

# Tax and Revenue Administration (TRA)

## *Alberta Corporate Tax Act*

### Special Notice Vol. 5 No. 52

### Job Creation Tax Cut

Last updated: May 30, 2019

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*NOTE: This special notice is intended to explain legislation and provide specific information. Every effort has been made to ensure the contents are accurate. However, if a discrepancy should occur in interpretation between this special notice and governing legislation, the legislation takes precedence.*

## Job Creation Tax Cut

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### Overview

Bill 3, *Job Creation Tax Cut (Alberta Corporate Tax Amendment) Act*, reduces the general income tax rate on businesses from 12 per cent to 8 per cent over four years, while maintaining the small business tax rate of 2 per cent.

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### Reduction to Corporate Income Tax Rate

The Job Creation Tax Cut reduces the general corporate tax rate as follows:

- from 12 per cent to 11 per cent effective July 1, 2019,
- from 11 per cent to 10 per cent effective January 1, 2020,
- from 10 per cent to 9 per cent effective January 1, 2021, and
- from 9 per cent to 8 per cent effective January 1, 2022.

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- Fax: 780-644-4144

Note: for toll-free service in Alberta, call 310-0000, then enter the number.



For a corporation whose taxation year includes days both before and after the effective date a tax rate changed, the relevant tax rates will be pro-rated based on the number of days in the corporation's taxation year that are before and after the effective date the tax rate changed.

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## Small Business Tax Rate

To maintain the small business tax rate at 2 per cent, the specified percentage for the Alberta small business deduction that may be claimed by Canadian-controlled private corporations on their qualifying amount is reduced as follows:

- from 10 per cent to 9 per cent effective July 1, 2019,
- from 9 per cent to 8 per cent effective January 1, 2020,
- from 8 per cent to 7 per cent effective January 1, 2021, and
- from 7 per cent to 6 per cent effective January 1, 2022.

For a corporation whose taxation year includes days both before and after the effective date a specified percentage changed, the relevant specified percentages will be pro-rated based on the number of days in the corporation's taxation year that are before and after the effective date the specified percentage changed.

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## Additional Information

Additional Information on the [Corporate Income Tax Program](#) is available on our website.

To receive email updates whenever new information related to the administration of the corporate income tax program is published on our website, sign up for TRA's [Subscription Service](#).

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## Contact Information and Useful Links

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