



PROVINCIAL OR TERRITORIAL FOREIGN TAX CREDIT

Use this form to calculate the **non-business** foreign tax credit for 2005 that you can deduct from the income tax payable to the province or territory you resided in at the end of the year. The term "end of the year" means December 31, 2005, the date you left Canada if you emigrated in 2005, or the date of death for a person who died in 2005.

This form does not apply to residents of Quebec. If you are a resident of British Columbia or Manitoba and subject to minimum tax, you cannot claim a provincial foreign tax credit.

Before you complete this form, calculate your federal foreign tax credit by using federal Schedule 1 or Form T2209, "Federal Foreign Tax Credits". If the amount of federal foreign tax credit you are entitled to deduct is equal to the foreign non-business tax you paid, your provincial or territorial foreign tax credit would be zero. As a result, you do not have to complete this form.

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Attach a completed copy of this form to your return. If the non-business income taxes you paid to all foreign countries total more than \$200, complete a separate form for each foreign country to which you paid taxes.

Country or countries for which you are making this claim:

Enter the amount from line 1 of Form T2209, "Federal Foreign Tax Credits", or from line (i) of federal Schedule 1.

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Enter the federal foreign tax credit you are entitled to deduct on line 14 of federal Schedule 1 in respect of non-business income. If you are subject to minimum tax for 2005, see Note 1

-		2
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Line 1 minus line 2

=		3
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Net foreign
non-business income *

Divided by: Net income **

× Provincial or territorial tax
otherwise payable ***

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4

Enter the amount from
line 3 or line 4,
whichever is **less**

**Provincial or territorial
foreign tax credit**

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Enter the amount from line 5 on the line for the provincial or territorial foreign tax credit of Form 428. If you have to pay tax to more than one jurisdiction, enter the amount from line 5 on the applicable Part 4, Section 428MJ of Form T2203, "Provincial and Territorial Taxes for 2005 (Multiple Jurisdiction)", only for the province or territory you resided in on the last day of the year.

* **Net foreign non-business income**

Enter the amount reported as net foreign non-business income in the calculation of line 14 on federal Schedule 1 or line 2 on Form T2209.

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**** Net income**

Enter the amount reported as net income in the calculation of line 14 on federal Schedule 1 or line 2 on Form T2209.

If you were a resident of Canada for part of the year, include the income for the part of the year you were a resident of Canada plus any income and losses referred to in paragraphs 115(1)(a) to (c) of the federal "Income Tax Act" as reported on your Canadian return, for the part of the year you were not a resident of Canada.

If you paid tax to more than one jurisdiction in 2005, use the amount allocated to your province or territory of residence in column 4, Part 1 of Form T2203 **instead** of "line 236 plus the amount on line 3 of Form T1206" when determining net income in the calculation of line 14 on federal Schedule 1 or line 2 on Form T2209.

***** Provincial or territorial tax otherwise payable**

Enter the amount of tax calculated **before** determining the provincial and territorial foreign tax credit from Form 428 or Section 428MJ of Form T2203 for your province or territory of residence.

If you were a resident of **Ontario**, to calculate your "provincial or territorial tax otherwise payable" for the purposes of the provincial foreign tax credit, add the amounts, from lines 42 and 43 to the amount from line 59 of Form ON428.

If you were a resident of **Alberta**, to calculate your "provincial or territorial tax otherwise payable" for the purposes of the provincial foreign tax credit add the amounts of lines 36 and 37 to the amount from line 41 of Form AB428.

Note 1:

If you are a resident of **British Columbia** or **Manitoba** and subject to minimum tax, you cannot claim a provincial foreign tax credit.

If you are a resident of another province or territory, and are subject to minimum tax for 2005, enter on line 2 the part, if any, of the special foreign tax credit (line 88 of Form T691, "Alternative Minimum Tax") that relates to non-business-income taxes you paid to a foreign country for 2005.