



**NEW BRUNSWICK CORPORATION TAX CALCULATION
(2006 and later tax years)**

Name of corporation	Business Number	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;">Tax year-end</td> </tr> <tr> <td style="text-align: center; border-bottom: 1px solid black;">Year Month Day</td> </tr> </table>	Tax year-end	Year Month Day
Tax year-end				
Year Month Day				

- Use this schedule if your corporation had a permanent establishment (as defined in Regulation 400 of the federal *Income Tax Regulations*) in New Brunswick, and had taxable income earned in the year in New Brunswick.

- This schedule is a worksheet only and does not have to be filed with your *T2 Corporation Income Tax Return*.

Part 1 – Calculation of income subject to New Brunswick lower and higher tax rate

Period before July 1, 2005

If there are days in the tax year in the period mentioned above, calculate the income subject to New Brunswick lower and higher tax rate as follows:

Taxable income for New Brunswick *		A4
Income eligible for New Brunswick lower tax rate in this period:		
Amount on line 400 of the T2 return **	B4	
Amount on line 405 of the T2 return	C4	
Amount on line 425 of the T2 return _____ × $\frac{425,000}{\text{line 4 on page 4 of the T2 return}}$	D4	
Amount B4, C4, or D4, whichever is less _____ × $\frac{\text{taxable income for New Brunswick}^*}{\text{taxable income for all provinces}^{***}}$	E4	
Income subject to New Brunswick higher tax rate in this period (amount A4 minus amount E4)		F4

Period after June 30, 2005, and before July 1, 2006

If there are days in the tax year in the period mentioned above, calculate the income subject to New Brunswick lower and higher tax rate as follows:

Taxable income for New Brunswick *		A5
Income eligible for New Brunswick lower tax rate in this period:		
Amount on line 400 of the T2 return **	B5	
Amount on line 405 of the T2 return	C5	
Amount on line 425 of the T2 return _____ × $\frac{450,000}{\text{line 4 on page 4 of the T2 return}}$	D5	
Amount B5, C5, or D5, whichever is less _____ × $\frac{\text{taxable income for New Brunswick}^*}{\text{taxable income for all provinces}^{***}}$	E5	
Income subject to New Brunswick higher tax rate in this period (amount A5 minus amount E5)		F5

* If the corporation has a permanent establishment only in New Brunswick, enter the taxable income from line 360 on page 3 of the T2 return. Otherwise, enter the taxable income allocated to New Brunswick from column F in Part 1 of Schedule 5.

** If the corporation is a member of a partnership, complete Part 2 to calculate income from active business.

*** Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 1 – Calculation of income subject to New Brunswick lower and higher tax rate (continued)

Period after June 30, 2006, and before July 1, 2007

If there are days in the tax year in the period mentioned above, calculate the income subject to New Brunswick lower and higher tax rate as follows:

Taxable income for New Brunswick * A6

Income eligible for New Brunswick lower tax rate in this period:

Amount on line 400 of the T2 return ** B6
 Amount on line 405 of the T2 return C6
 Amount on line 425 of the T2 return × $\frac{475,000}{\text{line 4 on page 4 of the T2 return}}$ = D6

Amount B6, C6, or D6,
 whichever is less × $\frac{\text{taxable income for New Brunswick}^*}{\text{taxable income for all provinces}^{***}}$ = E6

Income subject to New Brunswick higher tax rate in this period (amount A6 minus amount E6) F6

Period after June 30, 2007

If there are days in the tax year in the period mentioned above, calculate the income subject to New Brunswick lower and higher tax rate as follows:

Taxable income for New Brunswick * A7

Income eligible for New Brunswick lower tax rate in this period:

Amount on line 400 of the T2 return ** B7
 Amount on line 405 of the T2 return C7
 Amount on line 425 of the T2 return × $\frac{500,000}{\text{line 4 on page 4 of the T2 return}}$ = D7

Amount B7, C7, or D7,
 whichever is less × $\frac{\text{taxable income for New Brunswick}^*}{\text{taxable income for all provinces}^{***}}$ = E7

Income subject to New Brunswick higher tax rate in this period (amount A7 minus amount E7) F7

* If the corporation has a permanent establishment only in New Brunswick, enter the taxable income from line 360 on page 3 of the T2 return. Otherwise, enter the taxable income allocated to New Brunswick from column F in Part 1 of Schedule 5.

** If the corporation is a member of a partnership, complete Part 2 to calculate income from active business.

*** Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

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

Period before July 1, 2005

If there are days in the tax year in the period mentioned above, calculate the income from active business as follows:

Net amount on line R from Part 5 of Schedule 7, *Calculation of Aggregate Investment Income and Active Business Income* G4

Deduct partnership income:

Amount M from Part 4 of Schedule 7 H4

	I4	J4	K4	L4
	Amounts from column E in Part 3 of Schedule 7	Amounts from column G in Part 3 of Schedule 7 multiplied by <u>425,000</u> 300,000	Column I4 minus column J4 (if negative, enter "0")	Lesser of columns I4 and J4 (if column I4 is negative, enter "0")
1.				
2.				
3.				
	Totals		M4	N4

Amount on line 370 from Part 3 of Schedule 7 ... O4

Amount on line 380 from Part 3 of Schedule 7 ... P4

Subtotal (amount O4 plus amount P4) ... Q4

Enter amount M4 or amount Q4, whichever is less R4

Specified partnership income (amount N4 plus amount R4) S4

Partnership income (amount H4 minus amount S4) T4

Income from active business in this period (amount G4 minus amount T4) U4

(Enter on line B4 on page 1 of this schedule the greater of the amount from line U4 above or from line 400 of the T2 return.)

Period after June 30, 2005, and before July 1, 2006

If there are days in the tax year in the period mentioned above, calculate the income from active business as follows:

Net amount on line R from Part 5 of Schedule 7, *Calculation of Aggregate Investment Income and Active Business Income* G5

Deduct partnership income:

Amount M from Part 4 of Schedule 7 H5

	I5	J5	K5	L5
	Amounts from column E in Part 3 of Schedule 7	Amounts from column G in Part 3 of Schedule 7 multiplied by <u>450,000</u> 300,000	Column I5 minus column J5 (if negative, enter "0")	Lesser of columns I5 and J5 (if column I5 is negative, enter "0")
1.				
2.				
3.				
	Totals		M5	N5

Amount on line 370 from Part 3 of Schedule 7 ... O5

Amount on line 380 from Part 3 of Schedule 7 ... P5

Subtotal (amount O5 plus amount P5) ... Q5

Enter amount M5 or amount Q5, whichever is less R5

Specified partnership income (amount N5 plus amount R5) S5

Partnership income (amount H5 minus amount S5) T5

Income from active business in this period (amount G5 minus amount T5) U5

(Enter on line B5 on page 1 of this schedule the greater of the amount from line U5 above or from line 400 of the T2 return.)

Part 2 – Calculation of income from active business when there is partnership income (continued)

Period after June 30, 2006, and before July 1, 2007

If there are days in the tax year in the period mentioned above, calculate the income from active business as follows:

Net amount on line R from Part 5 of Schedule 7, *Calculation of Aggregate Investment Income and Active Business Income* G6

Deduct partnership income:

Amount M from Part 4 of Schedule 7 H6

I6	J6	K6	L6
Amounts from column E in Part 3 of Schedule 7	Amounts from column G in Part 3 of Schedule 7 multiplied by <u>475,000</u> Business limit *	Column I6 minus column J6 (if negative, enter "0")	Lesser of columns I6 and J6 (if column I6 is negative, enter "0")
1.			
2.			
3.			
Totals		M6	N6

Amount on line 370 from Part 3 of Schedule 7 ... O6

Amount on line 380 from Part 3 of Schedule 7 ... P6

Subtotal (amount O6 plus amount P6) Q6

Enter amount M6 or amount Q6, whichever is less R6

Specified partnership income (amount N6 plus amount R6) S6

Partnership income (amount H6 minus amount S6) T6

Income from active business in this period (amount G6 minus amount T6) U6

(Enter on line B6 on page 2 of this schedule the greater of the amount from line U6 above or from line 400 of the T2 return.)

* If the corporation's tax year ends in 2006, the federal business limit is \$300,000. If the tax year ends in 2007 or later, the federal business limit is \$400,000.

Period after June 30, 2007

If there are days in the tax year in the period mentioned above, calculate the income from active business as follows:

Net amount on line R from Part 5 of Schedule 7, *Calculation of Aggregate Investment Income and Active Business Income* G7

Deduct partnership income:

Amount M from Part 4 of Schedule 7 H7

I7	J7	K7	L7
Amounts from column E in Part 3 of Schedule 7	Amounts from column G in Part 3 of Schedule 7 multiplied by <u>500,000</u> <u>400,000</u>	Column I7 minus column J7 (if negative, enter "0")	Lesser of columns I7 and J7 (if column I7 is negative, enter "0")
1.			
2.			
3.			
Totals		M7	N7

Amount on line 370 from Part 3 of Schedule 7 ... O7

Amount on line 380 from Part 3 of Schedule 7 ... P7

Subtotal (amount O7 plus amount P7) Q7

Enter amount M7 or amount Q7, whichever is less R7

Specified partnership income (amount N7 plus amount R7) S7

Partnership income (amount H7 minus amount S7) T7

Income from active business in this period (amount G7 minus amount T7) U7

(Enter on line B7 on page 2 of this schedule the greater of the amount from line U7 above or from line 400 of the T2 return.)

Part 3 – Calculation of New Brunswick tax before credits

New Brunswick tax at the lower rate:

Amount E4 _____	x	$\frac{\text{Number of days in the tax year before July 1, 2005}}{\text{Number of days in the tax year}}$	_____	x 2.5% = _____	B
Amount E5 _____	x	$\frac{\text{Number of days in the tax year after June 30, 2005, and before July 1, 2006}}{\text{Number of days in the tax year}}$	_____	x 2% = _____	C
Amount E6 _____	x	$\frac{\text{Number of days in the tax year after June 30, 2006, and before July 1, 2007}}{\text{Number of days in the tax year}}$	_____	x 1.5% = _____	D
Amount E7 _____	x	$\frac{\text{Number of days in the tax year after June 30, 2007}}{\text{Number of days in the tax year}}$	_____	x 1% = _____	E

Total New Brunswick tax at the lower rate (total of amounts B, C, D, and E) ▶ F

New Brunswick tax at the higher rate:

Amount F4 _____	x	$\frac{\text{Number of days in the tax year before July 1, 2005}}{\text{Number of days in the tax year}}$	_____	x 13% = _____	H
Amount F5 _____	x	$\frac{\text{Number of days in the tax year after June 30, 2005, and before July 1, 2006}}{\text{Number of days in the tax year}}$	_____	x 13% = _____	I
Amount F6 _____	x	$\frac{\text{Number of days in the tax year after June 30, 2006, and before January 1, 2007}}{\text{Number of days in the tax year}}$	_____	x 13% = _____	J
Amount F6 _____	x	$\frac{\text{Number of days in the tax year after December 31, 2006, and before July 1, 2007}}{\text{Number of days in the tax year}}$	_____	x 12% = _____	K
Amount F7 _____	x	$\frac{\text{Number of days in the tax year after June 30, 2007}}{\text{Number of days in the tax year}}$	_____	x 12% = _____	L

Total New Brunswick tax at the higher rate (total of amounts H, I, J, K, and L) ▶ M

New Brunswick tax before credits (amount F plus amount M) * N

* If the corporation has a permanent establishment in more than one jurisdiction or is claiming a New Brunswick tax credit, enter amount N on line 225 of Schedule 5. Otherwise, enter it on line 760 of the T2 return.