Agence du revenu du Canada

SASKATCHEWAN MANUFACTURING AND PROCESSING PROFITS TAX REDUCTION (2006 and later tax years)

Name of corporation	Business Number	Tax year-end			
		Ye	ar -	Month	Day

- Use this schedule if the corporation had:
 - a permanent establishment (as defined in Regulation 400 of the federal Income Tax Regulations) in Saskatchewan at any time in the year;
 - taxable income earned in the year in Saskatchewan; and
 - Canadian manufacturing and processing profits, as defined in subsection 125.1(3) of the federal Income Tax Act, earned in Saskatchewan.
- Effective January 1, 2002, Canadian manufacturing and processing profits earned in Saskatchewan include profits from generating or producing electrical energy or steam for sale in Saskatchewan.
- Corporations must claim their Saskatchewan manufacturing and processing profits tax reduction within three years of the filing due date of the T2 return
 for the applicable tax year.
- This schedule is a worksheet only and does not have to be filed with your T2 Corporation Income Tax Return.

Period before July 1, 2006		
If there are days in the tax year that are in the period mentioned above, calculate the income e profits tax reduction as follows:	ligible for the Saskatchewan manufacturing an	d processing
Canadian manufacturing and processing profits (amount from line 200 of Schedule 27)*	<u> </u>	A2
Deduct: amount E2 from Schedule 411**	· · · · · · · · · · · · · · · · · · ·	B2
	Excess (if negative, enter "0")	C2
Taxable income (amount from line 360 of the T2 return)	······	D2
Amount E2 from Schedule 411**	F2	
Aggregate investment income (amount from line 440 of the T2 return)** Foreign business income tax credit (amount from	G2	
line 636*** of the T2 return)	= H2	
	I H2)	12
Subtotal (add amounts F2, G2, and		
Subtotal (add amounts F2, G2, and	Excess (if negative, enter "0")	J2
	Excess (if negative, enter "0")	J2
	Excess (if negative, enter "0") on in this period	J2 K2
Income eligible for the Saskatchewan manufacturing and processing profits tax reduction (amount C2 or J2, whichever is less)	Excess (if negative, enter "0") on in this period	
Income eligible for the Saskatchewan manufacturing and processing profits tax reduction (amount C2 or J2, whichever is less) Period after June 30, 2006, and before 30, 2006, and 30, 3006, and 30, 3006, an	Excess (if negative, enter "0") on in this period lly 1, 2007	K2
Income eligible for the Saskatchewan manufacturing and processing profits tax reduction (amount C2 or J2, whichever is less) Period after June 30, 2006, and before June 30.	Excess (if negative, enter "0") on in this period lly 1, 2007	K2
Income eligible for the Saskatchewan manufacturing and processing profits tax reduction (amount C2 or J2, whichever is less) Period after June 30, 2006, and before 30, 2006, and	Excess (if negative, enter "0") on in this period ally 1, 2007 ligible for the Saskatchewan manufacturing an	K2
Income eligible for the Saskatchewan manufacturing and processing profits tax reduction (amount C2 or J2, whichever is less) Period after June 30, 2006, and before Julie of there are days in the tax year that are in the period mentioned above, calculate the income elements.	Excess (if negative, enter "0") on in this period ally 1, 2007 digible for the Saskatchewan manufacturing an	K2
Income eligible for the Saskatchewan manufacturing and processing profits tax reduction (amount C2 or J2, whichever is less) Period after June 30, 2006, and before 30, 2006, and 2006,	Excess (if negative, enter "0") on in this period ally 1, 2007 digible for the Saskatchewan manufacturing an	K2 d processing A3
Income eligible for the Saskatchewan manufacturing and processing profits tax reduction (amount C2 or J2, whichever is less) Period after June 30, 2006, and before 30, 2006, and 2006,	Excess (if negative, enter "0") In in this period Ily 1, 2007 Igible for the Saskatchewan manufacturing an Excess (if negative, enter "0")	d processing A3 B3
Income eligible for the Saskatchewan manufacturing and processing profits tax reduction (amount C2 or J2, whichever is less) Period after June 30, 2006, and before 30, 2006, and	Excess (if negative, enter "0") In in this period Ily 1, 2007 Iigible for the Saskatchewan manufacturing an Excess (if negative, enter "0")	d processing A3 B3 C3
Income eligible for the Saskatchewan manufacturing and processing profits tax reduction (amount C2 or J2, whichever is less) Period after June 30, 2006, and before Julie 1 of there are days in the tax year that are in the period mentioned above, calculate the income exprofits tax reduction as follows: Canadian manufacturing and processing profits (amount from line 200 of Schedule 27)* Deduct: amount E3 from Schedule 411** Taxable income (amount from line 360 of the T2 return) Deduct: Amount E3 from Schedule 411** Aggregate investment income (amount from line 440 of the T2 return)** Foreign business income tax credit (amount from	Excess (if negative, enter "0") In in this period Ily 1, 2007 Iigible for the Saskatchewan manufacturing an Excess (if negative, enter "0")	d processing A3 B3 C3
Income eligible for the Saskatchewan manufacturing and processing profits tax reduction (amount C2 or J2, whichever is less) Period after June 30, 2006, and before Julie 1 of there are days in the tax year that are in the period mentioned above, calculate the income elegated profits tax reduction as follows: Canadian manufacturing and processing profits (amount from line 200 of Schedule 27)* Deduct: amount E3 from Schedule 411** Taxable income (amount from line 360 of the T2 return) Deduct: Amount E3 from Schedule 411** Aggregate investment income (amount from line 440 of the T2 return)**	Excess (if negative, enter "0") In in this period Ily 1, 2007 Igible for the Saskatchewan manufacturing an Excess (if negative, enter "0") Excess (if negative, enter "0") F3 G3	d processing A3 B3 C3
Income eligible for the Saskatchewan manufacturing and processing profits tax reduction (amount C2 or J2, whichever is less) Period after June 30, 2006, and before June 30,	Excess (if negative, enter "0") In in this period Ily 1, 2007 Igible for the Saskatchewan manufacturing an Excess (if negative, enter "0") F3 G3 H3	d processing A3 B3 C3

- * If the corporation generated or produced electrical energy or steam for sale in Saskatchewan, use the amount from line 210 rather than line 200 of Schedule 27.
- ** Applies only to corporations that were Canadian-controlled private corporations throughout the tax year.
- *** Calculate the amount of foreign business income tax credit deductible at line 636 of the T2 return without reference to the corporate tax reductions under section 123.4 of the federal *Income Tax Act*.

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	processing profits tax reducti	on (continued) -
Period after June 30, 2007, and before July 1,	2008	
If there are days in the tax year that are in the period mentioned above, calculate the income eligible profits tax reduction as follows:	for the Saskatchewan manufacturin	ng and processing
Canadian manufacturing and processing profits (amount from line 200 of Schedule 27)*		A4
Deduct: amount E4 from Schedule 411**		
	Excess (if negative, enter "0")	C4
Taxable income (amount from line 360 of the T2 return)	······ <u> </u>	D4
Amount E4 from Schedule 411**	F4	
Aggregate investment income (amount from line 440 of the T2 return)**		
Foreign business income tax credit (amount from		
line 636*** of the T2 return) × 3 =	H4	
Subtotal (add amounts F4, G4, and H4)		14
	Excess (if negative, enter "0")	
Income eligible for the Saskatchewan manufacturing and processing profits tax reduction in		
(amount C4 or J4, whichever is less)	-	K4
Period after June 30, 2008		
If there are days in the tax year that are in the period mentioned above, calculate the income eligible profits tax reduction as follows:	for the Saskatchewan manufacturir	ng and processing
profits tax reduction as follows:	· · · · · · · · · · · · · · · · · · ·	
profits tax reduction as follows: Canadian manufacturing and processing profits (amount from line 200 of Schedule 27)* Deduct: amount E5 from Schedule 411**	· · · · · · · · · · · · · · · · · · ·	A5
profits tax reduction as follows: Canadian manufacturing and processing profits (amount from line 200 of Schedule 27)* Deduct: amount E5 from Schedule 411** Taxable income (amount from line 360 of the T2 return) Deduct:	Excess (if negative, enter "0")	A5 B5
Canadian manufacturing and processing profits (amount from line 200 of Schedule 27)*. Deduct: amount E5 from Schedule 411** Taxable income (amount from line 360 of the T2 return) Deduct: Amount E5 from Schedule 411**	Excess (if negative, enter "0")	A5 B5 C5
Canadian manufacturing and processing profits (amount from line 200 of Schedule 27)* Deduct: amount E5 from Schedule 411** Taxable income (amount from line 360 of the T2 return) Deduct: Amount E5 from Schedule 411** Aggregate investment income (amount from line 440 of the T2 return)**	Excess (if negative, enter "0")	A5 B5 C5
Canadian manufacturing and processing profits (amount from line 200 of Schedule 27)* Deduct: amount E5 from Schedule 411** Taxable income (amount from line 360 of the T2 return) Deduct: Amount E5 from Schedule 411** Aggregate investment income (amount from line 440 of the T2 return)** Foreign business income tax credit (amount from	Excess (if negative, enter "0") F5 G5	A5 B5 C5
Canadian manufacturing and processing profits (amount from line 200 of Schedule 27)* Deduct: amount E5 from Schedule 411** Taxable income (amount from line 360 of the T2 return) Deduct: Amount E5 from Schedule 411** Aggregate investment income (amount from line 440 of the T2 return)** Foreign business income tax credit (amount from line 636*** of the T2 return)	Excess (if negative, enter "0") F5 G5 H5	A5 B5 C5
Canadian manufacturing and processing profits (amount from line 200 of Schedule 27)* Deduct: amount E5 from Schedule 411** Taxable income (amount from line 360 of the T2 return) Deduct: Amount E5 from Schedule 411** Aggregate investment income (amount from line 440 of the T2 return)** Foreign business income tax credit (amount from line 636*** of the T2 return)	Excess (if negative, enter "0")	A5
Canadian manufacturing and processing profits (amount from line 200 of Schedule 27)* Deduct: amount E5 from Schedule 411** Taxable income (amount from line 360 of the T2 return) Deduct: Amount E5 from Schedule 411** Aggregate investment income (amount from line 440 of the T2 return)** Foreign business income tax credit (amount from line 636*** of the T2 return) × 3 = Subtotal (add amounts F5, G5, and H5)	Excess (if negative, enter "0") F5 G5 H5 Excess (if negative, enter "0")	A5 B5 C5
Canadian manufacturing and processing profits (amount from line 200 of Schedule 27)* Deduct: amount E5 from Schedule 411** Taxable income (amount from line 360 of the T2 return) Deduct: Amount E5 from Schedule 411** Aggregate investment income (amount from line 440 of the T2 return)** Foreign business income tax credit (amount from line 636*** of the T2 return)	Excess (if negative, enter "0") F5 G5 H5 Excess (if negative, enter "0") Excess (if negative, enter "0")	A5
Canadian manufacturing and processing profits (amount from line 200 of Schedule 27)* Deduct: amount E5 from Schedule 411** Taxable income (amount from line 360 of the T2 return) Deduct: Amount E5 from Schedule 411** Aggregate investment income (amount from line 440 of the T2 return)** Foreign business income tax credit (amount from line 636*** of the T2 return) × 3 = Subtotal (add amounts F5, G5, and H5) Income eligible for the Saskatchewan manufacturing and processing profits tax reduction in	Excess (if negative, enter "0") F5 G5 H5 Excess (if negative, enter "0") Excess (if negative, enter "0")	A5

^{*} If the corporation generated or produced electrical energy or steam for sale in Saskatchewan, use the amount from line 210 rather than line 200 of Schedule 27.

^{**} Applies only to corporations that were Canadian-controlled private corporations throughout the tax year.

^{***} Calculate the amount of foreign business income tax credit deductible at line 636 of the T2 return without reference to the corporate tax reductions under section 123.4 of the federal *Income Tax Act*.

Part 2 – Calculation of Saskato	hewan r	nanufacturing and processing profits tax reduction -		
If there are described to the	. 41= '	Period before July 1, 2006		
If there are days in the tax year that are i	n the perio	od mentioned above, calculate the following:		
Amount K2	x	taxable income earned in Saskatchewan	=	L2
		taxable income earned in all provinces*		
Qualifying reduction rate 7%	х	taxable income earned in Saskatchewan	=	M2
Qualifying reduction rate	^	taxable income earned in all provinces*		
		number of days in the tax year		
Amount L2 multiplied by amount M2		x before July 1, 2006	= <u></u>	N2
		number of days in the tax year		
		Period after June 30, 2006, and before July 1, 2007		
If there are days in the tax year that are i		od mentioned above, calculate the following:		
Amount K3	Х	taxable income earned in Saskatchewan	=	L3
		taxable income earned in all provinces*		
Qualifying reduction rate 4%	x	taxable income earned in Saskatchewan	<u> </u>	M3
-		taxable income earned in all provinces*		
Amount I 2 multiplied by amount M2		number of days in the tax year after $_{\rm X}$ June 30, 2006, and before July 1, 2007	_	N3
Amount L3 multiplied by amount M3		number of days in the tax year		N3
		David of firm house 00, 0007, and hadam, habit 4, 0000		
If there are days in the tax year that are i		Period after June 30, 2007, and before July 1, 2008 and mentioned above, calculate the following:		
in allore are days in the tax year that are i	ir the pone	a montoned above, ealed attended mig.		
Amount K4	x	taxable income earned in Saskatchewan	= <u></u>	L4
		taxable income earned in all provinces*		
Qualifying reduction rate 3%	х	taxable income earned in Saskatchewan	=	M4
		taxable income earned in all provinces*		
		number of days in the tax year after		
Amount L4 multiplied by amount M4		x June 30, 2007, and before July 1, 2008 number of days in the tax year	=	N4
		Hamber of days in the tax year		
If there are days in the tax year that are i	n the perio	Period after June 30, 2008 and mentioned above, calculate the following:		
		in the first and the first teneral section of		
Amount K5	x	taxable income earned in Saskatchewan	= <u></u>	L5
		taxable income earned in all provinces*		
Qualifying reduction rate 2%	х	taxable income earned in Saskatchewan	=	M5
		taxable income earned in all provinces*		
		number of days in the tax year		
Amount L5 multiplied by amount M5		number of days in the tax year	= <u></u>	N5
		Hamber of days in the tax year		
For all products of the control of t	<u></u>			
For all periods mentioned above, comple	te the follo	owing:		
Saskatchewan manufacturing and pro	cessing p	profits tax reduction (total of amounts N2, N3, N4, and N5)		0
Enter amount O at line 626 of Schedule		, , , , , , , , , , , , , , , , , , ,		

^{*} Includes the territories, Nova Scotia offshore, and Newfoundland and Labrador offshore.