

CAN: _____

Taxation Year Ending: _____

The Alberta Manufacturing and Processing Profits Deduction is only available until March 31, 2001. To be eligible for this deduction, a corporation must derive at least 10 percent of its gross revenue for the year from manufacturing or processing of goods for sale or lease and the corporation's taxation year must begin before April 1, 2001. For taxation years that straddle March 31, 2001, the deduction is prorated by the number of days in the taxation year prior to April 1, 2001. Report all monetary amounts in dollars; DO NOT include cents.

Adjusted Business Income

If the Adjusted Business Income (ADJUBI) determined for Alberta purposes is the same as for federal purposes, enter the ADJUBI amount from the federal schedule 27. If the ADJUBI is calculated differently for Alberta purposes, then enter the amount from Schedule 12, line 116

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Small Manufacturing Corporations: Enter the amount from line 001 above directly onto line 003

- * A small manufacturing corporation meets the following criteria:
- a. its activities during the taxation year were primarily manufacturing or processing in Canada of goods for sale or lease;
 - b. the aggregate of its active business income (net of losses) for the taxation year and the active business incomes (net of losses) of its associated Canadian corporations for their taxation years ending in or coinciding with the taxation year does not exceed \$200,000;
 - c. it was not at anytime during the taxation year engaged in any of the excluded activities set out in the Information Circular CT-20; and
 - d. it did not carry on any active business outside Canada.

Other Corporations: Complete page 2 of this form and enter the amount from line 042 onto line 003

Alberta Manufacturing and Processing Profits Deduction

Alberta Manufacturing and Processing Profits Amount from line 001 or line 042 as applicable

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Less: Income Eligible for Alberta Small Business Deduction From Schedule 1: (least of lines 007, 013 and 015) x line 021

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Balance: line 003 minus line 005 (if negative, enter "0")

007	
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Amount Taxable in Alberta AT1 page 2, line 066

009	
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From Schedule 1: least of lines 007, 013 and 015

011	
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Canadian-controlled Private Corporations Only: Aggregate investment income for the year (as defined in subsection 129(4) of the federal Act)

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Total: sum of amounts on lines 011 and 013

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Multiply: Line 015 X Alberta allocation factor* from AT1 Schedule 2: _____ =

019	
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* If corporation has permanent establishments only in Alberta, multiply by "1"

Calculate: Line 009 minus line 019 (if negative, enter "0")

021	
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Alberta Manufacturing and Processing Profits Deduction:

Number of days in taxation year:

Before April 1, 2001 _____ (A); After March 31, 2001 _____ (B)

Lesser of amounts on lines 007 and 021 X [line A/(line A + line B)] X .01 =

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Enter this amount on AT1 page 2, line 071

Alberta Manufacturing and Processing Profits

To be completed by corporations other than small manufacturing corporation

Cost of Capital

Calculate in accordance with the Cost of Capital calculation on federal schedule 27

031

Alberta Cost of Manufacturing and Processing Capital

That portion of "Cost of Capital" (line 031) that reflects the extent to which each property included in the calculation thereof was used directly in Alberta in "qualified activities" * of the corporation or partnership during the year **

033 X $\frac{100}{85}$ = 035
 cannot exceed amount on line 031

Cost of Labour

Calculate in accordance with the Cost of Labour calculation on federal schedule 27

037

Alberta Cost of Manufacturing and Processing Labour

That portion of "Cost of Labour" (line 037) that was paid or payable

- (a) to employees for the time they were directly engaged in Alberta in "qualified activities" * of the corporation or partnership during the year **
- and
- (b) to non-employees for the performance of functions in Alberta that would be directly related to "qualified activities" * of the corporation or partnership during the year **, if such functions would normally be performed by employees.

039 X $\frac{100}{75}$ = 041
 cannot exceed amount on line 037

Alberta Manufacturing and Processing Profits

Calculate:

Line 001 X $\frac{\text{line 035} + \text{line 041}}{\text{line 031} + \text{line 037}}$ = 042
 enter this amount on line 003 on page 1

* "Qualified activities" as defined in section 22.2(1)(i) of the Act must be performed in Alberta in connection with manufacturing and processing. For further explanation, see the Guide under subheading "Lines 035 and 041".

** In the case of a partnership, "year" means a fiscal period ending in or coinciding with the taxation year of the corporation.