (a) were the percentage determined in accordance with the following:

- (a) the corporation must divide its taxation year into notional taxation years as follows:
 - (i) the first of those notional taxation years begins on the first day of the corporation's taxation year and ends on the day before the day on which the first deduction calculation change that occurs in its taxation year takes effect;
 - (ii) subject to subparagraph (iii), a notional taxation year will begin on each day in the corporation's taxation year on which a deduction calculation change takes effect and will end on the day before the day in its taxation year on which the next deduction calculation change takes effect;
 - (iii) the last notional taxation year begins on the day on which the last deduction calculation change that occurs in the corporation's taxation year takes effect and ends on the last day of its taxation year;
 - (b) the corporation must, for each notional taxation year within the corporation's taxation year,
 - (i) multiply the percentage referred to in the formula in subsection (3.1) (a), as that subsection read on the first day of that notional taxation year, by the fraction obtained by dividing the number of days in that notional taxation year by the number of days in the corporation's taxation year, and
 - (ii) round the result to the nearest one-thousandth of one percent or, if the result obtained is equidistant from 2 consecutive one-thousandths, to the higher one-thousandth;
 - (c) the corporation must add to the percentage determined under paragraph (b) for the first notional taxation year within the corporation's taxation year the percentage determined under paragraph (b) for each of the other notional taxation years within its taxation year;
 - (d) the total percentage determined under paragraph (c) is the percentage to be used in the formula in subsection (3.1) (a) in respect of the corporation's taxation year.
- (6) If an amount is to be refunded to a corporation in respect of a taxation year, under section 131 of the federal Act, the minister must, subject to subsection

(7), at the time and in the manner provided in that section, refund to the corporation an amount, in this section referred to as its "capital gains refund" for the year, equal to that proportion of the amount of the refund for the year calculated under section 131 (2) of the federal Act that

(a) the percentage referred to in subsection (2) for the year

is of

(b) the percentage referred to in paragraph (a) of the description of "A" in the definition of "refundable capital gains tax on hand" in section 131 (6) of the federal Act for the year.

(7) To calculate the capital gains refund under subsection (6) for a corporation in respect of a taxation year, if

(a) the corporation's taxable income earned in the year in British Columbia

is less than

(b) the corporation's taxable income for the year,

the refund is that proportion of the capital gains refund for the year, otherwise determined under subsection (6), that the amount determined under paragraph (a) is of the amount determined under paragraph (b).

(8) Instead of making a refund that might otherwise be made under subsection (6), the minister may, if the corporation is liable or about to become liable to make any payment under this Act, apply the amount that would otherwise be refunded to that other liability and notify the corporation of that action.

Corporate straddle provision

14.1 (1) In this section, "**tax calculation change**" means,

(a) in relation to a corporation to which section 16 applies,

(i) the enactment of section 16 (5),

(ii) any amendment to this Act that effects a change to any amount expressed in dollars that is referred to in section 16 (5), or

(iii) any amendment to this Act that effects a change to any rate referred to in section 16, or

(b) in relation to any other corporation, any amendment to this Act that effects a change to any rate referred to in section 14 (2).

(2) If, during the taxation year of a corporation, there are one or more tax calculation changes, the corporation must compute its tax payable for that

taxation year in accordance with the following:

- (a) the corporation must divide its taxation year into notional taxation years as follows:
 - (i) the first of those notional taxation years begins on the first day of the corporation's taxation year and ends on the day before the day on which the first tax calculation change that occurs in its taxation year takes effect;
 - (ii) subject to subparagraph (iii), a notional taxation year will begin on each day in the corporation's taxation year on which a tax calculation change takes effect and will end on the day before the day in its taxation year on which the next tax calculation change takes effect;
 - (iii) the last notional taxation year begins on the day on which the last tax calculation change that occurs in the corporation's taxation year takes effect and ends on the last day of its taxation year;
- (b) the corporation must, for each notional taxation year within the corporation's taxation year, calculate, in accordance with section 14 (2) or 16, as the case may be, as that section read on the first day of that notional taxation year, the tax the corporation would be obliged to pay under section 14 (2) or 16, as the case may be, if that tax were calculated
 - (i) on the corporation's taxable income for the whole of its taxation year, and
 - (ii) as if that wording of section 14 (2) or 16 applied throughout the whole of its taxation year;
- (c) the corporation must, for each notional taxation year within the corporation's taxation year, multiply the amount determined for that notional taxation year under paragraph (b) by the fraction obtained by dividing the number of days in that notional taxation year by the number of days in the corporation's taxation year;
- (d) the corporation must add to the amount determined under paragraph (c) for the first notional taxation year within the corporation's taxation year the amounts determined under paragraph (c) for each of the other notional taxation years within its taxation year;
- (e) the total amount determined under paragraph (d) is the tax payable by the corporation in respect of the corporation's taxation year.

Repealed**15** [Repealed 2000-15-15.]**Small business rate**

16 (1) Despite section 14 (2), a corporation, other than a credit union, that was, throughout a taxation year, a Canadian-controlled private corporation must pay tax under this Part equal to the aggregate of

(a) 2% of the amount determined by the following formula:

$$\frac{A}{B} \times (\text{the least of C, D and E})$$

where

- A means the corporation's taxable income earned in the year in British Columbia,
- B means the corporation's taxable income earned in the taxation year in all provinces, determined in accordance with section 124 (4) of the federal Act,
- C means the amount that would be determined under section 125 (1) (a) of the federal Act for the corporation for the taxation year,
- D means the amount determined in respect of the corporation for the taxation year under section 125 (1) (b) of the federal Act, and
- E means the corporation's business limit for the taxation year as defined by subsection (5) of this section, and

(b) 12% of the amount, if any, calculated by deducting from the taxable income earned in the year in British Columbia the amount to which 2% is applied under paragraph (a) of this subsection.

(2) Despite section 14 (2), a corporation that was, throughout a taxation year, a credit union must pay tax under this Part equal to the aggregate of

(a) 2% of the amount determined by the following formula:

$$\frac{A}{B} \times [C + (D \times E)]$$

where

- A means the corporation's taxable income earned in the year in British Columbia,
- B means the corporation's taxable income earned in the taxation year in all provinces, determined in accordance with section 124 (4) of the federal Act,
- C means the least of the amounts that would, if the corporation were not a credit union, be determined, in respect of the corporation for the taxation year, under the descriptions of "C", "D" and "E" in subsection (1) (a) of this section,

D means the amount, if any, by which

- (i) the amount that would be determined, in respect of the corporation for the taxation year, under the description of "D" in section 137 (3) of the federal Act if the preferred-rate amount under section 137 (4.3) of the federal Act were calculated on the basis that, for all taxation years, section 137 of the federal Act applied as if paragraph (f) of the description of "C" in section 137 (3) of the federal Act were read as "the proportion of 100% that the number of days in the year that are after 2016 is of the number of days in the year"

exceeds

- (ii) the amount determined under the description of "C" in this paragraph, and

E means the total of all applicable amounts calculated as follows:

- (i) for any taxation year, or part of a taxation year, that precedes January 1, 2016, the applicable amount for that taxation year or part is determined by dividing the number of days in the taxation year that precede January 1, 2016 by the total number of days in that taxation year;
- (ii) for any part of a taxation year that is in 2016, the applicable amount for that part is determined by dividing the number of days in the taxation year that are in 2016 by the total number of days in that taxation year and multiplying the result by 0.8;
- (iii) for any taxation year, or part of a taxation year, that is after December 31, 2016, the applicable amount for that taxation year or part is determined by dividing the number of days in the taxation year that are after December 31, 2016 by the total number of days in that taxation year, and
- (iv) to (vi) [Repealed 2017-12-50.]

- (b) 12% of the amount, if any, calculated by deducting from the taxable income earned in the year in British Columbia the amount to which 2% is applied under paragraph (a) of this subsection.

(3) [Repealed 2000-15-16.]

(4) Despite section 14 (2), a corporation that has been allowed to use section 137.1 (9) of the federal Act must pay tax under this Part equal to 2% on an amount calculated by allocating the amount of taxable income of the corporation to which section 137.1 (9) of the federal Act applies and has been allowed, on the same basis as set out in the regulations made under section 124 (4) of the federal Act.

(5) In subsection (1) of this section:

"business limit", in relation to a corporation, means, for each taxation year,

- (a) subject to paragraph (b), the amount that is the corporation's business limit for the taxation year within the meaning of the federal Act, or
- (b) if the amount expressed in dollars in section 125 (2) of the federal Act is not "\$500 000", the amount that would be the corporation's business limit for the taxation year within the meaning of the federal Act if

- (i) the amount expressed in dollars in section 125 (2) of the federal Act were read as "\$500 000", and
- (ii) in the case of a corporation that is associated in the taxation year with one or more other Canadian-controlled private corporations, the amount allocated to the corporation for the purposes of this section is the amount that is the same proportion of \$500 000
 - (A) that the business limit for the corporation, determined under section 125 (3) of the federal Act, is to the amount expressed in dollars in that section, or
 - (B) that the amount allocated to the corporation under section 125 (4) of the federal Act is to the total amount allocated under that section;

"Canadian-controlled private corporation" does not include, in relation to a taxation year, a corporation that has in effect a valid election under section 89 (11) of the federal Act for the taxation year.

- (6) A corporation to which this section and section 125 (3) of the federal Act apply must file, with the return of income filed by the corporation under section 29 for the taxation year, the forms, containing the information, required by the Commissioner of Income Tax.
- (7) A corporation to which this section applies that assigns under section 125 (3.2) of the federal Act all or any portion of its business limit for a taxation year must file, with the return of income filed by the corporation under section 29 for the taxation year, the forms, containing the information, required by the Commissioner of Income Tax.

Two-year tax holiday for new small businesses

- 17** (1) If eligible under this section, a corporation for which taxes are payable under section 16 (1), whether calculated under that section or under section 14.1, may deduct from the tax otherwise payable under section 16 (1) for a taxation year an amount equal to the tax payable by the corporation under section 16 (1) (a) for that taxation year.
- (2) Interest or penalties on tax payable under section 16 (1) (a) is not to be considered tax payable under that section for the purpose of determining the amount of a deduction under this section.
 - (3) In order to be eligible for a deduction under this section, a corporation must meet all the following requirements:

- (a) the corporation must be incorporated after April 30, 1996 and before April 1, 2001, and must be carrying on business in British Columbia for some period between those dates;
 - (b) the taxation year for which the deduction is claimed must be the taxation year in which the corporation commenced business operations or the taxation year immediately following that taxation year;
 - (c) for the taxation year in which the deduction is claimed, the corporation must
 - (i) be carrying on an active business within the meaning of section 125 (7) of the federal Act, and
 - (ii) be allowed a deduction from federal tax under the provisions of section 125 (1) of the federal Act;
 - (d) the corporation must minimize its tax liability for that taxation year by claiming all allowable deductions from tax otherwise payable under section 16 (1) (a);
 - (e) at least 25% of the amount of the wages and salaries paid by the corporation in the taxation year for which the deduction is claimed must be paid to employees who are resident in British Columbia;
 - (f) the corporation must apply for a certificate of eligibility under subsection (7) within 3 years after the end of the taxation year for which the certificate would be issued;
 - (g) a certificate of eligibility issued under subsection (7) for the applicable taxation year must be filed with the minister;
 - (h) the corporation must not be ineligible under subsection (4).
- (4) A corporation is not eligible for a deduction under this section if one or more of the following circumstances apply:
- (a) subject to subsection (6), the business activity carried on by the corporation after incorporation is the same or mainly the same business activity as that carried on before incorporation as all or part of the business activity of a sole proprietorship, partnership, joint venture or corporation, whether registered as such or not;
 - (b) the corporation results from an amalgamation or merger of corporations;
 - (c) at any time during the taxation year for which the deduction is claimed or a previous taxation year, the corporation was associated

with another corporation within the meaning of section 256 of the federal Act;

- (d) at any time since its incorporation, the corporation was a beneficiary of a trust;
- (e) at any time since its incorporation, the corporation carried on the active business referred to in subsection (3) (c) (i) by reason of being a member of a partnership, if any member of the partnership was not eligible for a deduction under this section for the taxation year;
- (f) at any time since its incorporation, the corporation carried on the active business referred to in subsection (3) (c) (i) by reason of being a co-venturer in a joint venture, if any other co-venturer in the joint venture was not eligible for a deduction under this section for the taxation year;
- (g) at any time since its incorporation, the corporation carried on the active business referred to in subsection (3) (c) (i) by reason of having acquired property from a sole proprietorship, partnership or joint venture in respect of which
 - (i) the corporation,
 - (ii) any of its shareholders, or
 - (iii) any person related within the meaning of section 251 of the federal Act to the corporation or its shareholdershad at any time, directly or indirectly, an interest in the proprietorship, partnership or joint venture;
- (h) at any time since its incorporation, the corporation carried on the active business referred to in subsection (3) (c) (i) by reason of having acquired property from another corporation in respect of which
 - (i) the corporation claiming the deduction,
 - (ii) any of the shareholders of the corporation claiming the deduction, or
 - (iii) any person related within the meaning of section 251 of the federal Act to the corporation claiming the deduction or its shareholdersowned at any time, directly or indirectly, more than 10% of the issued shares of any class of the capital stock of the other corporation;
- (i) as a result of a transaction or an event, or a series of transactions or events, property of a business has been transferred or has been

- deemed to have been transferred, either directly or indirectly, to the corporation and it is reasonable for the Commissioner of Income Tax to believe that one of the principal purposes of the transfer or deemed transfer is to enable the corporation to claim a deduction under this section that it could not otherwise claim;
- (j) as a result of a disposition or deemed disposition of shares of any corporation, it is reasonable for the Commissioner of Income Tax to believe that one of the principal purposes of the disposition or deemed disposition is to enable the corporation to claim a deduction under this section that it could not otherwise claim;
 - (k) the certificate of eligibility of the corporation for the taxation year has been rescinded;
 - (l) the corporation is within a class prescribed by regulation under subsection (5).
- (5) The Lieutenant Governor in Council may, by regulation, prescribe classes of corporations as ineligible for a deduction under this section.
- (6) A corporation that would be eligible but for subsection (4) (a) is eligible for a deduction under this section if
- (a) the same or mainly the same business activity was carried on as all or part of the business activity of a sole proprietorship or partnership for a period of 90 days or less before the date of incorporation, and
 - (b) the period referred to in paragraph (a) did not begin until after April 30, 1996.
- (7) The Commissioner of Income Tax may issue a certificate of eligibility for a corporation for a taxation year if
- (a) after the end of the taxation year for which the certificate would be issued, the corporation applies and provides information in accordance with the requirements established by the Commissioner, and
 - (b) the Commissioner is satisfied that the corporation is eligible for a deduction under this section for the taxation year.
- (8) A separate certificate of eligibility must be obtained for each taxation year for which a deduction under this section is claimed.
- (9) For the purpose of determining whether a corporation is eligible under this section, the Commissioner of Income Tax has powers equivalent to the minister under sections 230 (3), 231, 231.1, 233 (1) and 236 of the federal Act, and for this

purpose those sections apply.

- (10) If the Commissioner of Income Tax refuses to issue a certificate of eligibility for a corporation, the Commissioner must give notice of this refusal to the corporation together with reasons for the refusal.
- (11) If, after issuing a certificate of eligibility and before the end of the period allowed for reassessment, the Commissioner of Income Tax determines on the basis of further information that a corporation was not in fact eligible for a deduction under this section, the Commissioner may rescind the certificate.
- (12) If the Commissioner of Income Tax rescinds a certificate of eligibility, the Commissioner must notify the corporation of this rescission, together with reasons for the rescission.
- (13) If a certificate of eligibility has been rescinded and the corporation has claimed and received a deduction under this section, the amount of the deduction, together with interest from the time referred to in section 157 (1) (b) of the federal Act, is a debt of the corporation due to the Provincial government.
- (14) For the purpose of recovering a debt under subsection (13), the Commissioner of Income Tax may
 - (a) issue a certificate stating that the amount is due, the amount remaining unpaid, including interest, and the name of the corporation required to pay it, and
 - (b) file the certificate with the Supreme Court.
- (15) A certificate filed under subsection (14) with the Supreme Court is of the same effect, and proceedings may be taken on it, as if it were a judgment of the Supreme Court for the recovery of a debt in the amount stated against the person named in it.
- (16) A corporation that knowingly applies for a certificate of eligibility for a taxation year for which it is not eligible under this section commits an offence and is liable on conviction to a fine of up to double the amount of the deduction claimed.

Appeal of refusal or rescission of certificate of eligibility

- 18** (1) If the Commissioner of Income Tax refuses to issue a certificate of eligibility under section 17 (7) or rescinds a certificate of eligibility under section 17 (11), the corporation may appeal the Commissioner's decision to the Provincial minister.
- (2) An appeal under subsection (1)

- (a) must be made within 120 days after the date appearing on the notice under section 17 (10) or (12), as applicable, and
 - (b) must be made by serving a notice of appeal on the Provincial minister by mailing it by registered mail addressed to that minister at the Parliament Buildings at Victoria, British Columbia.
- (3) The notice of appeal must set out clearly and fully the reasons for the appeal and the facts on which it is based.
- (4) On receiving the notice of appeal, the Provincial minister must
 - (a) consider the notice and the information and documents on file in the office of the Commissioner of Income Tax regarding the matter,
 - (b) affirm the Commissioner's decision, direct the Commissioner to reconsider the matter or direct the Commissioner to issue a certificate of eligibility, and
 - (c) notify the appellant of the decision.
- (5) A decision of the Provincial minister under subsection (4) may be appealed to the Supreme Court by way of a petition proceeding and, for these purposes, section 20 of the *International Financial Business (Tax Refund) Act*, as it read on August 31, 2004, applies.
- (6) If directed by the Provincial minister or a court under this section, the Commissioner must issue a certificate of eligibility under section 17 (7) for the applicable taxation year.

Order of making deductions

18.1 In computing a corporation's tax payable under this Act, the following provisions must be applied in the following order:

- (a) section 14 (3) *[foreign tax deduction]*;
 - (b) section 19.1 *[logging tax deduction]*;
 - (c) and (d) [Repealed 2007-2-21.]
 - (e) [Repealed 2020-18-17.]
 - (e.1) section 20.1 *[farmers' food donation tax credit]*;
 - (f) section 21 *[small business venture capital tax credit]*;
 - (g) [Repealed 2001-3-19.]
 - (h) section 105 *[manufacturing and processing tax credit]*;
 - (i) section 99 *[scientific research and experimental development tax credit]*.

Division 4 — Individual and Corporate Income Tax

Repealed

19 [Repealed 2007-2-22.]

Logging tax deduction

- 19.1** (1) In this section, "**logging tax**" means the tax imposed in respect of income derived from logging operations for the year in British Columbia under the [Logging Tax Act](#).
- (2) There must be deducted from the tax payable by a taxpayer under this Act for a taxation year an amount equal to 1/3 of the logging tax payable and paid by the taxpayer.

Renumbered

20 [Renumbered as 4.722 by 2020-18-18.]

Farmers' food donation tax credit

20.1 (1) In this section:

"agricultural products" means agricultural products as defined by regulation;

"eligible amount", in respect of a qualifying gift, has the same meaning as in section 248 of the federal Act;

"eligible donee" means a registered charity that

- (a) is engaged in providing food to individuals in British Columbia without charge, and
- (b) meets additional criteria that may be established by regulation;

"eligible taxpayer" means

- (a) an individual, other than a trust or estate, who is subject to tax under section 2 (1), or
- (b) a corporation that is subject to tax under section 2 (2).

(2) A gift is a qualifying gift of an eligible taxpayer for a taxation year if the following criteria are met:

- (a) the gift is a gift of agricultural products produced in British Columbia by the eligible taxpayer or, if the eligible taxpayer is an individual, the spouse or common-law partner of the individual;

- (b) the eligible taxpayer makes the gift to an eligible donee;
 - (c) the gift is made after February 16, 2016 and before January 1, 2027;
 - (d) if the eligible taxpayer is an individual,
 - (i) the individual, or the spouse or common-law partner of the individual, carries on the business of farming in British Columbia in the taxation year in which the gift is made, and
 - (ii) the amount of the gift is included in calculating the amount deducted by the individual under section 4.4 in computing the individual's tax payable for the taxation year;
 - (e) if the eligible taxpayer is a corporation,
 - (i) the corporation carries on the business of farming in British Columbia in the taxation year in which the gift is made, and
 - (ii) the amount of the gift is included in calculating the amount deducted by the corporation under section 110.1 (1) of the federal Act in computing the corporation's taxable income for the taxation year.
- (3) For the purpose of computing the tax payable under this Act for a taxation year by an eligible taxpayer, there may be deducted an amount not exceeding the amount equal to 25% of the total of all amounts each of which is an eligible amount of a qualifying gift of the eligible taxpayer for the taxation year.
- (4) Without limiting section 48 (1) and (2), the Lieutenant Governor in Council may make regulations as follows:
- (a) defining agricultural products for the purposes of this section;
 - (b) establishing criteria for the purposes of the definition of "eligible donee" in subsection (1) of this section.
- (5) Regulations made under subsection (4) may be made retroactive to February 17, 2016 or a later date, and if made retroactive are deemed to have come into force on the date specified in the regulation.

Small business venture capital tax credit

21 (1) In this section:

"convertible right" has the same meaning as in the *Small Business Venture Capital Act*;

"individual" does not include an estate or trust;

"venture capital tax credit" means the aggregate of the tax credit amounts shown

on all venture capital tax credit certificates issued

- (a) to a taxpayer that is a corporation, for share or convertible right purchases made during a taxation year, or
- (b) to a taxpayer who is an individual, for
 - (i) share or convertible right purchases made during a calendar year, and
 - (ii) if the taxpayer makes and files an election under subsection (16), share or convertible right purchases made within the first 60 days after the end of a calendar year;

"venture capital tax credit certificate" means a tax credit certificate issued under section 20 (4) or 28.95 of the *Small Business Venture Capital Act* by the administrator under that Act.

- (2) If, in respect of a taxation year, a taxpayer who is an individual has been issued a venture capital tax credit certificate, there must be deducted from the tax otherwise payable by that taxpayer under this Part in that taxation year the lesser of

- (a) the venture capital tax credit, or
- (b) \$120 000.

- (3) If the amount of tax otherwise payable under this Act for a taxation year by a taxpayer who is an individual is less than the amount of the deduction under subsection (2), the minister may pay to the taxpayer an amount equal to the lesser of

- (a) the venture capital tax credit, or
- (b) \$120 000

minus the amount of tax otherwise payable under this Part in that taxation year.

- (4) If, in any of the subsequent 4 taxation years, a taxpayer who is an individual has not used all of the venture capital tax credit under subsection (2) or (3), there must be deducted from the tax otherwise payable under this Part in that taxation year, an amount equal to the lesser of

- (a) the unused part of the venture capital tax credit,
- (b) the amount of tax that would otherwise be payable but for the unused part, or
- (c) \$120 000.

- (5) If, in any year referred to in subsection (4), a taxpayer who is an individual has, after making the deduction under that subsection, not deducted all of the unused venture capital tax credit referred to in that subsection, the minister must pay to that taxpayer an amount equal to the lesser of
- (a) the amount that was not so used before any deduction under subsection (4), or
 - (b) \$120 000
- minus the amount of tax otherwise payable under this Part in that taxation year.
- (6) If an individual who has been issued a venture capital tax credit certificate dies and, at the time of the individual's death, has not deducted the full amount of the credit to which the individual is entitled under subsection (2), (3), (4) or (5), the minister must pay to the estate of that deceased individual an amount equal to the amount that has not been so deducted.
- (7) The maximum aggregate of all amounts that may be deducted by the taxpayer or paid to the taxpayer under subsection (2), (3), (4) or (5) in any year must not exceed \$120 000.
- (8) If, in respect of a taxation year, a taxpayer that is a corporation has been issued a venture capital tax credit certificate, there must be deducted from the tax otherwise payable by that taxpayer under this Part in that taxation year, an amount equal to the lesser of
- (a) the amount of the venture capital tax credit, or
 - (b) the amount of tax that would otherwise be payable but for that credit.
- (9) If, in any of the 4 subsequent taxation years, a taxpayer that is a corporation has not deducted all of the tax credit under subsection (8), there must be deducted from the tax otherwise payable by the taxpayer in that year, an amount equal to the lesser of
- (a) the unused part of the venture capital tax credit that had not been so deducted, or
 - (b) the amount of tax, but for the unused part of the credit, that would otherwise be payable.
- (10) Deductions and payments under this section in respect of venture capital tax credits are deemed to be deducted or paid, as the case may be, in the order that the certificates relating to the tax credits were issued.
- (11) A taxpayer who is entitled to a deduction or payment under this section must,

- (a) in the taxpayer's return of income under section 29 for any taxation year in respect of which a deduction or payment under this section applies, include the number of the venture capital tax credit certificate issued to that taxpayer, and
 - (b) if the taxpayer's return of income under section 29 for any taxation year in respect of which a deduction or payment under this section applies is not filed by way of electronic filing, file a copy of the venture capital tax credit certificate issued to that taxpayer with the taxpayer's return of income.
- (12) A taxpayer is not entitled to a deduction or payment under this section unless the taxpayer files, within 3 years after the end of the taxation year, a return under section 29.
- (13) If, under a collection agreement made under section 69, the government of Canada would permit deductions from income tax payable by taxpayers under the federal Act of amounts payable by the minister under subsection (3), (5) or (6), or will pay to taxpayers amounts payable by the minister under subsection (3), (5) or (6), the finance minister must make payments to the government of Canada for the amount of the deductions and payments that are permitted or made by the government of Canada under the agreement.
- (14) If a taxpayer is permitted to make deductions or receive a payment in accordance with the agreement made under section 69, the deduction or payment is in place of payments to which the taxpayer would otherwise be entitled under subsection (3), (5) or (6), and the taxpayer is not entitled to payment under those subsections.
- (15) Without limiting any provision of this or any other enactment, the Provincial minister, the federal minister, if a collection agreement is in effect, and the minister responsible for the administration of the *Small Business Venture Capital Act* may
 - (a) collect information that is relevant to a tax credit being claimed or already claimed under this section, and
 - (b) share with each other, in accordance with an information-sharing agreement entered into under section 65, information relevant to a tax credit being claimed or already claimed under this section.
- (16) An individual taxpayer may make, and file with the minister, an election, in the form and containing the information required by the Commissioner of Income Tax, to treat a share or convertible right purchase made within the first 60 days after the end of a calendar year as having been made in the immediately

preceding calendar year and not in the calendar year of purchase, in which case the purchase is deemed to have been made in that immediately preceding calendar year.

- (17) A venture capital tax credit certificate that is revoked by the administrator under the *Small Business Venture Capital Act* is deemed never to have been issued.

Repealed

22-24 [Repealed 2000-15-22.]

Qualifying environmental trusts: tax and tax credit

25 (1) In this section, "**qualifying environmental trust**" means a qualifying environmental trust, as defined in section 248 (1) of the federal Act, except that a reference in that definition to "province" is to be read as a reference to British Columbia.

(2) For each taxation year, a qualifying environmental trust must pay tax equal to 12% of its income that is subject to tax under Part XII.4 of the federal Act for that taxation year, and for these purposes Part XII.4 of the federal Act applies.

(3) A taxpayer who is a beneficiary of a qualifying environmental trust may claim for a particular taxation year of the taxpayer an amount not exceeding the tax credit calculated as the total of paragraphs (a) and (b) as follows:

(a) all amounts, each of which is an amount determined by the following formula:

$$\text{amount} = \text{trust tax} \times \frac{\text{beneficiary's income}}{\text{trust income}}$$

if

trust tax = the tax payable under subsection (2) by a qualifying environmental trust for the taxation year of the trust that ends in the particular taxation year of the taxpayer;

beneficiary's income = the amount, if any, by which

the total of all amounts in respect of the trust that, by application of section 107.3 (1) of the federal Act, are included in calculating the taxpayer's income for the particular taxation year, other than amounts included because of being a member of a partnership,

exceeds

the total of all amounts in respect of the trust that, by application of section 107.3 (1) of the federal Act, are deducted in calculating the taxpayer's income for the particular taxation year;

trust = the trust's income for the trust's taxation year, calculated without reference to sections

income 104 (4) to (31) and 105 to 107 of the federal Act;

(b) in respect of each partnership of which the taxpayer was a member, the total of all amounts each of which is the amount that can reasonably be considered to be the taxpayer's share of the relevant credit in respect of the partnership.

(4) For the purpose of subsection (3) (b), the relevant credit in respect of a partnership is the amount that would, if the partnership were a person and its fiscal year end were its taxation year end, be the tax credit under subsection (3) for its taxation year that ends in the particular taxation year of the taxpayer.

(5) A taxpayer that has claimed and is eligible for a tax credit under subsection (3) for a taxation year is deemed to have paid, at the time referred to in section 156.1 (4) or 157 (1) (b) of the federal Act, as the applicable section relates to the taxation year of the taxpayer, the amount of the tax credit on account of the taxpayer's tax payable under this Act.

(6) and (7) [Repealed 2001-3-21.]

Mining exploration tax credit

25.1 (1) In this section:

"assistance" in relation to a taxpayer means an amount, other than an amount deemed to have been paid under this section, that would be included under section 12 (1) (x) of the federal Act in computing the income of the taxpayer for any taxation year if that section were read without reference to subparagraphs (v) to (vii) of that section 12 (1) (x);

"eligible taxpayer" means

(a) an individual subject to tax under section 2 (1) (a), or

(b) a corporation that is subject to tax under section 2 (2), other than a corporation all or part of whose taxable income is at any time in the taxation year exempt from tax under Part 1 of the federal Act or a corporation that, at any time in the taxation year,

(i) is exempt from tax under section 27,

(ii) is controlled directly or indirectly in any manner whatever by one or more persons all or part of whose taxable income is exempt from tax under section 27 of this Act or under Part 1 of the federal Act,

(iii) is prescribed, under the federal Act, to be a labour-sponsored venture capital corporation for the purpose of section 127.4 of

that Act,

- (iv) has registered an employee share ownership plan under section 2 of the *Employee Investment Act*,
- (v) is an employee venture capital corporation registered under section 8 of the *Employee Investment Act*, or
- (vi) is a small business venture capital corporation registered under section 3 of the *Small Business Venture Capital Act*;

"excluded expense" of a taxpayer for a taxation year means

- (a) a Canadian development expense within the meaning of section 66.2 (5) of the federal Act, other than an expense incurred after February 28, 2015 for environmental studies or community consultations undertaken to obtain a right, licence or privilege for the purpose of determining the existence, location, extent or quality of a mineral resource in British Columbia,
- (b) an expense that may reasonably be considered to be related to a mine that has come into production in reasonable commercial quantities or to a potential or actual extension of such a mine,
- (c) a Canadian exploration and development overhead expense within the meaning of the federal regulations,
- (d) an outlay or expense described in paragraph (j) or (l) of the definition of "Canadian exploration expense" in section 66.1 (6) of the federal Act,
- (e) a cost of, or for the use of, seismic data referred to in section 66 (12.6) (b.1) of the federal Act,
- (e.1) an outlay or expense incurred by the taxpayer in the course of earning income in the taxation year if any of the income is exempt income, as defined in section 248 (1) of the federal Act, or is exempt from tax under Part 1 of the federal Act,
- (f) an expense incurred in drilling or completing an oil or gas well, in building a temporary access road to an oil or gas well or in preparing a site in respect of an oil or gas well,
- (f.1) personal or living expenses of the taxpayer, other than travel expenses incurred by the taxpayer while away from home in the course of carrying on the activity described in paragraph (c) of the definition of "qualified mining exploration expense",
- (f.2) an amount that, under an agreement described in section 66 (12.6) of

the federal Act and made after July 30, 2001, is renounced in accordance with that section, in respect of an expense incurred after July 30, 2001,

(f.3) an expense, in respect of a mineral resource, that

- (i) is described in paragraph (c) (ii) (A), (C) or (D) of the definition of "qualified mining exploration expense",
- (ii) is incurred after the date this paragraph comes into force,
- (iii) is incurred before a new mine in the mineral resource comes into production in reasonable commercial quantities, and
- (iv) results in revenue or can reasonably be expected to result in revenue earned before the new mine comes into production in reasonable commercial quantities,

except to the extent that the total of all such expenses in respect of the mineral resource exceeds the total of those revenues, or

(g) [Repealed 2003-6-1.]

(h) any other outlay or expense prescribed under subsection (8);

"mineral resource" means a mineral resource described in paragraph (a), (b) or (d) of the definition of "mineral resource" in section 248 (1) of the federal Act;

"personal or living expenses" means personal or living expenses within the meaning of section 248 (1) of the federal Act;

"qualified mining exploration expense" of a taxpayer means any expense, other than an excluded expense, that is incurred

- (a) by the taxpayer,
- (b) after July 31, 1998,
- (c) for the purpose of determining the existence, location, extent or quality of a mineral resource in British Columbia, including
 - (i) such an expense incurred after February 28, 2015 for environmental studies or community consultations, including environmental studies or community consultations undertaken to obtain a right, licence or privilege for the purpose of determining the existence, location, extent or quality of a mineral resource in British Columbia, and
 - (ii) any expense incurred in the course of
 - (A) prospecting,
 - (B) carrying out geological, geophysical or geochemical

- surveys,
- (C) drilling by rotary, diamond, percussion or other methods,
or
- (D) trenching, digging test pits and preliminary sampling,
and

(iii) and (iv) [Repealed 2017-12-52.]

- (d) in respect of goods or services acquired by the taxpayer that are all or substantially all provided in British Columbia,

to the extent that the expense is reasonable in the circumstances and is not an expense in relation to which a tax credit under this section has been claimed by another person.

- (1.1) For greater certainty, section 66 (12.6001) of the federal Act applies for the purposes of paragraph (f.2) of the definition of "excluded expense" in subsection (1) of this section.
- (2) Subject to subsection (3), an eligible taxpayer may claim a mining exploration tax credit for a taxation year equal to the total of the following:
- (a) the amount determined under subsection (4);
 - (b) the amount equal to the total of all amounts each of which is an appropriate portion determined under subsection (4.1) in respect of a partnership of which the taxpayer was a member in the taxation year as provided for in that subsection;
 - (c) the amount determined under subsection (4.3);
 - (d) the amount equal to the total of all amounts each of which is an appropriate portion determined under subsection (4.4) in respect of a partnership of which the taxpayer was a member in the taxation year as provided for in that subsection.
- (3) An eligible taxpayer who has made a deduction in accordance with section 17 for a taxation year must not claim a tax credit under this section for the same taxation year.
- (4) An eligible taxpayer may claim for a taxation year 20% of the amount by which
- (a) the total of the qualified mining exploration expenses incurred by the taxpayer in the taxation year
exceeds
 - (b) all amounts of assistance that can reasonably be considered to be in respect of amounts included in the total referred to in paragraph (a)

and that, at the time of filing of the taxpayer's return of income for the taxation year,

- (i) the taxpayer has received or is entitled to receive or can reasonably be expected to receive,
- (ii) have not been repaid under a legal obligation to do so, and
- (iii) have not otherwise reduced the total referred to in paragraph (a).

(4.1) If in a taxation year an eligible taxpayer is a member of a partnership, other than a specified member as defined in section 248 (1) of the federal Act, the eligible taxpayer may claim for the taxation year the appropriate portion of 20% of the amount by which

- (a) the total of the qualified mining exploration expenses incurred by the partnership for its taxation year ending in the taxation year of the taxpayer

exceeds

- (b) all amounts of assistance that can reasonably be considered to be in respect of amounts included in the total referred to in paragraph (a) and that, on or before the filing-due date for the taxation year of the partnership,
 - (i) the partnership has received or is entitled to receive or can reasonably be expected to receive,
 - (ii) have not been repaid under a legal obligation to do so, and
 - (iii) have not otherwise reduced the total referred to in paragraph (a).

(4.2) For the purpose of determining the amount under subsection (4.1) in respect of a partnership,

- (a) in subsection (1), in the definitions of "assistance", "excluded expense" and "qualified mining exploration expense", the references to "taxpayer" must be read as "partnership",
- (b) in subsection (1), in the definition of "qualified mining exploration expense",
 - (i) the reference to "July 31, 1998" in paragraph (b) must be read as "March 31, 2003", and
 - (ii) the phrase "another person" must be read as "another person other than an eligible taxpayer that is a member of the partnership",

- (c) the amount is determined as if
 - (i) the partnership were a person,
 - (ii) its fiscal period were its taxation year, and
 - (iii) its filing-due date were its filing-due date for the year if it were a corporation, and
- (d) the appropriate portion is that portion that may reasonably be considered to be the eligible taxpayer's share of 20% of the amount determined under subsection (4.1).

(4.3) An eligible taxpayer may claim for a taxation year 10% of the amount by which

- (a) the total of the qualified mining exploration expenses incurred in a prescribed area by the taxpayer in the taxation year

exceeds

- (b) all amounts of assistance that can reasonably be considered to be in respect of amounts included in the total referred to in paragraph (a) and that, at the time of filing of the taxpayer's return of income for the taxation year,
 - (i) the taxpayer has received or is entitled to receive or can reasonably be expected to receive,
 - (ii) have not been repaid under a legal obligation to do so, and
 - (iii) have not otherwise reduced the total referred to in paragraph (a).

(4.4) If in a taxation year an eligible taxpayer is a member of a partnership, other than a specified member as defined in section 248 (1) of the federal Act, the eligible taxpayer may claim for the taxation year the appropriate portion of 10% of the amount by which

- (a) the total of the qualified mining exploration expenses incurred in a prescribed area by the partnership for its taxation year ending in the taxation year of the taxpayer

exceeds

- (b) all amounts of assistance that can reasonably be considered to be in respect of amounts included in the total referred to in paragraph (a) and that, on or before the filing-due date for the taxation year of the partnership,
 - (i) the partnership has received or is entitled to receive or can reasonably be expected to receive,

- (ii) have not been repaid under a legal obligation to do so, and
- (iii) have not otherwise reduced the total referred to in paragraph (a).

(4.5) For the purpose of determining the amount under subsection (4.3) or (4.4), in subsection (1), in the definition of "qualified mining exploration expense",

- (a) the reference to "July 31, 1998" in paragraph (b) must be read as "February 20, 2007", and
- (b) the references to "British Columbia" in paragraph (c) must be read as "a prescribed area".

(4.6) For the purpose of determining the amount under subsection (4.4) in respect of a partnership, the following rules apply:

- (a) in subsection (1), in the definitions of "assistance", "excluded expense" and "qualified mining exploration expense", the references to "taxpayer" must be read as "partnership";
- (b) in subsection (1), in the definition of "qualified mining exploration expense", the phrase "another person" must be read as "another person other than an eligible taxpayer that is a member of the partnership";
- (c) the amount is determined as if
 - (i) the partnership were a person,
 - (ii) its fiscal period were its taxation year, and
 - (iii) its filing-due date were its filing-due date for the year if it were a corporation;
- (d) the appropriate portion is that portion that may reasonably be considered to be the eligible taxpayer's share of 10% of the amount determined under subsection (4.4).

(5) A taxpayer that has claimed and is eligible for a mining exploration tax credit under this section for a taxation year is deemed to have paid, at the time referred to in section 156.1 (4) or 157 (1) (b) of the federal Act, as the applicable section relates to the taxation year for the taxpayer, the amount of the tax credit on account of the taxpayer's tax payable under this Act.

(6) A taxpayer who wishes to claim a mining exploration tax credit under this section for a taxation year must file, with the taxpayer's return of income under section 29 for the taxation year, an application for the tax credit in the form, and containing the information and records required by the Commissioner of Income Tax.

- (7) A taxpayer is not entitled to a mining exploration tax credit in respect of a taxation year that ends before January 1, 2017 unless, within 36 months after the end of the taxation year, the taxpayer files the information and records required under subsection (6) with respect to the tax credit.
- (7.1) A taxpayer is not entitled to a mining exploration tax credit in respect of a taxation year that ends on or after January 1, 2017 unless, within 18 months after the end of the taxation year, the taxpayer files the information and records required under subsection (6) with respect to the tax credit.
- (7.2) The time limit of 18 months referred to in subsection (7.1) is extended by 6 months or until December 31, 2020, whichever extension is shorter, if the time limit would otherwise expire during the period beginning on March 13, 2020 and ending on December 30, 2020.
- (8) The Lieutenant Governor in Council may make regulations prescribing outlays or expenses as excluded expenses for the purposes of this section.
- (9) Without limiting any provision of this or any other enactment, the Provincial minister, the federal minister, if a collection agreement is in effect, and the minister responsible for the administration of the *Ministry of Energy and Mines Act* may
- (a) collect any information that is relevant to an application for a tax credit being claimed or already claimed under this section, and
 - (b) share with each other, in accordance with an information-sharing agreement under section 65, any information that is relevant to an application for a tax credit being claimed or already claimed under this section.

Repealed

26 [Repealed 2000-15-22.]

Exemptions

- 27** (1) Subject to section 25, no tax is payable under this Act by any person for a period when the person
- (a) was exempt from tax by virtue of section 149 (1) of the federal Act, or
 - (b) was a non resident owned investment corporation.
- (2) Any definitions or descriptions in the federal Act applying to a person referred to in subsection (1) apply for the purposes of this Act unless otherwise provided.
- (3) [Repealed 1999-47-12.]

Repealed

28 [Repealed 2000-15-22.]

Division 5 — Returns, Assessments and Appeals**Application of federal provisions — returns of income and assessments of tax**

29 (1) The following sections of the federal Act apply for the purposes of this Act:

- (a) section 150 *[returns]*;
- (b) section 150.1 (1) to (4.1) *[electronic filing]*;
- (c) section 151 *[estimate of tax]*;
- (d) subject to this section, section 152 (1), (1.11), (1.2) and (2) to (9) *[assessment]*.

(2) In applying section 152 (1) (b) of the federal Act for the purposes of this Act, section 152 (1) (b) must be read as follows:

- (b) the amount of tax, if any, deemed by the following sections to be paid or deducted on account of the taxpayer's tax payable under this Act for the year:
 - (i) section 8 (5) *[refundable sales tax credit]*;
 - (i.1) section 8.1 (3) *[climate action tax credit]*;
 - (i.2) section 8.2 (3) *[BC harmonized sales tax credit]*;
 - (i.3) section 8.3 (4) *[renter's tax credit]*;
 - (ii) section 21 (10) *[small business venture capital tax credit]*;
 - (iii) section 25 (5) *[qualifying environmental trusts tax credit]*;
 - (iv) section 25.1 (5) *[mining exploration tax credit]*;
 - (v) section 84 *[film and television tax credit]*;
 - (vi) section 98 (2) *[scientific research and experimental development tax credit]*;
 - (vii) section 113 *[book publishing tax credit]*;
 - (viii) section 127 *[training tax credits]*;
 - (ix) section 135 *[interactive digital media tax credit]*;
 - (x) section 147 *[home renovation tax credit for seniors and persons with disabilities]*;
 - (xi) section 276 *[clean buildings tax credit]*.

(2.1) In applying section 152 (4) of the federal Act for the purposes of this Act, that section must be read as including the following paragraph:

- (e) in respect of a taxpayer that is a corporation, the assessment, reassessment or additional assessment is made
 - (i) as a consequence of a taxing authority allocating or reallocating, under the *Corporation Capital Tax Act*, the corporation's net paid up capital for the year to a jurisdiction other than British Columbia, and
 - (ii) before the day that is the later of
 - (A) the latest day on which an assessment, reassessment or additional assessment may otherwise be made under this Act, and
 - (B) one year after the day that is the earlier of
 - (I) the day that the minister receives notification from the taxing authority of the action referred to in subparagraph (i), and
 - (II) the day that the minister receives notification from the corporation of the action referred to in subparagraph (i).

(2.2) In applying section 152 (4.01) of the federal Act for the purposes of this Act, the reference in that section to "paragraph (4) (a), (b), (b.1), (b.3), (b.4) or (c)" must be read as "paragraph (4) (a), (b), (b.1), (b.3), (b.4), (c) or (e)" and that section must be read as including the following paragraph:

- (e) where paragraph (4) (e) applies to the assessment, reassessment or additional assessment, determining or redetermining the corporation's taxable income earned in the year in British Columbia, as defined in section 13.3 of this Act.

(3) In applying section 152 (4.2) of the federal Act for the purposes of this Act, section 152 (4.2) (b) must be read as follows:

- (b) redetermine the amount, if any,
 - (i) deemed by the following sections of this Act to be paid or deducted on account of the taxpayer's tax payable under this Act for the year:
 - (A) section 8 (5) [*refundable sales tax credit*];
 - (A.1) section 8.1 (3) [*climate action tax credit*];
 - (A.2) section 8.2 (3) [*BC harmonized sales tax credit*];
 - (A.3) section 8.3 (4);
 - (B) section 21 (10) [*small business venture capital tax credit*];
 - (C) section 25 (5) [*qualifying environmental trusts tax credit*];

- (D) section 25.1 (5) *[mining exploration tax credit]*;
 - (E) section 127 *[training tax credits]*;
 - (F) section 147 *[home renovation tax credit for seniors and persons with disabilities]*, or
 - (ii) deemed by section 13.071 *[BC early childhood tax benefit]* or 13.092 *[BC family benefit]* of this Act to be an overpayment on account of the taxpayer's liability under this Act for the year.
- (4) In applying section 152 (6) of the federal Act for the purposes of this Act, the reference in paragraph (d) of that section to "subsection 127 (5)" must be read as a reference to section 4.721 (2), 99 (2) or 105 (1) of this Act.

Reassessment and amended return

- 30** (1) If a collection agreement is in effect, even though the normal reassessment period for a taxpayer in respect of a taxation year has elapsed, if the tax payable under Part I of the federal Act by the taxpayer for the year is reassessed, the federal minister must reassess or make additional assessments or assess tax, interest or penalties, as the circumstances require.
- (2) [Repealed 2018-12-10.]
- (3) If a taxpayer has filed the return required by section 29 for a taxation year and, within one year from the day on or before which the taxpayer was required by section 29 to file the return for that year, has amended the return by filing with the minister a form specified by the minister claiming a deduction from income under section 111 of the federal Act in respect of non-capital losses, net capital losses or restricted farm losses sustained in the taxation year immediately following that year, the minister must reassess the taxpayer's tax for the year.

Instalment payments: farmers and fishers

- 31** (1) Section 155 of the federal Act applies for the purposes of this Act.
- (2) If a collection agreement is in effect, an individual who pays an amount in respect of a taxation year under section 155 (1) (a) or (b) of the federal Act and who is required to make a payment under section 155 of the federal Act, as it applies for the purposes of this Act, must pay an amount in respect of the year calculated under the same paragraph as it applies for the purposes of this Act.

Instalment payments: other individuals

- 32** (1) Section 156 of the federal Act applies for the purposes of this Act.
- (2) If, because of section 156.1 (2) or (3) of the federal Act, no instalment is required

to be made under section 155 or 156 of that Act by an individual for a particular taxation year, the requirements for payment of instalments under subsection (1) of this section and section 31 of this Act do not apply to the individual for that year.

- (3) If a collection agreement is in effect, an individual who pays amounts in respect of a taxation year under section 156 (1) (a) or (b) of the federal Act and who is required to make payments under section 156 of the federal Act, as it applies for the purposes of this Act, must pay an amount in respect of the year calculated under the same paragraph as it applies for the purposes of this Act.

Application of federal provision — payments by corporations

- 33** (1) Subject to subsection (2), section 157 of the federal Act applies for the purposes of this Act.
- (2) If a collection agreement is in effect, a corporation that pays amounts in respect of a taxation year calculated under section 157 (1) (a) (i), (ii) or (iii), (1.1) (a) (i), (ii) or (iii) or (1.5) (a) (i) or (ii) of the federal Act must pay amounts in respect of the year calculated under the same subparagraph of that section as it applies for the purposes of this Act.
- (3) In applying section 157 (3) and (3.1) of the federal Act for the purposes of this Act, the reference in section 157 (3) (e) and (3.1) (c) to "subsection 125.4 (3), 125.5 (3), 125.6 (2) or (2.1), 127.1 (1) or 127.41 (3)" must be read as "section 25 (5), 25.1 (5), 84, 98, 113, 127, 135 or 276 of this Act".

Application of federal provisions — returns, payments and interest

- 34** Sections 70 (2), 104 (2), 156.1 (4), 158 to 160, 160.1 (1), (1.1), (2), (2.1) and (3), 160.2 to 160.5, 161 (1) to (7), (9) and (11), 161.1 and 161.2 of the federal Act apply for the purposes of this Act.

Refund for tax credits

- 35** In applying section 160.1 (1) of the federal Act for the purposes of this Act, "**refund**" includes a refund that arises by reason of a provision of this Act
- (a) that allows a taxpayer to deduct an amount from the tax payable under this Act, or
 - (b) that deems an amount to have been paid by a taxpayer as, or on account of, the tax payable under this Act by the taxpayer.

Amount on which instalment calculated

- 36** Despite section 161 (4) or (4.01) of the federal Act, as it applies for the purposes of

this Act, if a collection agreement is in effect and a taxpayer is deemed under section 161 (4) or (4.01) of the federal Act to be liable to pay, in respect of the taxpayer's tax payable under Part I of the federal Act for a particular taxation year, a part or instalment calculated by reference to an amount described in section 161 (4) or (4.01) of the federal Act, the taxpayer is deemed for the purposes of section 161 (2) of the federal Act, as it applies for the purposes of this Act, to be liable to pay, in respect of the taxpayer's tax payable under this Act for the particular year, a part or instalment calculated by reference to the same paragraph of section 161 (4) or (4.01) of the federal Act, as it applies for the purposes of this Act.

Application of federal provisions — failure to file return or corporate return and failure to provide information

- 37** (1) Sections 162 (1) to (3), (5), (7), (7.01), (7.02), (7.2) to (7.4) and (11) and 235 of the federal Act apply for the purposes of this Act.
- (2) If a collection agreement is in effect, the federal minister may refrain from levying or may reduce a penalty provided for in this section if the person who is liable to the penalty is required to pay a penalty under section 162 of the federal Act in respect of the same failure.

Application of federal provisions — failure to report income, false statement or omission and burden of proof on appeal

- 38** (1) Section 163 (1), (1.1) and (2) of the federal Act applies for the purposes of this Act except that, in addition to any other necessary modifications, section 163 (2) of the federal Act is to be read without the references to section 120 (2) and as though
- (a) a reference in section 163 (2) (c) of the federal Act to "subsection 122.61 (1)" were to section 13.071 or 13.092 of this Act, as applicable,
 - (a.1) in section 163 (2) (c.2) of the federal Act,
 - (i) the references to "subsection 122.51 (2)" were to section 127 of this Act, and
 - (ii) the reference to "the information provided in the return" were to "the information provided in the application filed for the year under section 128 of this Act",
 - (b) a reference in section 163 (2) (d) of the federal Act
 - (i) to "subsection 127.1 (1)" were to section 98 (2) of this Act, and
 - (ii) to "the information provided in the return or form filed for the year pursuant to that subsection" were to "the information in the return or form filed under section 103 of this Act",

- (c) a reference in section 163 (2) (e) of the federal Act
 - (i) to "subsection 127.41 (3)" were to "section 25.1 (5) of this Act", and
 - (ii) to "the person's claim for the year under that subsection" were to "the person's application for the year filed under section 25.1 (6) of this Act",
 - (d) a reference in section 163 (2) (f) of the federal Act
 - (i) to "subsection 125.4 (3)" were to section 84 of this Act, and
 - (ii) to "the information provided in the return filed for the year pursuant to that subsection" were to "the information provided in the application filed for the year under section 85 (1) of this Act", and
 - (e) a reference in section 163 (2) (g) of the federal Act
 - (i) to "subsection 125.5 (3)" were to section 113 of this Act, and
 - (ii) to "the information provided in the return filed for the year pursuant to that subsection" were to "the information provided in the application filed for the year under section 114 of this Act".
- (1.01) In applying section 163 (2) of the federal Act for the purposes of this Act, that section must be read as including the following paragraphs:
- (m) the amount, if any, by which
 - (i) the amount that would be deemed under section 13.02 of this Act to be an overpayment on account of the person's liability under this Act for the 2006 taxation year if that amount were calculated by reference to the information provided in the application filed under section 13.04 (2) (b) (i) of this Act exceeds
 - (ii) the amount that is deemed under section 13.02 of this Act to be an overpayment on account of the person's liability under this Act for the 2006 taxation year;
 - (n) the amount, if any, by which
 - (i) the amount that would be deemed under section 135 of this Act to have been paid for the year by the person if that amount were calculated by reference to the information in the return or form filed under section 138 of this Act exceeds

- (ii) the amount that is deemed under section 135 of this Act to be paid for the year by the person;
- (o) the amount, if any, by which
 - (i) the amount that would be deemed under section 276 of this Act to have been paid for the year by the person if that amount were calculated by reference to the information in the return or form filed under section 281 of this Act exceeds
 - (ii) the amount that is deemed under section 276 of this Act to be paid for the year by the person.

(1.1) Section 163 (2.1), (3) and (4) of the federal Act applies for the purposes of this Act.

- (2) If a collection agreement is in effect, the federal minister may refrain from levying or may reduce a penalty provided for in this section if the person who is liable to the penalty is required to pay a penalty under section 163 of the federal Act in respect of the same failure or the same false statement or omission, as the case may be.

Application of federal provisions — penalty for late or deficient instalments

39 Section 163.1 of the federal Act applies for the purposes of this Act.

Application of federal provisions — misrepresentation of tax matter by third party

39.1 (1) Section 163.2 of the federal Act applies for the purposes of this Act.

- (2) If a collection agreement is in effect, the federal minister may refrain from levying or may reduce a penalty provided for in this section if the person who is liable to the penalty is required to pay a penalty under section 163.2 of the federal Act in respect of the same false statement.

Application of federal provisions — refunds

40 (1) If the return of a taxpayer's income for a taxation year has been made within 3 years from the end of the year, the minister may

- (a) before sending the notice of assessment for the year, where the taxpayer is an accredited production corporation or eligible production corporation as defined in section 79 of this Act and an amount is deemed under section 84 of this Act to have been paid on account of its tax payable under this Act for the year, refund all or part of any amount claimed in the return as an overpayment for the year,

not exceeding the amount so deemed to have been paid,

(b) before sending the notice of assessment for the year, where the taxpayer is a qualifying corporation as defined in section 97 of this Act and an amount is deemed under section 98 (2) of this Act to have been paid on account of its tax payable under this Act for the year, refund all or part of any amount claimed in the return as an overpayment for the year, not exceeding the amount so deemed to have been paid,

(b.1) before sending the notice of assessment for the year, where the taxpayer is a corporation and an amount is deemed under section 135 of this Act to have been paid on account of its tax payable under this Act for the year, refund all or part of any amount claimed in the return as an overpayment for the year, not exceeding the amount so deemed to have been paid, and

(c) on or after sending the notice of assessment for the year, refund, without application, any overpayment for the year, to the extent that the overpayment was not refunded under paragraphs (a) to (b.1).

(1.1) Section 164 (1) (b), (1.1) to (1.31), (1.5) to (1.53) and (1.7) to (7) of the federal Act applies for the purposes of this Act.

(2) If a collection agreement is in effect and by reason of a decision referred to in section 164 (4.1) of the federal Act a repayment of tax, interest or penalties under that Act for a taxation year is made to a taxpayer or any security accepted under that Act for such tax, interest or penalties is surrendered to the taxpayer, section 164 (4.1) of the federal Act, as it applies for the purposes of this Act, applies to any overpayment of tax, interest or penalties under this Act for the year that arises by reason of the decision.

Application of federal provisions — objections to assessments and extension of time

41 Sections 165, 166.1 and 166.2 of the federal Act apply for the purposes of this Act.

Appeal by taxpayer

42 (1) Section 169 of the federal Act applies for the purposes of this Act.

(2) Subject to subsection (2.1), an appeal from an assessment under this Act may be taken in respect of any question relating,

(a) in the case of an individual, to the determination of

(i) the individual's residency for the purposes of section 2, 13.071, 13.092 or any other provision of this Act,

- (ii) [Repealed 2018-12-13.]
- (ii.1) the amount that, under section 8.1 (3), the individual is deemed to have paid on account of the individual's tax payable under this Act for a taxation year,
- (ii.2) the amount that, under section 8.2 (3), the individual is deemed to have paid on account of the individual's tax payable under this Act for a taxation year,
- (ii.3) the amount that, under section 8.3 (5) and (6), the individual is deemed to have paid on account of the individual's tax payable under this Act for a taxation year, or
- (iii) and (iii.1) [Repealed 2018-12-13.]
- (iv) the individual's income earned in the taxation year in British Columbia as defined in section 4 (1),
- (v) [Repealed 2000-15-28.]
- (b) in the case of a corporation, to the determination of
 - (i) its taxable income earned in the year in British Columbia as defined in section 13.3, or
 - (ii) [Repealed 2000-15-28.]
 - (iii) the amount of the tax credit for a taxation year that, under section 84, 98, 113 or 135, the corporation is deemed to have paid on account of its tax payable for that year under this Act, and
- (c) in the case of an individual or a corporation, to the determination of
 - (i) [Repealed 2000-15-28.]
 - (i.1) the amount of tax payable for a taxation year by the taxpayer under this Act,
 - (i.2) the amount of a deduction from tax payable by a taxpayer under this Act,
 - (ii) the amount of the tax credit for a taxation year that, under section 25.1, the taxpayer is deemed to have paid on account of the tax payable by that taxpayer for that taxation year under this Act,
 - (iii) the amount of the tax credit for a taxation year that, under section 127, the taxpayer is deemed to have paid on account of the tax payable by that taxpayer for that taxation year under this Act, or
 - (iv) the amount of the tax credit for a taxation year that, under

section 276, the taxpayer is deemed to have paid on account of the tax payable by that taxpayer for that taxation year under this Act.

(2.1) No appeal from an assessment under this Act lies in respect of

- (a) the computation of taxable income, or
- (b) any other matter in respect of which an appeal lies under the federal Act.

(3) An appeal to the court must be instituted by

- (a) serving on the minister a notice of appeal in duplicate in the form specified by the minister, and
- (b) filing a copy of the notice of appeal with the registrar of the court or the local registrar of the court for the county or district in which the taxpayer resides.

(4) A notice of appeal must be served on the minister by sending it by registered mail addressed to the deputy head.

(5) The taxpayer appealing must set out in the notice of appeal a statement of the allegations of fact, the statutory provisions and the reasons that the taxpayer intends to submit in support of that taxpayer's appeal.

(6) The taxpayer appealing must pay the court registry the prescribed fee on filing the copy of the notice of appeal.

Reply

43 (1) The minister must, within 60 days from the day the notice of appeal is received, or within a further time as the court may either before or after the expiration of that time allow, serve on the appellant and file in the court a reply to the notice of appeal admitting or denying the facts alleged and containing a statement of the further allegations of fact and of the statutory provisions and reasons the minister intends to rely on.

(2) The court may, in its discretion, strike out a notice of appeal or any part of it for failure to comply with section 42 (5) and may permit an amendment to be made to a notice of appeal or a new notice of appeal to be substituted for the one struck out.

(3) The court may, in its discretion,

- (a) strike out any part of a reply for failure to comply with this section or permit the amendment of a reply, and

- (b) strike out a reply for failure to comply with this section and order a new reply to be filed within a time to be set by the order.
- (4) If a notice of appeal is struck out for failure to comply with section 42 (5) and a new notice of appeal is not filed as and when permitted by the court, the court may, in its discretion, dispose of the appeal by dismissing it.
- (5) If a reply is not filed as required by this section or is struck out under this section and a new reply is not filed as ordered by the court within the time ordered, the court may dispose of the appeal without notice to any party or after a hearing on the basis that the allegations of fact in the notice of appeal are true.

Procedure

- 44** (1) On the filing of the material referred to in sections 42 and 43, the matter is deemed to be an action in the court and, unless the court otherwise orders, ready for hearing.
- (2) Any fact or statutory provision not set out in the notice of appeal or reply may be pleaded or referred to in the manner and on the terms the court directs.

Application of federal provisions — irregularities, extension of time and private hearings

- 45** Sections 166, 167 and 179 of the federal Act apply for the purposes of this Act.

Court practice

- 46** (1) Except as provided in the regulations, the practice and procedure of the court apply to each matter deemed to be an action under section 44.
- (2) A judgment or order made in the action may be enforced as a judgment or order made in an action in the court.

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