

PRINCE EDWARD ISLAND MANUFACTURING AND PROCESSING PROFITS TAX CREDIT (2005 and later taxation years)

Name of corporation	Business Number Taxation year end							
			Year		M	onth	I D)ay
		1	1	1		1		1

- For use by corporations that maintained a permanent establishment (as defined in Regulation 400 of the federal *Income Tax Regulations*) in Prince Edward Island at any time in the taxation year and had:
 - taxable income earned in the taxation year in Prince Edward Island; and
 - Canadian manufacturing and processing profits, as defined in subsection 125.1(3) of the federal *Income Tax Act*, earned in the taxation year in Prince Edward Island.
- This schedule is a worksheet only and is not required to be filed with the T2 Corporation Income Tax Return.

Calculati	on of Prince Edward Island manufacturing and proces	ssing profits tax credit
Canadian manufacturing and proce from line 200 in Part 9 of Schedule	essing profits for the year	A
Deduct:		
The least of amounts on lines 400, business deduction calculation on	405, 410, and 425 of the small page 3 of the T2 return	В
		c
Amount from line Y in Part 9 of Sch	nedule 27	D
Lesser of C and D	x Taxable income earned in Prince Edward Island Taxable income earned in all provinces *	= E
Amount E	Number of days in the taxation year x before April 1, 2005 Number of days in the taxation year	x 8.5% = F
	manufacturing and processing profits tax credit is reduced to 0% ar that are after March 31, 2005.	for
Prince Edward Island manufactu	Iring and processing profits tax credit – Amount F	G
	Enter amount G on line 529 of Schedule 5.	
* Includes the territories and the o	offshore jurisdictions for Nova Scotia and Newfoundland and Lab	ador.

Canadä.