

# *The Mineral Rights Tax Regulations, 1998*

*being*

Chapter M-17.1 Reg 7 (effective June 25, 1998, except  
cl. 2(b), (e), (f) and (g), cl. 5(a) and s.6  
effective June 25, 1996).

## **NOTE:**

**This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.**

## Table of Contents

1	Title	6	Refund for certain mineral rights taxes
2	Interpretation	7	Forms
3	Interpretation of the Act	8	Rate of interest
4	Exemption certificate for agricultural corporation	9	R.R.S. c.M-17.1 Reg 3 repealed
5	Exemption from mineral rights tax	10	R.R.S. c.M-17.1 Reg 4 repealed
		11	Sask. Reg. 49/84 repealed

### **Appendix**

Form A Certificate

**CHAPTER M-17.1 REG 7**  
*The Mineral Taxation Act, 1983*

**Title**

- 1 These regulations may be cited as *The Mineral Rights Tax Regulations, 1998*.

**Interpretation**

- 2 In these regulations:

- (a) **“Act”** means *The Mineral Taxation Act, 1983*;
- (b) **“entitlement mineral right”** means a mineral right acquired by an Indian band pursuant to a Framework Agreement where the mineral right:
  - (i) is intended to be set apart by Canada as an entitlement reserve for the use and benefit of the Indian band; and
  - (ii) is held by:
    - (A) trustees of the Indian Band; or
    - (B) a corporation, of which the majority of issued voting shares are legally and beneficially owned by the Indian band;
- (c) **“farmer”** means an individual who:
  - (i) spends a significant portion of his or her time actively engaged in farming; and
  - (ii) derives a majority of his or her income either directly or indirectly from the sale of agricultural products;
- (d) **“farming”** includes tillage of soil, livestock raising, poultry raising, dairying, fur farming, tree farming, bee-keeping or fish farming or any other activity undertaken to produce agricultural products but does not include:
  - (i) the production of agricultural products for the purpose of crop science research;
  - (ii) the purchase for resale of agricultural products; or
  - (iii) the commercial processing of agricultural products;
- (e) **“Framework Agreement”** means a Framework Agreement as defined in *The Treaty Land Entitlement Implementation Act*;
- (f) **“Indian band”** means a band as defined in the *Indian Act* (Canada);
- (g) **“resident farmer”** means a farmer who resides in Saskatchewan for at least 183 days in each year;
- (h) **“share”** includes:
  - (i) a membership interest as defined in *The Non-profit Corporations Act*;
  - (ii) shares held in a co-operative association incorporated or continued pursuant to *The Co-operatives Act, 1989*; or

(iii) the interest of a member of a co-operative association incorporated or continued pursuant to *The Co-operatives Act, 1989*, where the co-operative association does not have share capital.

3 Jly 98 cM-17.1 Reg 7 s2.

**Interpretation of the Act**

3 For the purposes of section 13.1 of the Act and in these regulations, **“agricultural corporation”** means a corporation that is primarily engaged in the business of farming and of which:

- (a) the majority of issued voting shares are legally and beneficially owned by resident farmers; and
- (b) the majority of issued shares are legally and beneficially owned by resident farmers.

3 Jly 98 cM-17.1 Reg 7 s3.

**Exemption certificate for agricultural corporation**

4(1) To qualify for an exemption pursuant to subsection 13.1(1) of the Act, an agricultural corporation shall apply to the minister for an exemption certificate respecting its mineral rights ownership.

(2) An application by an agricultural corporation for an exemption certificate pursuant to subsection (1) is to:

- (a) be in the form approved by the minister and be delivered to the department;
- (b) contain any information the minister may require, including:
  - (i) the name of the agricultural corporation;
  - (ii) the ownership of and voting rights respecting the shares of the agricultural corporation;
  - (iii) the occupation and residence of each shareholder of the agricultural corporation;
  - (iv) a description of the business activities of the agricultural corporation; and
  - (v) the legal description of the area of all mineral rights owned by the agricultural corporation; and
- (c) be verified by a declaration in a form approved by the minister and signed on behalf of the agricultural corporation certifying that:
  - (i) all information contained in the application is true and complete; and
  - (ii) the applicant is an agricultural corporation within the meaning of the Act and these regulations.

- (3) The minister shall issue to an agricultural corporation an exemption certificate if the minister is satisfied that:
- (a) the information contained in an application pursuant to subsection (2) is accurate and complete; and
  - (b) the applicant is an agricultural corporation.
- (4) An exemption certificate issued by the minister pursuant to subsection (3) is to:
- (a) identify the agricultural corporation to which it is issued; and
  - (b) describe the mineral rights owned by the agricultural corporation.
- (5) Subject to subsection (6), an exemption certificate issued by the minister pursuant to subsection (3) shall not be issued for a term exceeding 36 consecutive months, beginning with the month in which it is issued.
- (6) An agricultural corporation may apply for a new exemption certificate in accordance with this section within 60 days before the expiry of an existing exemption certificate.
- (7) Where the minister issues an exemption certificate pursuant to subsection (3) to an agricultural corporation, the agricultural corporation shall immediately inform the minister in writing of any change in any of the information contained:
- (a) in the exemption certificate that materially affects the accuracy of the exemption certificate; or
  - (b) in the application for the exemption certificate that materially affects the right of the agricultural corporation to claim the exemption certificate.
- (8) On receipt of any information pursuant to subsection (7), the minister may, where the circumstances warrant:
- (a) cancel the exemption certificate; or
  - (b) cancel the exemption certificate and issue a new exemption certificate reflecting the new information, for the remainder of the term for which the original certificate was issued.
- (9) Notwithstanding any other provision of this section, the minister may cancel any exemption certificate at any time if the minister is satisfied that:
- (a) the applicant for the exemption certificate was not, or is no longer, an agricultural corporation; or
  - (b) the agricultural corporation has failed for any reason to inform the minister of any change in any of the information contained in the exemption certificate or in the application for the exemption certificate when required by subsection (7).

3 Jly 98 cM-17.1 Reg 7 s4.

**Exemption from mineral rights tax**

**5** The mineral rights tax imposed by the Act does not apply to:

- (a) any entitlement mineral rights; or
- (b) any mineral rights in any lands the surface of which is within the boundaries of a northern municipality.

3 Jly 98 cM-17.1 Reg 7 s5.

**Refund for certain mineral rights taxes**

**6** The minister may refund to a taxpayer the amount of any mineral rights tax paid in accordance with the Act where:

- (a) the mineral rights tax was imposed before the coming into force of these regulations; and
- (b) the mineral rights tax mentioned in clause (a) related to a mineral right that would have been an entitlement mineral right if these regulations had been in force at the time the mineral rights tax was imposed.

3 Jly 98 cM-17.1 Reg 7 s6.

**Forms**

**7** A certificate delivered pursuant to clause 13(2)(b) of the Act is to be:

- (a) in Form A of the Appendix;
- (b) on good quality, white paper;
- (c) printed or typewritten; and
- (d) legible and suitable for photocopying.

3 Jly 98 cM-17.1 Reg 7 s7.

**Rate of interest**

**8(1)** For the purposes of subsection 22(1) of the Act, the prescribed rate of interest payable by a taxpayer is 1½% for each month or part of a month that the amount the Act requires the taxpayer to pay or remit is not paid or remitted, with a minimum interest charge payable by the taxpayer of \$10.

**(2)** For the purposes of subsection 22(2) of the Act, the prescribed rate of interest for refunds is the rate of interest published in the *Bank of Canada Review* as the “bank rate” for the year preceding the year in which the refund became payable, and the interest is to be paid for each month or part of a month that the refund remains unpaid.

3 Jly 98 cM-17.1 Reg 7 s8.

**R.R.S. c.M-17.1 Reg 3 repealed**

**9** *The Mineral Taxation Act, 1983 Forms Regulations* are repealed.

3 Jly 98 cM-17.1 Reg 7 s9.

**R.R.S. c.M-17.1 Reg 4 repealed**

**10** *The Agricultural Corporation Exemption Regulations* are repealed.

3 Jly 98 cM-17.1 Reg 7 s10.

**Sask. Reg. 49/84 repealed**

**11** *The Mineral Rights Tax Regulations*, being Saskatchewan Regulations 49/84, are repealed.

3 Jly 98 cM-17.1 Reg 7 s11.

**Appendix**  
**FORM A**  
[*Subsection 13(2) of the Act*]  
**Certificate**

This is to certify that \_\_\_\_\_  
(*Name of corporation*)

is the holder of a valid licence under *The Trust and Loan Corporations Act* and holds  
the following mineral rights in trust for \_\_\_\_\_ .  
(*Name(s) of individual(s)*)

(*Legal description of mineral rights*)

DATED \_\_\_\_\_, \_\_\_\_\_ .  
(*Day, month*)                      (*year*)

\_\_\_\_\_  
(*Name of corporation*)

\_\_\_\_\_  
(*Name and position of signing officer*)

3 Jly 98 cM-17.1 Reg 7.

