



**Part 2 – Calculation of income from active business when there is partnership income**

Period after December 31, 2004

If there are days in the taxation year in this period, calculate the income from active business as follows:

Net amount on line R from Part 4 of Schedule 7, *Calculation of Aggregate Investment Income and Active Business Income* . . . J3

**Deduct partnership income:**

Amount M from Part 3 of Schedule 7 . . . . . K3

L3	M3	N3	O3
Amounts from column E in Part 2 of Schedule 7	Amounts from column G in Part 2 of Schedule 7 multiplied by <u>400,000</u> <u>300,000</u>	Column L3 <b>minus</b> column M3 (if negative, enter "0")	Lesser of columns L3 and M3 (if column L3 is negative, enter "0")
1.			
2.			
3.			
<b>Total</b>		P3	Q3

Amount on line 370 from Part 2 of Schedule 7 . . . R3

Amount on line 380 from Part 2 of Schedule 7 . . . S3

Subtotal (amount R3 plus amount S3) . . . . . T3

Enter amount P3 or amount T3, whichever is less . . . . . U3

Specified partnership income (amount Q3 plus amount U3) . . . . . V3

Partnership income (amount K3 minus amount V3) . . . . . W3

**Income from active business in this period** (amount J3 minus amount W3) . . . . . X3

Enter, at line B3 on page 1 of this schedule, whichever is more: the amount from line X3 above or from line 400 of the T2 return.

**Part 3 – Calculation of British Columbia tax before credits**

**British Columbia tax at the lower rate:**

Amount H2 \_\_\_\_\_ x  $\frac{\text{Number of days in the taxation year before January 1, 2005}}{\text{Number of days in the taxation year}}$  x 4.5% = \_\_\_\_\_ A

Amount H3 \_\_\_\_\_ x  $\frac{\text{Number of days in the taxation year after December 31, 2004}}{\text{Number of days in the taxation year}}$  x 4.5% = \_\_\_\_\_ B

Total British Columbia tax at the lower rate (amount A plus amount B) . . . . . C

**British Columbia tax at the higher rate:**

Amount I2 \_\_\_\_\_ x  $\frac{\text{Number of days in the taxation year before January 1, 2005}}{\text{Number of days in the taxation year}}$  x 13.5% = \_\_\_\_\_ D

Amount I3 \_\_\_\_\_ x  $\frac{\text{Number of days in the taxation year after December 31, 2004 and before July 1, 2005}}{\text{Number of days in the taxation year}}$  x 13.5% = \_\_\_\_\_ E

Amount I3 \_\_\_\_\_ x  $\frac{\text{Number of days in the taxation year after June 30, 2005}}{\text{Number of days in the taxation year}}$  x 12% = \_\_\_\_\_ F

Total British Columbia tax at the higher rate (total of amounts D, E, and F) . . . . . G

**British Columbia tax before credits** (amount C plus amount G) \* . . . . . H

\* If the corporation has a permanent establishment in more than one jurisdiction or is claiming a British Columbia tax credit, enter amount H at line 240 of Schedule 5. Otherwise, enter it at line 760 of the T2 return.