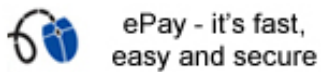
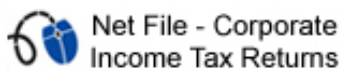


Corporate Income Tax - Overview

Online services



Videos

- [Setting up TRACS \(TRA Client Self-Service\)](#)
- [Paying Corporate Taxes Online](#)
- [Filing Corporate Income Taxes: Top 10 Oversights](#)



On this page

- [Corporate Income Tax Announcements](#)
- Corporate Income Tax
Related Links - see:
 - > [Making Payments](#)
 - > [Publications](#)
 - > [Forms](#)
 - > [FAQs](#)
 - > [Important Dates](#)
 - > [Corporate Tax Rates \(Current and Historical\)](#)
- [Corporate Tax Overview](#)
- [Small Business Deduction](#)
- [Insurance Premiums Tax](#)
- [SR&ED](#)

Corporate Income Tax Announcements

All documents are also included in Corporate Income Tax [Publications](#) or [Forms](#). See other Corporate Income Tax related links to your right.

Cross-Program Special Notice - posted May 5, 2016

- [Special Notice Vol. 8 No. 5, Waiver of Penalties and/or Interest - Natural Disasters](#)

Video: Filing Corporate Income Taxes - Top 10 Oversights - posted April 29, 2016

- [Watch this video](#) for tips on how to save time by filing your corporate income taxes (CIT) correctly.

Budget 2016: Small Business Tax Rate Reduction - posted April 14, 2016

- The small business tax rate will be reduced from 3% to 2%, effective January 1, 2017. See [Special Notice Vol. 5 No. 45, Alberta Small Business Tax Rate Reduction](#), and [FAQs](#).

Insurance Premiums Tax Return and Remittance - posted February 25, 2016

- Tax and Revenue Administration (TRA) no longer mails the Insurance Premiums Tax Return to insurers. The insurer is responsible to obtain the return from our website ([see form AT2095](#)) or by [contacting our office](#).
 - When submitting the tax return, you must also provide a copy of one of the following documents from the fourth quarter return submitted to the Superintendent of Insurance: P&C pages 67.10 and 93.30 OR LIFE pages 95.010 and 95.020.
 - The tax return is to be received by TRA on or before the 75th day following the taxation year-end. Late filed returns may be subject to a late filing penalty. The tax due for a taxation year must also be received on or before the 75th day following the taxation year-end. Interest will be charged on late payments.

Insurance Premiums Tax Increase effective April 1, 2016 - posted November 4, 2015

- As part of Budget 2015 (October), Alberta will increase its insurance premium tax rates by one percentage point, effective April 1, 2016. Please see [Special Notice Vol. 5 No. 43, Insurance Premiums Tax Increase](#).

Corporate Income Tax Overview

Corporations operating in Alberta are required to file Alberta corporate tax returns in addition to filing with Canada Revenue Agency (CRA).

Tax and Revenue Administration (TRA), Alberta Treasury Board and Finance, administers the [Alberta Corporate Tax Act](#), that provides for the calculation of:

- Alberta corporate income tax for corporations with a permanent establishment in Alberta, including Alberta deductions and credits such as the Alberta small business deduction, Alberta foreign investment income tax credit, Alberta political contributions tax credit and scientific research and experimental development (SR&ED) tax credit ([see below](#)); and
- Insurance premiums tax (formerly insurance corporations tax) payable by corporations carrying on the business of insurance in Alberta (see [below](#)).

Background

Corporate income tax has been levied by the province since the 1940s. All incorporated businesses with a permanent establishment (e.g., office, mine, farm, oil well, etc.) in Alberta at any time in a taxation year pay income tax on the portion of their taxable income allocated to Alberta.

The Alberta calculation of taxable income parallels the federal calculation, although taxpayers may claim different discretionary deductions such as capital cost allowances for federal and provincial purposes. The allocation of income among provinces is generally standardized across the country.

[Back to Top](#)

Small Business Deduction

Canadian-controlled private corporations not in an associated group may claim a small business deduction on active business income (i.e., non-investment income) up to the small business threshold of \$500,000. Canadian-controlled private corporations in an associated group share the maximum small business threshold. For more information about the small business deduction, see information circular [CT-17, *Alberta Small Business Deduction*](#). Please also see [Special Notice Vol. 5 No. 45, *Alberta Small Business Tax Rate Reduction*](#), and [FAQs](#).

[Back to Top](#)

Insurance Premiums Tax

The insurance premiums tax (formerly referred to as insurance corporations tax) is payable by insurance companies for business transacted in Alberta during the year. For more information, see [Special Notice Vol. 5, No. 37, *Alberta Corporate Tax Amendment Act, 2012*](#) and Information Circular [CT-21, *Insurance Premiums Tax*](#).

As part of Budget 2015, on April 1, 2016, the tax rates on premiums receivable on contracts of life, accident and sickness insurance will increase from two to three per cent, while the tax rates on other contracts of insurance will increase from three to four per cent. Please see [Special Notice Vol. 5 No. 43 - *Insurance Premiums Tax Increase*](#).

Please note: TRA no longer mails the Insurance Premiums Tax Return to insurers. The insurer is responsible to obtain the return from our website ([see form AT2095](#)) or by [contacting our office](#).

- When submitting the tax return, you must also provide a copy of one of the following documents from the fourth quarter return submitted to the Superintendent of Insurance: P&C pages 67.10 and 93.30 OR LIFE pages 95.010 and 95.020.
- The tax return is to be received by TRA on or before the 75th day following the taxation year-end. Late filed returns may be subject to a late filing penalty. The tax due for a taxation year must also be received on or before the 75th day following the taxation year-end. Interest will be charged on late payments.

[Back to Top](#)

Alberta Scientific Research and Experimental Development (SR&ED) Tax Credit

Alberta's scientific research and experimental development tax credit program provides a refundable tax

credit to corporations for SR&ED expenditures incurred in Alberta by the corporations.

For more information, see Information Circular [SRED-1](#), and the [SR&ED Guide and related forms](#).

[Back to Top](#)

Current and Historical Alberta Corporate Tax Rates and Small Business Deduction

See [Alberta Corporate Tax Rates and Small Business Deduction](#) (from January 2000 to current).

[Back to Top](#)

Page last updated: May 5, 2016
