PART XIV TAX – BRANCH TAX (2002 and later taxation years)

Name of corporation	Business Number	Taxation year-end Year Month				Dav	
		1	I	ı	I	l Day	,

- This schedule is for use by a non-resident corporation that earned income from a business carried on in Canada through a branch office.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.
- Subsection 219(8) defines the term "qualified related corporation."
- No Part XIV tax is payable for a taxation year by a corporation that was throughout the year:
 - 1) a corporation whose principal business was transporting persons or goods, communications, or mining iron ore in Canada; or
 - 2) a corporation exempt from tax under section 149.
- In this schedule, a qualified property means a property used to gain or produce income from a business carried on in Canada.

Part 1 – Calculation of the base amount with additions		
Taxable income earned in Canada for the year (line 360, or amount Z if applicable, on page 3 of the T2 return)		A
Less: Excluded gains per subsection 219(1.1)		— ^В с
Base amount (amount A minus amount B) (if negative, enter "0")	100	
Additions:		
Taxable dividends deducted under section 112 or paragraph 115(1)(e)	101	D
Resource allowance deducted, other than an amount deducted because of a membership in a partnership		E
Taxable capital gains from a disposition of a taxable Canadian property other than		
excluded gains	. F	
Deduct the total of:		
Allowable capital losses on disposition of taxable Canadian property		
Net capital losses of other years that are deductible		
in the current year	•	
Subtotal (line 104 plus line 105) 106	G	
Excess (amount F minus amount G) (if negative, enter "0")	. н	
Non-taxable portion of capital gains other than excluded gains (enter amount H at line 107)	107	1
Grant or credit received in the year as a reimbursement of royalty income in relation to crown resources that was not included in the base amount for any taxation year	108	J
If the corporation disposed of qualified property in the year to a Canadian corporation that was, immediately after the disposition, its qualified related corporation, in return for consideration that includes a share, provide the following details of the disposition:		
Fair market value of the qualified property		
Less: Proceeds of disposition of the property	•	
Excess (line 109 minus line 110) (if negative, enter "0")	•	K
	·	
Allowance for investments in property in Canada claimed in the preceding taxation year *	112	L
Base amount with additions (total of amounts C, D, E, I, J, K, and L)	113	_
* If the corporation becomes resident in Canada during the year, enter "0" at line 112 (pending a change in the Income Tax F	Regulations.)	
* If the corporation becomes resident in Canada during the year, enter "0" at line 112 (pending a change in the Income Tax F	Regulations.)	

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Part 2 – Calculation	n of deductions fro	om the base	amount —				
), 704, and 720 from the T2 olus Ontario, Quebec, and A				_
Total tax payable (line 114	plus line 115)				····· =		M
Amount M	x	Base	e amount (line 100 on page	: 1) -	<u> </u>		N
Amount W			e earned in Canada (amoun				— ' '
					77 7		_
			income tax payable ne year (amount from line 22				_ _P
			increased the base amount	, ,			<u> </u>
					119		Q
•	r the disposition, its qu	ialified related o	Canadian corporation (refectorporation, in return for cososition:	•	,		
Fair market value of the qu	ualified property			120	R		
Deduct:			404				
Increase in paid-up ca Fair market value of th			121 122				
		ne 121 plus line		<u> </u>	S		
	_ ,		. 0) ((422	_		_
	Excess (amou	unt R minus an	mount S) (if negative, enter	"0") 123			_ ^T
Deductions from the bas	e amount (total of am	ounts N, O, P,	Q, and T)		124		
Part 3 – Calculation	_	-					
			4 ala ava)				_ v
			4 above)				_ v
	, ,	3 3 3 3 3 3	- · · ,				_
	· ·		aty with certain foreign cour	,			
(Enter the amount from line	,				500		
,	,						
Taxable base amount (line	125 minus line 500) (i	if negative, ent	ter "0")		·····		W
Tax rate (tax treaties with o	other countries may all	low a lower rate	te)			x 25%	
·	·						_
					126 <u> </u>		_
(Enter the amount from line	e 126 at line 728 on pa	age 8 of the 12	? return.)				
Part 4 – Continuity	of exemption of a	ccumulated	income —				
Tax treaties with certain fo	reign countries genera	ally provide an o	exemption on the first \$500	0,000 of accumulated in	ncome.		
Harris de la constitución de la					,000) * 510		V
Unused exemption of accu	imulated income at the	end of the pre	eceding taxation year (cann	not be more than \$500,	,000) ^ 510		_ x
Exemption of accumulated	I income claimed this y	ear (amount fr	rom line 500 above)		<u> </u>		Y
Olasias halanas faritha au					<mark>520</mark>		
Closing balance for the ex-	emption of accumulate	a income (amo	ount X minus amount Y) .				=
* If this is your first return f	iled, enter \$500,000.						
1							

— Part 5 – Allowance for investments in property in Canada claimed for the year		
This part does not apply to an authorized foreign bank.		
Cost amount at the end of the year of land owned in Canada for gaining or producing income from a business carried on in Canada	200	Z
Cost amount immediately after the end of the year of depreciable property owned in Canada for gaining or producing income from a business carried on in Canada	201	A
	000	
Cumulative eligible capital immediately after the end of the year, for each business carried on in Canada, multiplied by 4/3	202	BE
For a corporation other than a principal-business corporation: Canadian exploration and development expenses not deducted in computing income for the year or for a previous year, plus the cumulative Canadian exploration expenses at the end of the year, minus any deductions claimed for the year under subsection 66.1(3)	203	c
Cumulative Canadian development expenses at the end of the year, minus any deductions claimed for the year under subsection 66.2(2)	204	DI
Cumulative Canadian oil and gas property expenses at the end of the year, minus any deductions claimed for the year under subsection 66.4(2)	205	E
Debt receivable as a result of the disposition of property described at lines 200, 201, 202, and 209	206	Fi
Cost amount at the end of the year of each property (other than a Canadian resource property) described in the inventory for a business carried on in Canada	207	GG
Cost amount at the end of the year of each debt receivable (other than a debt referred to at line 206 or a bad debt) for which an amount has been included in income for the year or for a previous year from a business carried on in Canada, or for a loan made by the corporation where any part of its business carried on in Canada was the lending of money	208	HI
Cost amount at the end of the year of each property of land, depreciable property, or debt receivable that is not included at line 200, 201, or 208; share of a corporation, bond, debenture, bill, note, mortgage, or similar obligation that is not included in the inventory for a business carried on in Canada (see note below)	209	II
Cash balance at the end of the year, plus cost amount at the end of the year, of each bond, debenture, bill, note, mortgage, or similar obligation that was issued by an arm's length person resident in Canada and that matures within one year of acquisition		
Total of the cost amount of the property described at line 210 at the end of each month in the year, divided by the number of months in that year, multiplied by 4/3		
Allowable liquid assets (line 210 or 211, whichever is less)	212	J.
Subtotal (total of amounts Z to JJ)	213	K
Reserves for doubtful debts, certain guarantees, or unpaid amounts deducted in computing income for the year from a business carried on in Canada		
Reserves for capital gains deducted in the year for a debt referred to at line 206		
Amount owing as a result of an acquisition of property described at lines 200, 201, 207, and 209, an expense made as described at lines 203, 204, and 205, an eligible capital expenditure, or any other expense made that was deducted in computing income for the year or for a previous year, from a business carried on in Canada 216		
Proportion of the amount owing on account of an interest-bearing obligation, equal to the interest paid or payable on the obligation that is deductible, or would otherwise be deductible, in computing income for the year from a business carried on in Canada, divided by the total interest paid or payable on the obligation for the year		
Unpaid federal Part I tax, excluding tax on taxable capital gains from the disposition of taxable Canadian property not used or held in the course of carrying on a business in Canada		
Unpaid provincial income tax, excluding tax on taxable capital gains from the disposition of taxable Canadian property not used or held in the course of carrying on a business in Canada		
Reserves for doubtful debts or certain guarantees, plus the amount owing as a result of an expense made that was deducted in computing income for the year, plus the amount owing for which interest is deductible, all from a source other than a business carried on in Canada or a property situated in Canada (see note below)		
Subtotal (total of amounts at lines 214 to 220) 221	▶ .	Ц
Qualified investments in property in Canada (amount KK minus amount LL)	222	
Allowance for investments in property in Canada claimed for the year (cannot be more than amount at line 222) Enter the amount from line 223 at line 118 on page 2.	223	

Note: Lines 209 and 220 apply to a corporation that was resident in Canada at any time in the year. Draft legislation proposes to repeal paragraphs 808(2)(h) and 808(2)(p) of the *Income Tax Regulations*, which apply to taxation years that begin after 1995 and taxation years that end after November 1991 respectively. This means that if the draft legislation passes into law, lines 209 and 220 will no longer apply.

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