

Guide for New Alberta Businesses

BUSINESS START-UP

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Aussi disponible en français



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Government
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Contents

Step 1: Forms of Business Organizations	3
1. Sole Proprietorship.....	3
2. Partnership	3
3. Corporation	4
4. Co-operatives	5
Step 2: Registration of Business Name.....	7
Step 3: Business Licensing	8
BizPal Alberta	8
Municipal Licensing.....	8
EDMONTON	9
CALGARY	9
Provincial Licensing	10
SERVICE ALBERTA – CONSUMER SERVICES	10
ALBERTA SOLICITOR GENERAL	12
LICENSING THROUGH THE PRIVATE SECTOR	13
Step 4: Business Number Registration and Taxation.....	14
Business Number (BN) Registration	14
GST/HST – GOODS AND SERVICES TAX	14
PAYROLL DEDUCTIONS	15
CORPORATE INCOME TAX	15
IMPORT/EXPORT	15
Taxation	16
Step 5: Alberta Requirements for Employers.....	18
Alberta Employment and Immigration Employment Standards.....	18
Workers' Compensation Board – Alberta (WCB)	19
Alberta Health Care.....	20
Alberta Occupational Health and Safety	21

Step 1: Forms of Business Organizations

A summary of the advantages and disadvantages of each form of business organization follows the description.

1. Sole Proprietorship
2. Partnership
3. Corporation
4. Co-operatives

For specific information on where to obtain forms and to register or incorporate a business, contact Alberta Corporate Registries at 780 427-2311 or toll-free through the Government RITE Operator at 310-0000 or visit their website at: <http://www.servicealberta.gov.ab.ca/>.

1. Sole Proprietorship

This is the simplest way to set up a business. A sole proprietorship is fully responsible for all debts and obligations related to his or her business. A creditor with a claim against a sole proprietor would normally have a right against all of his or her assets, whether business or personal. This is known as unlimited liability.

This type of business comes under provincial jurisdiction. If the proprietor chooses to carry on a business under a name other than his/her own, he/she must register with the province. This function is now administered by the Private Registries. If a sole proprietor establishes a business in his/her own name, without adding any other words, registering the business is not necessary. Filing a Declaration of Trade Name to protect your business name is strongly recommended.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Low start-up costs • Greatest freedom from regulation • Owner in direct control of decision-making • Minimal working capital required • Tax advantages to owner • All profits to owner 	<ul style="list-style-type: none"> • Unlimited liability • Lack of continuity in business organization in absence of owner • Difficulty raising capital

2. Partnership

A partnership is an agreement in which two or more persons combine their resources in a business with a view to making a profit. To establish the terms of the partnership and to protect partners in case of a disagreement or dissolution of the partnership, a partnership agreement should be drawn up with the assistance of a lawyer. Partners share in the profits according to the terms of the agreement. There are two different types of partnerships:

a) General Partnership

All members share the management of the business and each is personally liable for all the debts and obligations of the business. This means that each partner is responsible for and must assume the consequences of the actions of the other partner(s).

b) Limited Partnership

In a limited partnership some members are general partners who control and manage the business, and may be entitled to a greater share of the profits. Other partners are limited and contribute only capital; they take no part in control or management and are liable for debt to a specified extent only. A legal document, setting out specific requirements, must be drawn up for a limited partnership.

All partnerships must be registered.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Ease of formation • Low start-up costs • Additional sources of investment capital • Possible tax advantages • Limited regulation • Broader management base 	<ul style="list-style-type: none"> • Unlimited liability • Lack of continuity • Divided authority • Difficulty raising additional capital • Hard to find suitable partners • Possible developments of conflict between partners

3. Corporation

A corporation is a legal entity that is separate from its owners, the shareholders. No member of a corporation is personally liable for the debts, obligations or acts of the corporation, except under special circumstances. This type of business can be incorporated at either the federal or provincial level.

A corporation is identified by the terms “Limited”, “Ltd.”, “Incorporated”, “Inc.”, “Corporation”, or “Corp.”. Whatever the term, it must appear with the corporate name on all documents, stationery, and so on, as it appears on the incorporation document.

a) Provincial Corporations

Corporations can issue shares or securities to the general public or they can choose to issue them privately. Those with 15 or fewer shareholders that do not sell to the public are the most private and least regulated of all corporations. If you incorporate with more than 15 shareholders or distribute shares publicly, contact Alberta Corporate Registries for more detailed information.

b) Federal Corporations

Corporations may also be incorporated federally under the Canada Corporations Act. A firm operating nationally or in several provinces may find this advantageous. A federally incorporated business must still register in each province in which it does business. Information and on-line incorporation documents are available from Industry Canada, or Strategis’ website: <https://strategis.ic.gc.ca/cgi-bin/allsites/registration-inscription/mainScreen.cgi> and **The Business Link**.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Limited liability • Specialized management • Ownership is transferable • Continuous existence • Separate legal entity • Possible tax advantages (i.e. lower small business tax) • Easier to raise capital 	<ul style="list-style-type: none"> • Closely regulated • Most expensive form to organize • Charter restrictions • Extensive record keeping necessary • Double taxation of dividends

Important: Keep in mind that once incorporated or registered, a legal entity such as a corporation, an extra-provincial registration or a non profit society has obligations and responsibilities in order to remain in good standing with the Corporate Registry record. Filing an Annual Return is one requirement that is common to all legal entities, with the exception of Business Names. For more information on your obligations and responsibilities after provincial incorporation or registration, visit Service Alberta's website at:

http://www.servicealberta.gov.ab.ca/Corporate_Registries.cfm.

For more information on your obligations and responsibilities after federal incorporation or registration, read the "Common Filing Requirements" section of the "Small Business Guide to Federal Incorporation" available on-line at: <http://strategis.ic.gc.ca/epic/internet/incd-dgc.nsf/vwGeneratedInterE/cs01360e.html>.

The Alberta statutes of concern in business formations are the *Business Corporations Act* and the *Partnership Act*. All registrations and any additional information about forms for filing, and all other related concerns can be obtained from any of the private Registry Agents located throughout Alberta. For a list of Registry Agents in Alberta, contact *The Business Link* at 1-800-272-9675 or consult your phone directory. Full information on registrations, incorporation and agency listings can be found on the Service Alberta's website at: <http://www.servicealberta.gov.ab.ca/719.cfm>.

Note: All non-profit incorporation or non-profit society regulations are handled by Service Alberta Corporate Registry. You can access them toll free by calling the Government of Alberta Rite system (310-0000) and asking the Rite operator to connect you or dial direct at (780) 427-2311.

For more information on the registration of Charities or the incorporation of Fund-raising businesses, Coops, Associations, Non-profit companies and Societies, visit the Alberta Government Services website at: http://servicealberta.ca/Businesses_Charities.cfm.

4. Co-operatives

A cooperative is a business organization started by people who want to use services or buy goods as a group, have an equal say in how the business is run and share in any profits the business makes. Their business structure ensures that:

- all members have an equal say (one vote per member, regardless of the number of shares held) open and voluntary membership
- limited interest on share capital

- surplus is returned to members according to amount of patronage

Co-operatives are placed in five separate categories when they are classified by function:

1. Producer cooperatives combine members' skills and resources for mutual benefit. An example is an employment co-operative, which pools and markets the skills of the employee-members and provides them with an income.
2. Consumer co-operatives buy commodities in bulk and sell them to the member-owners. Examples are retail co-operatives and direct-charge co-operatives.
3. Marketing co-operatives sell their members' products. Typical products are dairy products, poultry, fish and handicrafts.
4. Financial co-operatives provide a variety of financial services for their members including savings, investment and loans. Examples are credit unions, co-operative trust and insurance companies.
5. Service co-operatives enable members to improve the quality, price and availability of needed services, such as health care, child care and transportation.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Owned and controlled by members • Democratic control by one member, one vote • Limited liability • Profit distribution (surplus earnings) to members in proportion to use of service; surplus may be allocated in shares/cash 	<ul style="list-style-type: none"> • Possibility of development of conflict between members • Longer decision making process • Requires members to participate for success • Extensive record keeping necessary • Less incentive to invest additional capital

The Alberta statutes of concern in business formations are the *Business Corporations Act* and the *Partnership Act*. All registrations and any additional information about forms for filing, and all other related concerns can be obtained from any of the private Registry Agents located throughout Alberta. For a list of Registry Agents in Alberta, contact *The Business Link* at 1-800-272-9675 or consult your phone directory. Full information on registrations, incorporation and agency listings can be found on the Alberta Government Services website at: <http://www.servicealberta.ca/1050.cfm>.

To incorporate a new co-operative or register an out-of-Alberta co-operative, mail or deliver your registration documents to:

Alberta Government Services, Director of Cooperatives
 3B, Commerce Place, 10155-102 Street, Edmonton, AB T5J 4L4
 Phone: Edmonton 780 427-5210
 Toll free in Alberta, dial 310-0000 and follow the instructions.
 E-mail: government.services@gov.ab.ca

All non-profit incorporation or non-profit society regulations are handled by Alberta Corporate Registries. You can access them toll free by calling the Government of Alberta Rite system (310-0000) and asking the Rite operator to connect you or dial direct at 780 427-2311.

For more information on the registration of Charities or the incorporation of Fund-raising businesses, Coops, Non-profit companies and Societies, visit the Alberta Government Services website at: <http://www3.gov.ab.ca/gs/services/cnfb/>.

Step 2: Registration of Business Name

Every business, whether it is a sole proprietorship, partnership, or corporation, is required to register a business name, with the exception being individuals who operate a sole proprietorship under their own personal name (e.g. John Doe).

To register a business name in Alberta, you can do so at most private registry offices (e.g. the same place where you go to get your driver's license). It is recommended that you have a few potential business names, in case the one you want is already taken. Initially you can perform a free NUANS pre-screen search by visiting <http://www.arvic.com>. (Note: This pre-screen search is not a substitute for an official NUANS search report completed at the registry for around \$50).

For a list of registry locations near you:

- Visit <http://www.servicealberta.ca/764.cfm>
- Call Corporate Registry at 780 427-2311 (toll free by dialing 310-0000)
- Look in the yellow pages under "License and Registry Services" or "Searchers of Records."

When registering a potential name for a sole proprietorship or partnership, a declaration of trade name is completed at the registry office. The fees range from \$40-\$60, depending on the registry. You can choose either to perform: a free basic search which identifies only some businesses with similar names; or a fee-based NUANS search which identifies businesses with identical/similar names. It should be noted that registering a business name as a sole proprietorship or partnership does not provide you with any name or legal protection to using the name.

When registering a name for a corporation, you are required to choose either a unique business name or go with a preset numbered company. If you select a unique name, you must perform a NUANS search which gives you a more detailed list of businesses with identical and/or similar business names and trade-marks to your proposed name. Filing your incorporating documents confirms your business name and registers your business. Fees range from \$250-\$350.

To register an incorporated business name across Canada, you need to incorporate your business federally. Federal incorporation still requires you to extra-provincially register in each province that you will be doing business.

Step 3: Business Licensing

A business license gives you legal authorization to operate and conduct business activities. Typically it is your town/city that issues your business license, however you may also need to be concerned about provincial, federal and other licenses and permits required.

Please check with the various government departments and agencies most closely associated with your business to determine whether or not additional regulations exist.

BizPal Alberta

One tool that assists individuals with finding the permit and license requirements needed to start or operate a business is BizPal, www.bizpal.alberta.ca. Through this online interactive tool you will be asked a series of questions about the location, type, and operation of your business. BizPal generates a listing of some of the local, provincial/territorial, and federal requirements that you may need to be concerned about. If your community is not listed in BizPal, you will need to contact your municipal government for information about municipal requirements, as well as the other governing bodies.

Municipal Licensing

In Alberta, the *Municipal Government Act*, as amended, and the *Planning Act*, as amended, and their regulations, give municipalities the authority to license, control and tax businesses. Other statutes for consideration at the local government level are the *School Act*, *Municipal and School Administration Act*, *Municipal Taxation Act* and *Municipalities Assessment and Equalization Act* in respect of property taxation; and the *Safety Codes Act* (for uniform building standards, fire prevention, and other codes) and the *Public Health Act* in respect of standards applied through municipal development and inspection processes in regulating businesses.

Municipalities include cities, towns, villages, counties, municipal districts, summer villages, improvement districts and special areas in Alberta. Since the majority of new small businesses will be located within Calgary or Edmonton, where the most stringent controls are likely to apply, the bulk of the materials contained in this booklet relate to those cities. In other areas, it is strongly advised that you check with your municipal office to determine applicable regulations.

Most municipalities may require all businesses other than farms, be licensed annually. Many municipalities, and certainly the larger urban ones, also levy a business tax for various purposes. Before a business constructs, or makes alterations to a commercial or industrial facility, all municipalities require a development permit. This must be done to ensure that their obligations and yours are met in accordance with the *Safety Codes Act* (building standards and fire prevention).

When you are planning to set up a business in a larger municipality, the first step is to make an enquiry and/or application to the development control office. Whether you are planning a business operating from your home, or from some existing commercial or industrial facility, it is your obligation to ensure the facility is suitably zoned for your operations. Where it is obvious that the facility is appropriately zoned, you are able to proceed without a development control approval. For example, this case would apply if you were setting up a business in an existing office building, or taking over a retail space. In the case of purchasing an existing business, municipal licenses may be transferred

subject to license inspection approval. However, you are advised to check the current zoning status of the facility.

EDMONTON

The Edmonton Development Compliance Branch may either be contacted by phone, or by a 24-hour Fax information and applications service. All information brochures, application forms and fee schedules can be obtained by Fax. Applications can be made by Fax when paying by VISA or MasterCard. One of their many brochures is entitled *Starting Your Own Business?*, which contains a list of helpful steps you can follow. Alternately, the Business License Section can advise you about licensing and development requirements.

In Edmonton, home occupation development permits are divided into Minor and Major categories. The minor category, at an application cost of \$43, permits employment only of a resident of the dwelling, no more than one business visit per day and business activity only within the dwelling. The major category, at an application cost of \$92 permits employment of up to two non-resident people on site at any time, any number of business visits that will not create pedestrian or vehicle or parking problems, and use of the garage for business purposes. The commercial/industrial development permits vary depending on the gross floor area, therefore, it's advisable to contact Edmonton Development Compliance Branch for this information. There could be a requirement for a notification fee, and any building permit fees would be additional.

As of January 1st 2008, The City of Edmonton will charge home-based business owners an annual license fee of \$150 plus the license category fee related to your particular business.

You may contact the following offices for additional information regarding business development and licensing requirements in Edmonton:

<p>The City of Edmonton Development Compliance Branch 5th Floor, 10250 - 101 Street Edmonton, AB T5J 3P4 Phone: 780 496-3100 Fax: 780 496-6044 Website: www.edmonton.ca</p>	<p>The City of Edmonton Bylaws Licensing 5th Floor, 10250 - 101 Street Edmonton, AB T5J 3P4 Phone: 780 496-3100 Fax: 780 428-8457 Website: www.edmonton.ca</p>
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CALGARY

The Calgary Planning and Building Department may be contacted for either home occupation development permits, or for use permits when locating in commercial premises. You should also contact the Business License Section to determine whether you need a license. An essential Calgary brochure is entitled *A Guide to City Business Licensing*. It answers most general questions, provides contact phone numbers and lists all of the types of businesses that require licenses in Calgary. However, even if your type of business is not listed, Business Licensing will ask you to describe your proposed business, and will advise you about licensing and development requirements.

In Calgary, home occupation development permits are divided into Class 1 and Class 2 categories. The Class 1, at an application cost of \$30, permits employment only of a resident of the dwelling, no more than three business visits per week and business activity only within the dwelling. The Class 2, at an application cost of \$178, including advertising fee, permits employment of one non-resident person, any number of business visits that will not create pedestrian or vehicle or parking problems, and use of the garage for business purposes. Commercial/industrial development application fees vary considerably, therefore, it's advisable to contact The City of Calgary, Planning & Building Department directly. You may contact the following offices for additional information regarding business development and licensing requirements in Calgary:

<p>The City of Calgary Planning & Building Department Box 2100, Station M 4th Floor, Municipal Building 800 Macleod Trail S.E. Calgary, AB T2P 3L9</p> <p>Home Occupation Permits: Phone: 403 268-5351 Commercial Use Permits: Phone: 403 268-5351</p>	<p>The City of Calgary Business License Section Box 2405, Station M 3rd Floor, Municipal Building 800 Macleod Trail S.E. Calgary, AB T2P 2M5 Phone: 403 268-5521 Fax: 403 268-2291</p>
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Provincial Licensing

SERVICE ALBERTA – CONSUMER SERVICES

In general, the Consumer Services administers statutes governing direct sales of goods or services to consumers and the licensing of the Fair Trading Act. However, some involve other activities, and some involve sales primarily, or only, from a commercial business location, as follows:

1. *Cemeteries Act* applies to the registration of cemetery sites and the licensing of salesmen in conjunction with prearranged funeral plans.
 - Registration of Cemetery Sites - No charge.
 - Licensing of prearranged cemetery - Salesmen - \$100/year.
2. *Charitable Fund-Raising Act* - Fund-Raising Businesses - \$130/year and \$25,000 bond.
3. *Fair Trading Act* is administered through various regulations:
 - a) *Collection Practices Regulation* pertains to the licensing of collection agencies (\$168 per year) and (\$168/year) for each branch; collectors (\$72/per year), as well as security in the amount of \$25,000. (Security does not apply to agencies that are only collecting debts that they have purchased).
 - b) *Direct Selling Business Licensing Regulation* is relative to doing business, away from their place of business, such as in individual homes, having house parties, concluding their

business in the consumer's home, or going door-to-door to businesses for the purposes of selling goods or services to employees for their own personal, family or household use. The license fee is \$120 for 2 years. There is also a bond requirement that could range from \$5,000, \$10,000, or \$25,000. This regulation does not apply to businesses selling directly to other businesses.

- c) *Employment Agency Business Licensing Regulation* applies to a two-year license at \$120 for each trade name and business location operated.
- d) *Prepaid Contracting Business Licensing Regulation* addresses the \$60 annual licensing of businesses entering into contracts at the consumer's residence, wherein a deposit is requested for renovations or changes to the residence, garage or surrounding land. The deposit could be for purchasing material, progress payments or just a deposit. There is a \$10,000 to \$25,000 bond, it **does not require** a criminal record check and trades person certification, as they automatically do a criminal record check, and they don't check the certifications of any trades person. The regulation does not apply to businesses entering into contracts with other businesses, or to those that provide residential contract work for payment after it is done. *Retail Home Sales Business Licensing Regulation* applies to the \$120/2 years, license for businesses involved in retail selling of mobile homes, modular homes or packaged homes. A \$25,000 bond is required.
- e) *Public Auctions Regulation* is relevant to the five-year licensing, at \$300, for businesses that engage in the holding of public auctions, or advertising sales by public auction. It includes sales of goods in lots by public auction. A criminal record check is required, as is a \$25,000 bond. A completed general surety body for 10,000. However, the bond amount is reduced for members of the Alberta Auctioneers Association (AAA) to the extent by which they are covered under the AAA's master bond for \$15,000.
- f) *Natural Gas Direct Marketing Regulation*. Natural gas direct marketers are regulated under the Fair Trading Act and the Natural Gas Direct Marketing Regulation in Alberta. They must pay \$1,000/year registration fee and be licensed and post a \$250,000 bond. They must also follow a code of conduct.
- g) *Electricity Marketing Regulation*. License is \$1,000 per year. Businesses must post \$1,000,000 in bond.
- h) *Travel Club Business License* is required by an organization that provides its members with access to discounts or other benefits on the future purchase of transportation, accommodation or other travel related services. Travel clubs must be licensed if they solicit, negotiate, conclude or perform travel club contracts. Licensing fee is \$200 and must be accompanied by proof of bonding of \$150,000.

Note: Bonds must be issued by an insurance or surety company licensed to carry on business in the province of Alberta.

Service Alberta - Consumer Services	
Edmonton North Field Services, Licensing 3b, Commerce Place 10155 – 102 Street Edmonton, Alberta T5J 4L4 Phone: 780 422-1335 Fax: 708 422-9106	Calgary South Field Services, Licensing 7015 Macleod Trail South # 301 Calgary, Alberta T2H 2K6 Phone: 403 297-5743 Fax: 403 297-4270
Public enquiries are handled only through the two field services offices, which can be contacted toll free at 1 877 427-4088. Other previously existing Consumer Division offices have been closed to public enquiries, and are staffed for purposes of investigating complaints received through other offices.	

ALBERTA SOLICITOR GENERAL

Private investigators, security guards and locksmiths need to obtain a license from the Alberta Solicitor General before they can engage in their business for hire or reward.

1. **Private Investigators** - The Private Investigator and Security Guards Act define a private investigator as a person who obtains or furnishes information as to the personal characteristics or actions of a person, or as to the character or kind of business of, or the occupation of a person, or searches for missing persons. Both the agencies and their employees must obtain a license. Applicants applying for an agency license must be Canadian citizens, have liability insurance, obtain a surety bond in the amount of \$5,000 from an insurance company, and submit a completed affidavit that entails a full criminal record check and fingerprinting. The private investigation agency licensing fee is \$500.
2. **Security Guards** - Security guards agencies and their employees may guard, patrol and watch property. They may also respond to security alarm. Both agencies and their employees must obtain a license. Applicants applying for a security guard agency license must be Canadian citizens, have liability insurance, obtain a surety bond in the amount of \$5,000 from an insurance company, submit a completed affidavit that entails a full criminal record check and fingerprinting, as well as an equipment listing and a detailed sketch of the proposed uniform and crest. The security guard agency licensing fee is \$400.
3. **Locksmiths** - There are two types of locksmiths' licenses. The automobile master key license is for individuals employed as locksmiths that enable them to work on switches or locks of motor vehicles, or business and/or residential door locks. The restricted automobile master key license is for individuals who fall under the automotive and auto body technician trades as well as tow truck drivers to enables them to possess the equipment required to operate the switches or locks of motor vehicles. Applicants applying for a locksmith license must have liability insurance and submit a completed affidavit that entails a full criminal record check and fingerprinting. There is currently no charge for licensing.

For more information, or to apply for a license, contact:

Alberta Solicitor General
 John E. Brownlee Building
 10365 - 97 Street
 10th Floor N
 Edmonton, Alberta T5J 3W7
 Tel: 780 427-3457
 Fax: 780 427-5916
 Attn: Security Programs

LICENSING THROUGH THE PRIVATE SECTOR

1. *Insurance Act* affects licenses issued by the Alberta Insurance Council (in Edmonton at 780 421-4148 or Calgary at 403 233-2929) to insurance agents, insurance salesmen and adjusters. It is also relevant to licenses issued by the Superintendent of Insurance (in Edmonton at (780) 422-1592 or via the Alberta Rite system at 310-0000) to insurance companies. An Alberta license is required to operate in this province, but most insurance companies are incorporated federally and are also subject to the Department of Finance, Office of the Superintendent of Financial Institutions for solvency requirements.
2. *Funeral Services and Crematory Licenses*. Alberta Funeral Services Regulatory Board for funeral service businesses, funeral directors, and crematories (Phone: (780) 452-6130 in Edmonton or toll-free @ 1 800 563-4652, E-mail: afsrb@telusplanet.net , Website: <http://www.afsrb.ab.ca>).
3. *Mortgage Brokers Regulations Act* is regulated through The Real Estate Council of Alberta Suite 340, 2424-4th St. S.W. Calgary, Alberta, T2S 2T4, 403 228-2954 or toll-free @ 1 888 425-2754.
4. *Real Estate Agents' Act* applies to licenses issued by the Real Estate Council of Alberta for real estate agents, salesmen and property managers (Phone: 403 264-5581 in Calgary or toll-free @ 1 800 661-0231, website: <http://www.reca.ab.ca>).
5. *Automotive Business Licensing Regulation* - The Alberta Motor Vehicle Industry Council (AMVIC) licenses automotive businesses including the following: vehicle sales (retail, body shops, garages, specialty repair shops (e.g. transmission repairs), mobile automobile repair, prepaid auto service contracts, consignments sales, leasing. You may contact them in Edmonton @ 780 466-1140 or toll-free @ 1 877 979-8100 or visit their website @ <http://www.amvic.org>.

Step 4: Business Number Registration and Taxation

Business Number (BN) Registration

This section contains useful information on registering for a Business Number (BN) account and on business taxation. The Business Number is a federal numbering system assigned to a business by the Canada Revenue Agency (CRA) to assist when dealing with them. Regardless of whether your business is a proprietorship, partnership or corporation you may need to be concerned about getting a BN. It is based on the idea of one business, one number.

A Business Number is needed if you require any of the following main business accounts:

- GST/HST
- Payroll
- Corporate income tax
- Import/Export
- Other

It is important to review the criteria for each type of account to be aware as to whether or not you need it. Not all businesses require a BN. Visit www.cra.gc.ca for more information.

The following is a brief summary of the types of business accounts administered by Canada Revenue Agency:

GST/HST – GOODS AND SERVICES TAX

Most businesses and organizations carrying on commercial activities in Canada must register and collect the goods and services tax (GST). Most businesses that have worldwide annual revenues from taxable supplies of goods of **\$30,000 or less do not have to register**. However, any small business (proprietorship, partnership or corporation) may voluntarily register for GST.

When registered for GST, your business claims credits for GST paid on purchases of services, goods or fixed assets. You will also claim credits for GST on assets physically held at the time of registration. In GST terminology, this is any property held, and can include facilities, vehicles, equipment, tools, inventory and supplies. The credit on this property will be based on the actual GST paid, or the amount applicable to the fair market value of each property item, whichever is less. However, no GST credits can be claimed for goods or physical assets sold prior to registration, nor for services or consumables purchased before registration. **When GST registration is voluntary, upon the date of receipt of your application to Canada Revenue Agency, you will be responsible for charging and collecting GST on all taxable sales.** You will also be eligible to claim credits for GST paid on all purchases made.

The concerns are somewhat different for an **unregistered business with revenues over \$30,000**, which includes revenues from exports, food products and other like items that are zero-rated for GST. As soon as revenues exceed that amount, your business becomes liable for charging and collecting GST on taxable sales even if you do not charge GST on your taxable sales. It is recommended that you make arrangements early to avoid incurring this type of liability for which the value will be determined by Canada Revenue Agency.

PAYROLL DEDUCTIONS

Canadian law requires that employers withhold a portion of employee income and payroll taxes. These payroll or source deductions then become payments made to the government on behalf of employees to fund various programs and activities. This includes things like Canada Pension Plan (CPP) contributions, Employment Insurance (EI) premiums and income tax from remuneration or other types of income. These programs assist Canadians when, for example, they retire from the work force or become unemployed.

Every person, business or other organization in Canada that employs (employee not contractor) one or more people must register for a payroll account and make employer source deductions. This includes even the small, one-person corporation, if the owner draws any salary or wage. However, a proprietorship that does not have any other employees, and a partnership in which only the partners are working, does not register for source deductions. In these cases, the people are considered by Canada Revenue Agency to be self employed, and any remittances made will be in conjunction with personal income tax returns.

CORPORATE INCOME TAX

If you form a corporation, you will need an account to be able to pay tax on the income that your business generates. When you incorporate with the province, territory, or Industry Canada, your business will automatically be registered for a Business Number (BN) and a corporate income tax account. Within 45 days of incorporation, you should receive a notice confirming your BN and summary of accounts. If you require a BN before CRA sends you the confirmation notice, contact them at 1-800-959-5525. Be sure to have a copy of your certificate of incorporation on hand, since they may ask for it.

When a new corporation is registered in Alberta, your corporation is required to complete and submit the BN application form to Canada Revenue Agency either by fax or mail. Please refer to your local tax service office <http://www.cra-arc.gc.ca/cntct/tso-bsf-eng.html>. Note though, that a new corporation does not have to make any tax installment payments during its first year of business.

IMPORT/EXPORT

If you import goods into Canada or export goods to other countries, you should register for an Import/Export account. CRA will use your import-export account number to process customs documents. To avoid delays in releasing your goods at the border, open your account before you import or export goods.

OTHER

There may be other reasons why you need to get a BN from the Canada Revenue Agency (e.g. if you are opening a charity).

Starting in January 2010, the Canada Revenue Agency (CRA) will begin processing the T5- Return of Investment Income, T5013-Partnership Information Return and T5018-Contract Payment Reporting (to list a few), using the BN (RZ program account).

The majority of these returns currently identify the filer by using a Filer Identification Number (FIN). The T5018 information return is currently filed using the GST program account (RT). A new RZ program account will be created to replace the FINs that are currently being used to file information returns. In addition, an RZ program account will be created for the purpose of filing the T5018.

Registering an RZ program account

A request to register an RZ program account can be made over the phone or by completing and submitting Form RC257, Request for an Information Return Program Account (RZ).

For more information on each type of account and how to register for a Business Number (BN) visit www.cra.gc.ca.

Canada Revenue Agency Business Inquiries	
<p>Calgary 220 - 4th Avenue S.E. Calgary, AB T2G 0L1 Phone: 1 800 959-5525 Website : www.cra.gc.ca</p>	<p>Edmonton Main Floor, Canada Place 9700 Jasper Avenue Edmonton, AB T5J 4C8 Phone: 1 800 959-5525 Fax: 780 495-4381 Website: www.cra.gc.ca</p>
<p>Lethbridge Room 200 419 - 7th Street South. Bag 3009 Lethbridge, AB T1J 4A9 Phone: 1 800 959-5525 Website: www.cra.gc.ca</p>	<p>Red Deer 4996 - 49 Avenue Bag 5013 Red Deer, AB T4N 6A1 Phone: 1 800 959-5525 Website: www.cra.gc.ca</p>

Taxation

In regards to business taxation, the type of business structure you choose has significant implications on the way you report your income.

- a) A sole proprietorship and partnership pay taxes by reporting income (or loss) on a personal income tax and benefit return (Ti). Please refer to CRA for more information <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/slprtnr/menu-eng.html>
- b) A corporation is a separate legal entity and can enter into contracts and own property in its own name, separately and distinctly from its owners. It has to pay tax on its income, and therefore must file its own income tax return (T2). Please refer to CRA for more information <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/crprtns/menu-eng.html>

Corporate Taxation with Alberta Finance and Enterprise

Once you register your corporation with the registry office, Alberta Finance and Enterprise Tax and Revenue Administration (TRA) division is advised of all new company registrations in Alberta. (TRA) at Alberta Finance and Enterprise will assign an Alberta Corporate Account Number to your business once you file your first corporate tax return with the province. They do not automatically send out tax return forms, but will mail them at your request. Forms may also be accessed on their website (www.finance.gov.ab.ca). Alberta corporations are required to file a provincial tax return in addition to the federal return through Alberta Finance and Enterprise and a federal tax return through Canada Revenue Agency. Some corporations are exempt from filing a provincial return in Alberta if certain conditions are met. For more information, please refer to http://www.finance.alberta.ca/publications/tax_rebates/faqs_corporate.html#who

The following lists the locations of the Alberta Corporate Taxation offices.

Alberta Corporate Tax Offices	
Tax and Revenue Administration 9811 - 109 Street Edmonton, AB T5K 2L5 Phone: 780 427-3044 Fax: 780 427-0348	Tax and Revenue Administration 1100, 715 5th Avenue S.W. Calgary, AB T2P 2X6 Phone: 403 297-5200 Fax: 403 297-5238
For Alberta Corporate Tax information, contact the office in Edmonton or Calgary, or call toll free in Alberta through the Government RITE operator @ 310-0000.	

Step 5: Alberta Requirements for Employers

This section contains suggestions and contacts for all Alberta employers, regardless of proprietorship, partnership or corporation. When you hire people you must take on some responsibilities for their well-being. Visit <http://alis.alberta.ca> for more information on hiring employees.

Alberta Employment and Immigration Employment Standards

The Client Services Division administers the *Employment Standards Code, Reciprocating Provinces Regulation* and *Regulations Pursuant to the Employment Standards Code*. The Code sets out requirements for minimum wage, overtime, hours of rest, vacation pay, general (statutory) holiday pay, notice of termination, maternity and adoption leave, continuous employment, farm labourers and domestics, wage rate changes, statement of earnings and deductions, and other issues. Any employee, or former employee, may file a claim against an employer for wages that have not been paid pursuant to the Code.

If your small business is going to employ at least one person, other than yourself, it is recommended that you contact Employment Standards to obtain a package of relevant information.

Employment Standards		
Phone: 780 427-3731 Toll Free Phone: 1 877 427-3731 Fax: 780 427-5975 TDD/TTY: 1 800 232-7215. In Edmonton and surrounding areas dial 780 427-9999 NOTE: Hours of operation are 8:15 a.m. - 4:30 p.m., Monday to Friday http://www.employment.alberta.ca/SFW/1224.html		
Employment Standards, Office Locations		
Edmonton: Main Floor, Sterling Place 9940 – 106 Street Edmonton, Alberta T5K 2N2	Calgary: Main Floor Elveden Centre 717 – 7 Avenue SW Calgary, Alberta T2P 0Z3	Other: http://www.employment.alberta.ca/SFW/3024.html

Workers' Compensation Board – Alberta (WCB)

The Workers' Compensation Board (WCB) – Alberta is a not-for-profit corporation legislated to administer the workers' compensation system for the province. Through the payment of premiums, employers fund this no-fault system that provides compensation for workplace injuries and occupational diseases to workers.

In Alberta, the majority of employers are required by law to have workers compensation insurance for all of their workers, and must notify the WCB within 15 days of hiring their first worker. (A worker includes full-time, part-time, temporary and casual staff, volunteers or unpaid workers, contract workers who are not covered by another employer's workers' compensation, subcontractors who are considered by WCB to be your worker, as well as family members providing a service for your business.)

If an employer is operating in an exempt industry under Schedule A of the Workers' Compensation General regulations, coverage is optional. These employers may apply for voluntary coverage for their workers.

Employers who purchase workers' compensation insurance for their employees are not automatically personally protected. Personal Coverage is also available for proprietors, partners and directors on a voluntary basis. There are many benefits to this coverage including protection against loss of earnings, and against lawsuit.

In the event of a work-related injury the WCB will cover medical expenses, provide wage replacement and in some cases may cover rehabilitation services.

Employers have the ability to impact their premium rates by managing their health, safety and disability management programs. Partners in Injury Reduction (PIR) is a voluntary program designed to encourage employers to reduce losses caused by workplace injuries. It provides incentives that motivate employers to become involved in injury reduction while simultaneously recognizing and rewarding good performance.

If you have any questions about opening a WCB account in a mandatory or exempt industry, or if you would like further information on Personal Coverage, visit our website at www.wcb.ab.ca or call our Customer Contact Centre at the numbers listed below.

Customer Contact Centre	
<p>Edmonton 9912 – 107 Street P.O. Box 2415 Edmonton, AB T5J 2S5 Phone: 780 498-3999 Fax: 780 498-7999</p>	<p>Calgary 300, 6th Avenue SE Calgary, AB T2G 0G5 Phone: 403 517-6200 Fax: 403 517-6201</p>
<p>You can call WCB toll-free from anywhere in Alberta by dialing 1 866 WCB-WCB1 (922-9221). For calls outside Alberta, dial 1 800 661-9608.</p>	

Alberta Health Care

Your business may have to register with the Alberta Health Care Insurance (AHCI) Division, which is responsible for administering the *Alberta Health Care Insurance Act*, the *Health Insurance Premiums Act* and their regulations. Under these statutes, any business in Alberta that has five or more employees must establish an AHCI group. The AHCI definition of employees includes the proprietor, partners and corporation owner/operator.

Effectively, the statutes require the business to become an agent of AHCI for the collection of health care premiums. They do not require the business to make any contribution towards its employees' premiums, although many choose such an option. You should contact the Registration Branch of AHCI to obtain the *Group Administrator's Handbook* in advance, or to apply for registration. Walk-in counter service is available in Edmonton and Calgary, but mail enquiries are to be directed to Edmonton only.

Important Note

To: Group Plan Administrators, Health Care Practitioners and Hospitals.

Effective January 1, 2009, Albertans are no longer required to pay health care premiums. However, Albertans are expected to pay their Alberta Health Care Insurance Plan premiums owing prior to January 1, 2009.

Registration Branch, Alberta Health Care Insurance Division	
Edmonton Counter Service: Main Floor, 10025 Jasper Avenue Mail Service: Box 1360 Station Main T5J 2N3 Phone: 780 427-1432 Fax: 780 422-0102	Calgary Counter Service: Main Floor, 727 - 7th Avenue S W Mail Service: Not Available Phone: 403 297-6411 (Calls will be forwarded to Edmonton)
Both offices may be called toll free at 310-0000, then dial 780 427-1432.	

Alberta Occupational Health and Safety

Employers are legally responsible to make sure that the working environment is a safe and healthy place to work. In Alberta, the requirements for health and safety are in the *Occupational Health and Safety (OHS) Act, Regulation and Code*. Responsibilities include but are not limited to: protecting the health and safety of workers; identifying, assessing and controlling workplace hazards; keeping equipment in safe working order; setting safe practices and ensuring they are followed. The *OHS Act* allows employees to refuse unsafe or unhealthy work. It is a violation of the *Code* to fire an employee for refusing to work in unsafe or unhealthy conditions.

If you have any questions about Occupational Health and Safety requirements, best practices, and exemptions, or if you would like further information, see below.

Alberta Workplace Health and Safety Contact Centre
Edmonton: 780 415-8690 Toll-free within Alberta: 1 866 415-8690 TTY: 1 800 232-7215 TTY Toll-free: 1 800 232-7215 www.worksafely.org