

# *The Railway Taxation Act*

*being*

Chapter 32 of *The Revised Statutes of Saskatchewan, 1920*  
(Assented to November 10, 1920).

## **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.

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### SCHEDULE

## CHAPTER 32

### An Act respecting the Taxation of the Earnings of Railway Companies.

#### Short title

**1** This Act may be cited as *The Railway Taxation Act*.

R.S.S. 1909, c.40, s.1; R.S.S. 1920, c.32, s.1.

#### Interpretation

**2(1)** In this Act unless the context otherwise requires the expression:

##### “Railway company” “company”

**1. “Railway company” or “company”** means every railway company which owns or operates a railway in the province whether the head office is situate in Saskatchewan or elsewhere and which transacts business in Saskatchewan and includes every company operating a railway in Saskatchewan whether as an original enterprise or undertaking or under a lease, contract or agreement or otherwise howsoever.

**(2)** The date of the commencement of the operation of any railway or of any line or branch thereof or of any portion of such railway line or branch shall for the purposes of this Act be deemed to be such date as is fixed by the Lieutenant Governor in Council.

R.S.S. 1909, c.40, s.2; R.S.S. 1920, c.32, s.2.

#### Taxation

**3(1)** Every railway company at present owning or operating, or which may hereafter own or operate, any line or lines of railway situated or partly situated within Saskatchewan shall during the year one thousand nine hundred and eight and annually thereafter pay to the Crown in this province such part or portion of its gross earnings derived from the said line or lines of railway or such portions thereof as are within Saskatchewan as may be determined by the Lieutenant Governor in Council not to exceed the following:

- (a) in respect of that part of the railway or branch of railway in operation for seven years or more three per cent of the gross earnings derived from the operation of the same;
- (b) in respect of that part of the railway or branch of railway in operation for five years or more and less than seven years one and one-half per cent of such gross earnings:

**Exemptions**

Provided that no tax shall be payable hereunder on the gross earnings of any railway or branch thereof until such railway or branch has been in operation for five years:

Provided further that no tax shall be payable under this or any other Act in respect of any railway or branch thereof in Saskatchewan which has been or may hereafter be aided by a guarantee of bonds, debentures, debenture stock or other securities under the provisions of any statute for a period of fifteen years from the twelfth day of June, 1908, or from the date of the commencement of the operation of the line whichever shall last occur and thereafter during the currency of the guarantee as aforesaid the amount of taxes payable in Saskatchewan in respect of any such railway or branch thereof shall not exceed annually an amount equal to \$30 per mile of the mileage of such railway or branch thereof in Saskatchewan;

Provided that the periods hereinbefore provided for shall not together exceed the full period of thirty years in respect of any railway or branch thereof.

**Contracts**

- (2) The Minister of Railways is hereby authorised to enter into a contract or contracts to carry out the intent and meaning of this section.

R.S.S. 1909, c.40, s.3; R.S.S. 1920, c.32, s.3.

**Time payable**

- 4 The tax imposed by this Act shall be payable to the Provincial Secretary on the first day of May in each year and shall be calculated on the gross earnings of the company for the calendar year ending on the thirty-first day of December last preceding the date of payment herein provided for.

R.S.S. 1909, c.40, s.4; 1919-20, c.14, s.2; R.S.S. 1920, c.32, s.4.

**Statement**

- 5(1) On or before the first day of April in each year every such railway company shall deliver to the Provincial Secretary a statement showing fully and completely the gross earnings derived from the line or lines of railway owned or operated by it in Saskatchewan during the last preceding calendar year.

- (2) If the company fails to deliver such statement the Provincial Secretary may for the purpose of levying the tax to be paid by any company so making default fix the amount of the gross earnings of the company at such amount as he deems fair and reasonable and whatever amount may be so fixed by the Provincial Secretary shall be for all the purposes of this Act the gross earnings of the company for that year.

R.S.S. 1909, c.40, s.5; 1919-20, c.14, s.3; R.S.S. 1920, c.32, s.5.

**Verification and form**

- 6 Such statement shall be verified by and under the oath of the president or vice president and manager or by such person or persons connected with the company as the Provincial Secretary may require and shall be in the form in the schedule hereto or in such other form as may be required by him.

R.S.S. 1909, c.40, s.6; 1919-20, c.14, s.3; R.S.S. 1920, c.32, s.6.

**Examination of statement**

**7** For the purpose of ascertaining the truth of any statement made under and by virtue of the provisions of this Act full power and authority is hereby vested in the Provincial Secretary with the approval of the Lieutenant Governor in Council to examine under oath the officers and employees of the company making such statement; and for such purpose he shall have the same power to require the production of documents and enforce the attendance of witnesses and to compel them to give evidence as is vested in any court of law in civil cases.

R.S.S. 1909, c.40, s.7; 1919-20, c.14, s.4; R.S.S. 1920, c.32, s.7.

**Penalty for default**

**8** Each railway company as aforesaid which neglects to make the return provided for under section 5 at the time and in the manner therein provided shall be liable to a penalty of \$25 per day for each day during which default is made and the company shall also be liable to pay a tax of double the amount for which it would have been liable under this Act. Any such penalty or double tax may be recovered with costs in any court of competent jurisdiction in an action to be brought in the name of the Provincial Secretary.

R.S.S. 1909, c.40, s.8; 1919-20, c.14, s.5; R.S.S. 1920, c.32, s.8.

**Recovery of taxes by distress**

**9** In case of default of any taxes imposed by this Act the same may be levied and collected with costs of distress upon the goods and chattels of the railway company liable therefor under a warrant signed by the Provincial Secretary directed to the sheriff of any judicial district in which the company in arrear may have goods and chattels; and in such case the sheriff shall realise the said taxes or so much thereof as may be in arrear and all costs by sale of such goods or so much thereof as may be necessary to satisfy the said warrant and costs or the said taxes or penalty and double tax provided by this Act, or both, may at the option of the Provincial Secretary be sued for and recovered with costs in any court of competent jurisdiction in an action to be brought in the name of the Provincial Secretary.

R.S.S. 1909, c.40, s.9; 1919-20, c.14, s.6; R.S.S. 1920, c.32, s.9.

**Board of Inquiry on gross earnings**

**10(1)** If the Provincial Secretary is not satisfied as to the correctness of a statement made and returned by a railway company under the provisions of this Act he may with the approval of the Lieutenant Governor in Council appoint one or more competent persons to determine and report the true gross earnings upon which in the opinion of such person or persons the taxes imposed by this Act should be paid and the report or determination of the person or persons so appointed in the premises shall upon the approval of the Lieutenant Governor in Council be final and conclusive as to the particulars mentioned in such report and not subject to variation or be questioned in any manner whatsoever.

**(2)** If the gross earnings upon which the taxes imposed by this Act and contained in the statement of a company as aforesaid is increased the company shall pay the costs of the inquiry; but if the statement is found to be correct, and the required information was duly and truthfully furnished, the Provincial Secretary may direct the costs to be paid by the province.

(3) In case the said report shows that the statement understates the gross earnings on which the tax should be paid the company besides paying the costs of the inquiry shall pay as a tax such sum as shall be found payable under the report with fifty per cent added to the amount of the entire tax as the same would have been computed under the preceding sections:

Provided that the Lieutenant Governor in Council may upon the recommendation of the Provincial Secretary, and upon being satisfied that the said statement was made in good faith and not with the intent or for the purpose of decreasing the amount of the taxes to be paid, remit so much of the added percentage as to him in his discretion may seem meet.

R.S.S. 1909, c.40, s.10; 1919-20, c.14, s.6; R.S.S. 1920, c.32, s.10.

#### **Expenses**

**11** The taxes imposed by this Act shall form part of the consolidated fund of the province, and any and all expenses incurred in carrying out this Act may from time to time be paid out of such revenue on the recommendation of the Provincial Secretary.

R.S.S. 1909, c.40, s.11; 1919-20, c.14, s. 6; R.S.S. 1920, c.32, s.11.

#### **Suit for penalties**

**12** The penalties under this Act may be recovered in any court of competent jurisdiction in an action at the instance of the Provincial Secretary.

R.S.S. 1909, c.40, s. 12; 1919-20, c.14, s.6; R.S.S. 1920, c.32, s.12.

#### **Procedure**

**13** In any action brought by the Provincial Secretary under this Act it shall be sufficient if the action is brought by "The Provincial Secretary of Saskatchewan" as plaintiff.

R.S.S. 1909, c.40, s.13; 1919-20, c.14, s.7 (redrawn); R.S.S. 1920, c.32, s.13.

#### **Other tax exemptions**

**14** In the case of every railway company subject to taxation under the provisions of this Act the railway or railways or branch thereof now owned, leased or operated, or which may hereafter be owned, leased or operated, by any such company, and the land comprised in the right of way, station grounds, yards and terminals of the railway and all buildings, structures and personal property erected, required or used by the company thereon, of the railway and the income or earnings therefrom, shall be free and exempt from all assessments and taxation within Saskatchewan by whomsoever imposed, or which but for the provisions of this Act might be made or imposed, except such as are made or imposed under the provisions of this Act.

R.S.S. 1909, c.40, s.14; 1912-13, c.46, s.15; R.S.S. 1920, c.32, s.14.

**Exception: certain municipal taxes**

**15** Nothing herein contained shall take away from any incorporated city or town any right or power which any incorporated city or town may have of assessing and levying on the real property of any railway company fronting or abutting on any street or place taxes for local improvements done in, under or upon any such street or place according to the frontage of such real property so fronting or abutting on such street or place, or relieve any railway or telegraph company owning or operating a telegraph line or lines in the province from the payment of taxes imposed in that behalf under the provisions of *The Corporations Taxation Act*.

R.S.S. 1909, c.40, s.15; R.S.S. 1920, c.32, s.15.

## SCHEDULE

## FORM OF STATEMENT TO BE FURNISHED BY RAILWAY COMPANIES

(Sections 5 and 6)

We, \_\_\_\_\_ of \_\_\_\_\_ in the Province of \_\_\_\_\_ and \_\_\_\_\_ of \_\_\_\_\_, in the Province of \_\_\_\_\_, each for himself make oath and say:

1. That I, the said \_\_\_\_\_, am the president (*or as the case may be*), and that I, the said \_\_\_\_\_, am the (*state the office held*) of (*state the railway*);
2. That we have a personal knowledge of the affairs of the said railway company;
3. That the gross earnings of the company derived from the operations of the railway within Saskatchewan for the year ending the thirty-first of December (*state the year*) was the sum of \$ (state full particulars giving in the case of each line and branch line or part thereof of railway owned or operated, the gross earnings thereof separately).

Severally sworn before me at the  
 \_\_\_\_\_ of \_\_\_\_\_  
 in the Province of \_\_\_\_\_  
 this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_. }

