

# Alberta Corporate Income Tax

## Filing Exemption Checklist

### Requirement to file the AT1 Return:

Generally, a corporation must file an Alberta Corporate Income Tax Return (AT1) if it has a permanent establishment in Alberta at any time during that taxation year with the following exceptions:

- the corporation was a registered charity throughout the taxation year, or
- the corporation had no tax payable for the taxation year as specified under section 35 of the *Alberta Corporate Tax Act*.

Additionally, the corporation must meet all of the exemption criteria listed below in the taxation year.

### Exemption Criteria:

The corporation is **exempt** from filing the Alberta return for the specified taxation year if the corporation:

- ☐ Is a Canadian-controlled private corporation throughout the taxation year;
- ☐ Has permanent establishments only in Alberta throughout the taxation year;
- ☐ Has filed a federal T2 return with the Canada Revenue Agency (CRA) and is reporting no taxable income before applying losses carried back from a subsequent year and before deducting any amount relating to the exercise of an option in a subsequent year;
- ☐ Has elective tax account balances (e.g., UCC, reserves, losses, etc.) that are the same for Alberta and federal purposes throughout the year;
- ☐ Has gross revenue for the year that does not exceed \$500,000;
- ☐ Is not claiming a refund of tax instalments;
- ☐ Is not claiming the Alberta Qualifying Environmental Trust (QET) Tax Credit;
- ☐ Is not claiming the Alberta Investor Tax Credit (AITC), the Capital Investment Tax Credit (CITC) or the Film and Television Tax Credit (FTTC); and
- ☐ Is not claiming the Alberta Innovation Employment Grant (IEG).

A corporate income tax return must be submitted to Tax and Revenue Administration (TRA) within six months of the corporation's tax year end if the corporation does not meet all of the exemption criteria.

When a corporation file its federal T2 tax return to the Canada Revenue Agency (CRA), TRA will confirm whether the corporation is exempt from filing. If the corporation previously thought they were exempt, but later realizes they are not, they have 90 days from the time of discovery to file the AT1 return.

If the corporation is not exempt from filing and its gross revenue exceeds \$1 million, the corporation must file the Alberta return electronically using NETFILE unless it is an insurance corporation, a non-resident corporation, or reports in functional currency.

Visit <https://www.alberta.ca/corporate-income-tax.aspx> for more information.