

Instructions

- The amount of loss claimed in a year for Alberta tax purposes may differ from the amount claimed for federal purposes. Limitations on deductibility provided in the federal Act apply for Alberta purposes, except that an amount of non-capital loss or farm loss used to reduce the federal Part IV tax base does not reduce the loss balance available for Alberta purposes.
- Any late filing penalty for a year to which a loss is carried back will not be reduced by the loss carry-back.
- For interest calculations, a loss carried back is given effect as of the latest of:
 - a) the first day following the loss year;
 - b) the day on which the tax return for the loss year is filed;
 - c) the day on which the application for the loss carry-back is filed; and
 - d) the day on which a request was made for the loss carry-back.
- Refunds arising from loss carry-back adjustments will be first applied to debts outstanding in the corporation's account.

Inclusion Rate Instructions:

The net capital loss that can be applied to a given taxation year is the gross amount of capital loss multiplied by the inclusion rate for the corresponding year of application.

The inclusion rates are as follows:

- 3/4 for dispositions of property prior to February 28, 2000
 - 2/3 for dispositions of property after February 27, 2000 and before October 18, 2000
 - 1/2 for dispositions of property after October 17, 2000
- where dispositions in a taxation year occurred in more than one inclusion rate period, then an effective inclusion rate would have been computed on the federal schedule 6 or on the supporting documentation submitted with the Alberta schedule 18 for that taxation year. Refer to the applicable schedule to obtain this rate. Note that the inclusion rate must be entered on page one in a 6 decimal format. For example, an inclusion rate of 2/3 is to be entered as .666667, the rate of 1/2 is to be entered as .500000, etc.