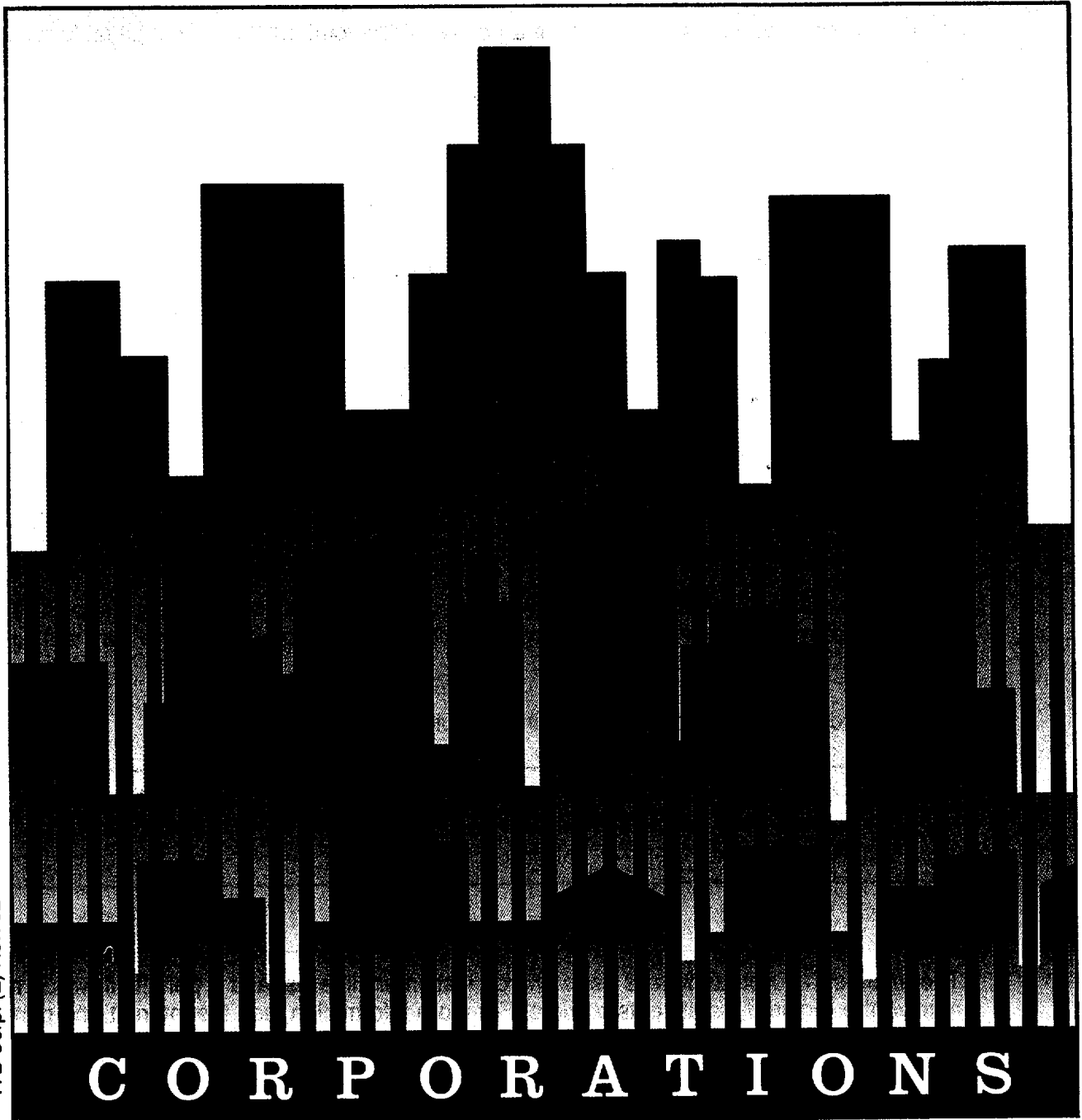




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INSTALMENT GUIDE 1992



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C O R P O R A T I O N S

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What's new this year!

Corporations subject to Part I.3 or Part VI of the *Income Tax Act* now have to send their tax payments to us along with their Parts I and VI.1 tax payments.

A new transfer policy has been established to give corporations more flexibility in managing their cash flows. See "Transfer of instalments" in Section A for more details.

Is this guide for you?

The following information answers some basic questions about corporate instalment payments. It will also help you determine if the information in this guide applies to you.

What is an instalment payment?

An instalment payment is a payment of a portion of the total amount of tax payable for the year.

Who makes corporate instalment payments?

All corporations that have to pay tax are generally required to make instalment payments.

When are instalment payments not required?

Corporations do not have to make instalment payments:

- if the total of their taxes payable under Parts I, I.3, VI, and VI.1 of the Act for either 1991 or 1992 is \$1,000 or less;
- if they are in their first year of operation; or
- if the taxable income of credit unions, certain co-operatives, and other corporations that make allocations to customers based on patronage was \$10,000 or less for either 1991 or 1992, and they did not have to pay any tax for those years under Parts I.3, VI, and VI.1 of the Act.

Why do corporations have to make instalment payments?

We require corporations to make instalment payments to ensure that they, as taxpayers who do not have tax deducted at source from their income, are treated the same way as taxpayers who do.

You will find more detailed information in this guide on all these topics.

This guide uses plain language to explain the most common tax situations. If you need more help, please contact your district taxation office or regional taxation centre.

Note

The Income Tax Act authorizes us to charge instalment interest and a penalty if we do not receive the required instalments on time. For more information, see the interest and penalty sections of this guide.

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Introduction

Your corporation may have to make instalment payments. This guide will help you determine what your corporate instalment payments will be for 1992.

Unlike the other provinces and territories, Quebec, Ontario and Alberta do not have corporate tax collection agreements with the federal government. Therefore, corporations that earned taxable income in these provinces have to pay the relevant provincial taxes directly.

Note

For those of you who would like to refer to the *Income Tax Act*, we have included in parentheses, where applicable, the section, subsection, paragraph, or regulation to consult.

Do you need more information?

The current version of Information Circular 81-11, *Corporate Instalments*, contains more detailed information about instalment payments. The staff at our district taxation offices and regional taxation centres can provide you with this publication. Also, if you have a question about your account, you can contact us in writing or in person. The addresses and phone numbers of the district offices are listed inside the back cover of this guide. The taxation centre addresses and telephone numbers are listed in Appendix C.

Section A

Parts I, I.3, VI, and VI.1 tax instalments

General information

Most corporations are subject to Part I of the *Income Tax Act*. Corporations have to pay their Part I tax, and any of the following corporate taxes, in monthly instalments:

- Part I.3 — Tax on Large Corporations;
- Part VI — Tax on Capital of Financial Institutions; and
- Part VI.1 — Tax on Corporation Paying Dividends on Taxable Preferred Shares.

The options and methods of payment described in this section of the guide are the same for Parts I, I.3, VI, and VI.1 of the Act.

How to calculate your instalments of corporate tax

There are three options available to you for calculating the amount of tax you have to pay in instalments for the current taxation year [paragraph 157(1)(a)]. You can calculate:

- the estimated tax for the current year (**option 1**);
- the tax for the preceding taxation year (**option 2**); or
- a combination of the tax for the year before the preceding year and for the preceding year (**option 3**).

For all three options, the calculation is based on the total tax you have to pay under Parts I, I.3, VI, and VI.1 of the Act, and the tax you have to pay to your province or territory.

Note

If one of the years used in calculating the tax is less than 12 months, refer to "Short taxation years" in this section.

For options 1 and 2, one-twelfth (1/12) of the tax is due each month in the taxation year.

For option 3, one-twelfth (1/12) of the tax from the year before the preceding taxation year is due in the first two months in the taxation year. One-tenth

(1/10) of the difference between the total of the first two payments and the tax for the preceding year is due in the remaining months in the taxation year.

You can use the option that is most advantageous to you [subsection 161(4.1)].

Section C includes two worksheets to help you calculate your estimated tax payable and tax credits, as well as your monthly instalment payments. The estimated credits for 1992 are used in calculating your instalment payments to determine the amount payable under option 1, option 2, or option 3.

Instalment due dates

Instalment payments are due each month of your corporation's taxation year. The first payment is due one month less a day from the starting date of the corporation's taxation year. The remaining payments are due on the same day of each following month in the year. You do not have to make an instalment payment for a taxation year that is shorter than one month.

Example

Start of taxation year:	December 16, 1991
End of taxation year:	December 15, 1992

Each of the 12 instalment payments would be due by the fifteenth of each month during the taxation year. The first payment would be due by January 15, 1992. The last payment would be due by December 15, 1992.

Balance due dates

The balance due date is the date a corporation has to pay the remainder of the tax it owes for the taxation year [paragraph 157(1)(b)].

For purposes of Parts I, I.3, VI, and VI.1 of the Act, the balance of tax payable is due within two months after the end of the taxation year. However, the time limit is extended to three months if:

- your corporation claims the federal small business deduction [subsection 125(1)] in the taxation year or if the deduction was allowed in the preceding taxation year;
- your corporation is a Canadian-controlled private corporation (CCPC) throughout the taxation year; and
- your corporation's taxable income for the preceding taxation year was \$200,000 (its business limit for the previous year) or less.

If the corporation is associated with any other corporations during the taxation year, then the combined taxable incomes of all the associated corporations for their taxation years that ended in the same calendar year as the corporation's preceding taxation year must be \$200,000 or less.

The \$200,000 amount is normally the total business limit for the preceding taxation year. This amount would be less if the preceding year's business limit was prorated for a short taxation year. The total business limit could be more than \$200,000 if the corporation is associated with other corporations in the current year but not in the preceding year (section 125).

Amalgamations

A special rule applies when determining if the **balance due date** is two or three months for a new corporation formed after an amalgamation has taken place. The new corporation's taxable income for the preceding year is the total of the predecessor corporations' taxable incomes for their taxation years that ended immediately before they amalgamated. The same rule applies for determining the **business limit**.

Wind-ups

When determining if a parent corporation's **balance due date** is two or three months in its first taxation year after it receives the assets of a subsidiary corporation that is winding-up, the taxable income for the preceding taxation year is the total of:

- the parent corporation's taxable income for that year; and
- the subsidiary corporation's taxable income for its taxation year that ended in the calendar year that the parent corporation's preceding taxation year ended.

These rules apply for determining the **business limit** as well.

Special situations — No instalments required

Tax payable of \$1,000 or less

You do not have to make instalment payments for 1992 if your corporation's Parts I, I.3, VI, and VI.1 taxes payable for either 1991 or 1992 total \$1,000 or less [subsection 157(2.1)]. However, the corporation has to pay its taxes, if any, on its balance due date. The rules for determining the balance due date are described under "Balance due dates" in this section.

New corporations

Unless a corporation has formed because of an amalgamation, you do not have to make instalment payments for a new corporation until it has started its second year of operation. However, the corporation has to pay any tax it owes for its first year of operation on its balance due date for that taxation year. The rules for determining the balance due date are described under "Balance due dates."

Note

A transfer or rollover involving a new corporation during its first year of operation may mean that the corporation will have to make instalment payments. See "Special rules" in this section for more information.

Credit unions, certain co-operatives, and other corporations

Credit unions, and certain co-operatives and corporations do not have to make instalment payments for a taxation year if they make allocations to customers based on patronage, or if for that year or the preceding year:

- their taxable incomes were \$10,000 or less; and
- no tax was payable under Parts I.3, VI, and VI.1 of the *Income Tax Act*.

In these instances, the full amount of the tax the corporation owes is due at the end of the third month following the end of the taxation year [subsection 157(2)].

Special rules

Short taxation years

If your corporation's taxation year is less than 12 months, you have to pay one-twelfth (1/12) or one-tenth (1/10), if applicable, of the corporation's tax each month in the taxation year. You do not have to make an instalment payment for a taxation year that is shorter than one month.

The tax you did not pay in instalments is due on the corporation's balance due date.

Example

Start of taxation year:	January 15, 1992
End of taxation year:	March 30, 1992

Tax owed by instalments under option 2: \$300,000.
Two instalments of \$25,000 each must be paid on February 14 and March 14.

If the actual tax for the year is \$500,000, the remaining \$450,000 is due by the corporation's balance due date.

When a preceding taxation year (for options 2 or 3) is less than 12 months, the tax payable for that year is adjusted to a 12-month equivalent. This is called the "adjusted base" [regulation 5301(1)].

To calculate the adjusted base, divide 365 by the number of days in the taxation year. Multiply this figure by the actual tax payable.

When a preceding taxation year (for options 2 or 3) is less than 183 days, the adjusted base is the larger amount between:

- the adjusted base for that taxation year; and
- the adjusted base for the next preceding taxation year of more than 182 days [regulation 5301(3)].

Amalgamations

Corporations formed because of an amalgamation are treated as a continuation of the predecessor corporations (section 87). The instalment base of the corporation will be the total of the previous corporations' instalment bases [regulation 5301(4)]. Exhibit V in Information Circular 81-11 contains examples of how to calculate instalments when an amalgamation has occurred.

Wind-ups

When a subsidiary corporation has been wound up into a Canadian parent corporation, as described under subsection 88(1) of the Act, the parent corporation has to include, in addition to its own instalment bases, the instalment bases of its subsidiary corporation [regulation 5301(6)]. Exhibit VI in Information Circular 81-11 illustrates how to calculate instalments under a wind-up situation.

Transfers or rollovers

A corporation that has received all or substantially all of the property of another corporation it does not deal with on an arm's-length basis [subsections 85(1) or (2)] has to include, in addition to its own instalment bases, the instalment bases of that corporation [regulation 5301(8)]. Exhibit VII in Information Circular 81-11 illustrates how to calculate instalment payments when there has been a transfer of property.

Paying instalments

You can make your payments where you bank; you can mail them to your regional taxation centre; or you can make your payments in person at your district taxation office. The taxation centre addresses are listed in Appendix C, and the addresses of the district offices are listed inside the back cover of this guide.

If you pay where you bank, give Parts 1 and 2 of Form T9, *Remittance Form*, to the teller with your payment. The teller will return Part 2 to you as a receipt.

If you do not have a personalized remittance form, you cannot make your payment where you bank. Instead mail your payment to your regional taxation centre, or make your payment in person at your district taxation office using Form RF-Corp included in this guide. Enter your corporation's name, address, account number, the complete taxation year-end, and the amount of your payment in the spaces provided.

You can pay by cheque or money order, made payable to the Receiver General. We will then send you a combined statement of account and remittance form when we have received your payment. Keep the receipt with your records for future use.

Review each statement of account you receive to ensure that we have applied your payments correctly. If we have made an error in applying any of your payments, contact your regional taxation centre immediately by telephone or in writing.

The instalment credits we show on Form T9 for your account for your taxation year should agree with your records. If there is a discrepancy between our records and the amount reported on page 6 of your corporation's return, we will assess the return using the instalment credits shown in our records for that taxation year.

We consider corporate tax payments received at the time they are:

- delivered to a taxation office; or
- deposited into the account of the Receiver General at a financial institution belonging to the Canadian Payments Association [subsection 248(7)].

Note

For taxation years ending in 1992 and later, you can make instalment payments for taxes owed under Parts I, I.3, VI, and VI.1 of the Act at the same time using Form T9. To make instalment payments of taxes under other parts of the Act, use Form T901 included in this guide. See "Paying instalments" in Section B for details on how to complete this form.

Transfer of instalments

As part of our continuing efforts to simplify the tax-filing process, a new policy has been introduced to make it easier for corporations to move excess instalment payments from one account where they are not immediately needed to another account where they are (e.g., to cover an outstanding balance or to cover an employer account).

The guidelines for the new policy are as follows:

- The last date for requesting a transfer has been extended to either the actual or the required date on which the corporation has to file its income tax returns for the year, whichever is earlier.
- An authorized officer of the corporation can request, in writing, a transfer of instalments.
- In the request, the corporation has to acknowledge liability for any interest or penalty charges that might arise if the transfer results in an instalment deficiency.
- The request has to specify how the payments should be applied.
- Funds can be transferred to either another taxation year or another account to offset an outstanding balance or to be applied as an instalment.

- Corporations can now transfer an amount made up of either several payments or simply a part of a payment.
- Corporations can now request more than one transfer during the year.
- Transferred payments will keep their original payment date for the purpose of calculating interest.

Requests for an instalment transfer should be addressed to the Manager, Corporation Accounts at the appropriate taxation centre. The taxation centre addresses and telephone numbers are listed in Appendix C.

Instalment interest

We calculate interest, compounded daily [subsection 248(11)], according to a corporation's actual instalment requirements for the year.

We will charge interest if:

- you made late or insufficient instalment payments; and
- the interest on the instalment payments is more than \$25.

We may charge interest if:

- you calculated the instalment payments using option 1; and
- your estimated tax was lower than the year's actual tax and the tax calculated using options 2 and 3.

We calculate instalment interest using the offset method. This means we allow credit interest when you prepay or overpay your instalments, which can reduce or eliminate the interest charged on late or insufficient payments. For more information on the offset method, see Information Circular 81-11.

The interest rate, prescribed by regulation 4301, is adjusted every three months. It is based on the average rate of 90-day Treasury Bills sold during the first month of the preceding quarter (rounded to the next higher whole percentage point) plus two percentage points.

Example

Corporation A has a December 31 year-end and has to make monthly instalment payments of \$75,000.00 beginning January 1992. The corporation only makes two instalment payments in the year. The corporation makes one payment of \$120,000 on March 12 and a second payment of \$150,000 on April 25. Therefore, when we assess Corporation A's return, we will charge \$39,559.24 in instalment interest.

We used an interest rate of 12% in the following calculation.

Date 1992	Instalment payments due	Payments received	Balance	No. of days	Interest
Jan 31	\$75,000		\$ 75,000.00	29	\$ 718.37
Feb 29	75,000		150,718.37	12	595.69
Mar 12		\$120,000	31,314.06	19	196.19
Mar 31	75,000		106,510.25	25	878.89
Apr 25		150,000	(42,610.86)	5	(70.09)
Apr 30	75,000		32,319.05	31	331.02
May 31	75,000		107,650.07	30	1,066.83
Jun 30	75,000		183,716.90	31	1,881.67
Jul 31	75,000		260,598.57	31	2,669.10
Aug 31	75,000		338,267.67	30	3,352.29
Sep 30	75,000		416,619.96	31	4,267.11
Oct 31	75,000		495,887.07	30	4,914.33
Nov 30	75,000		575,801.40	31	5,897.47
Dec 31	75,000		656,698.87	59	12,860.37
Feb 28	Balance due date				

Total instalment interest

\$39,559.24

Penalty

We may charge an instalment penalty under section 163.1 of the Act when the instalment interest is more than \$1,000.

We calculate the penalty by subtracting from the instalment interest the larger amount between:

- \$1,000; and
- 25% of the instalment interest calculated if no instalment payment had been made for the year.

One-half (1/2) of the difference is the amount of the penalty.

Example

In the previous example, Corporation A is charged instalment interest of \$39,559.24. Therefore, we assess a penalty of \$10,984.61 as follows:

Instalment interest		\$39,559.24
Minus the larger of:	\$1,000; or 25% of the instalment interest charged if Corporation A had made no payment at all (70,360.06 X 25% = 17,590.01)	
		<u>17,590.01</u>
Subtotal		21,969.23
Instalment penalty [one-half (1/2) of subtotal]		\$10,984.61

Section B

Parts IX, XII.1, and XII.3 tax instalments

Introduction

Do not use options 1, 2 or 3 described in Section A to calculate the instalment payments described in this section.

The information in this section of the guide will help you determine the instalment payments your corporation has to make under the following parts of the *Income Tax Act*:

- Part IX — Tax on Deduction under Subsection 66.5(1);
- Part XII.1 — Tax on Carved-Out Income; and
- Part XII.3 — Tax on Investment Income of Life Insurers.

Arrears and refund interest apply to Parts IX, XII.1, and XII.3 of the Act.

Paying instalments

After we process your payment for taxes under Parts IX, XII.1, or XII.3 of the Act, you will receive a personalized remittance form, Form T901. This form will give you the revised balance for your account and you can use it to make your next payment. If you do not have a personalized T901 remittance form, use the copy of Form T901 included in this guide. Enter your corporation's name, address, account number, the complete taxation year-end, and the amount of your payment in the spaces provided. Mail the completed form with your payment to your regional taxation centre, or you can make your payment in person at your district taxation office.

If you are making one payment to pay taxes under different parts of the Act, give the exact allocation for each amount to ensure that each account is credited correctly.

Part IX — Tax on deduction under subsection 66.5(1)

If you deduct amounts for Canadian exploration and development expenses under subsection 66.5(1), you have to pay a 30% tax on that amount (section 196).

Reporting requirements

Report the tax you have to pay under Part IX of the Act on Form T2099, *Part IX Tax Return in Respect of Amounts Deducted under Subsection 66.5(1)*.

We should receive the return no later than six months after the end of the corporation's taxation year.

Instalment payments

You pay the taxes you owe under Part IX of the Act in monthly instalments of one-twelfth (1/12) of the tax payable for the year. The payments are due each month in the taxation year. The remainder of tax, if any, is due on or before the end of the second month after the end of the taxation year.

Interest

We calculate instalment interest on late or insufficient instalment payments of Part IX tax using the deficiency method. This means that we calculate the instalment interest on the amount your instalment payments were short of what they should have been. For more information on the deficiency method, refer to Information Circular 81-11.

Part XII.1 — Tax on carved-out income

Part XII.1 of the Act generally applies to carved-out property acquired after July 19, 1985. Carved-out property includes Canadian mineral resources, petroleum, natural gas, and related hydrocarbons. The tax rate for carved-out income is 50% of the income from carved-out property. Carved-out income is described in detail in section 209 of the Act.

Reporting requirements

Report the tax you owe under Part XII.1 on Form T2096, *Part XII.1 Tax Return — Tax on Carved-Out Income*. We should receive the return no later than six months after the end of the corporation's taxation year.

Instalment payments

You have to make monthly instalment payments equal to one-twelfth (1/12) of the tax payable under Part XII.1 of the Act each month in the taxation year. The remainder of tax, if any, is due on or before the end of the second month after the end of the corporation's taxation year.

Interest

We calculate instalment interest on late or insufficient instalment payments of Part XII.1 tax using the deficiency method. This means that we base the instalment interest on the amount your instalment payments were short of what they should have been. For more information on the deficiency method, refer to Information Circular 81-11.

Part XII.3 — Tax on investment income of life insurers

Life insurers may have to pay tax under Part XII.3 of the Act (section 211.1). The amount of tax you may have to pay is 15% of your taxable Canadian life investment income for the year.

Reporting requirements

Report the tax you owe under Part XII.3 of the Act on Form T2142, *Part XII.3 Tax Return — Tax on Investment Income for Life Insurers*. We should receive the return no later than six months after the end of your taxation year.

Instalment payments

You must pay the tax under Part XII.3 in quarterly instalments on or before the last day of each three-month period. You have to make the first instalment payment three months less a day after your taxation year begins. Your remaining payments are due on the same day of each three-month period until the end of your taxation year.

Calculate each instalment payment as follows:

- the number of complete months in the taxation year within the three-month period; divided by
- the number of complete months in the taxation year; times
- the smaller amount between:
 - the Part XII.3 tax payable for the current taxation year; and
 - the Part XII.3 tax payable for the preceding taxation year.

The remainder of tax, if any, is due on or before the last day of the second month after the end of your taxation year.

Do not make instalment payments if the tax calculated under this part of the Act is \$1,000 or less in the current or preceding year.*

Interest

We calculate instalment interest using the offset method. This means we allow credit interest when you prepay or overpay your instalments, which can reduce or eliminate the interest charged on late or insufficient payments. For more information on the offset method, see Information Circular 81-11.*

We will not charge interest on late or deficient instalments if the total amount of the interest is \$25 or less.*

*** Note**

These changes were introduced in Bill C-18.

Section C

Worksheets

The two worksheets in this section will help you determine your instalments for 1992. Estimate your current-year tax payable and your credits on worksheet 1. Then use these amounts to complete the current-year information area on worksheet 2.

Use worksheet 2 to determine your instalments for the year. After you have calculated the taxes you owe under Parts I, I.3, VI, and VI.1 of the Act, and your provincial or territorial tax, enter the amounts in the appropriate column for options 1, 2, and 3. An explanation of the three options is found in Section A under the heading "How to calculate your instalments of corporate tax." You can use the option that is most advantageous to you. Any remaining unpaid tax is payable on or before the balance due date described in Section A.

Worksheet 1

Calculating Estimated Tax Payable and Tax Credits for 1992

Estimated taxable income _____

Calculating the estimated tax payable

Total of estimated

Federal Part I tax _____
 Federal surtax _____
 Subtotal (A) _____

Minus total of estimated

Small business deduction _____
 Investment corporation deduction _____
 Federal tax abatement _____
 Manufacturing and processing profits deduction _____
 Non-business foreign tax credit _____
 Business foreign tax credit _____
 Logging tax credit _____
 Federal political contribution tax credit _____
 Investment tax credit from T2038 _____
 Part I.3 tax credit _____
 Part VI tax credit _____
 Subtotal (B) _____

Total estimated 1992 Part I tax payable* (A) - (B) _____

Total estimated 1992 Part I.3 tax payable* _____

Total estimated 1992 Part VI tax payable* _____

Total estimated 1992 Part VI.1 tax payable* _____

Estimated 1992 net provincial tax payable* _____

Calculating the estimated credits for 1992

Total of

Investment tax credit refund _____
 Dividend refund _____
 Federal capital gains refund _____
 Provincial and territorial capital gains refund _____
 Allowable refund per T2S(26) _____
 Tax withheld at source _____

Total estimated 1992 credits* _____

*Use these amounts when calculating your monthly instalment payments on worksheet 2.

Worksheet 2

Calculating Monthly Instalment Payments

Instalment payments are due each month of your corporation's taxation year.

	Option 1	Option 2	Option 3
	1992	1991	1990
Add:			
Part I tax payable			
Part I.3 tax payable			
Part VI tax payable			
Part VI.1 tax payable			
Total Parts I, I.3, VI, and VI.1 Tax			
Add:			
Provincial/territorial tax payable			
Total Parts I, I.3, VI, V.1 tax, and provincial/territorial tax			
Subtract:			
Total 1992 estimated credits			
Instalment base amount			
Divide by:	12	12	
12 payments due			
Total Parts I, I.3, VI, VI.1 tax, and provincial/territorial tax payable for 1990			
Divide by:			12
Amount			(A)
Minus: one-twelfth (1/12) of total 1992 estimated credits			
Each of the first two instalment payments equals			
Total Parts I, I.3, VI, VI.1, and provincial/territorial tax payable for 1991			
Minus: Amount (A) X 2			
Subtotal:			
Divide by:			10
Minus: one-twelfth (1/12) of total 1992 estimated credits			
Each of the remaining 10 instalment payments equals			

If this amount is \$1,000 or less for either 1992 or 1991, you do not have to make instalment payments for 1992.

Rates of income tax

The information in this appendix will help you estimate your taxes payable and your tax credits for 1992. Use these figures in option 1 to calculate your income tax instalments.

Rates of income tax

Federal

The basic rate of Part I tax is 38% of your taxable income.

Provincial

Corporations have to calculate and pay provincial or territorial corporate income tax in addition to their federal corporate income tax.

Provincial or territorial corporate income tax is based on the taxable income your corporation earned in a province or territory. If your corporation is established in more than one province or territory, refer to sections 400 to 402 of the *Income Tax Regulations*. When you calculate the 10% federal tax abatement and the provincial or territorial tax, the taxable income earned in each province or territory has to be determined according to its regulations.

You have to pay the Nova Scotia provincial corporate income tax if your corporation earned taxable income in the Nova Scotia Offshore Area for taxation years that began after December 22, 1989.

All provinces and territories, except Prince Edward Island and the Northwest Territories, have two income tax rates. Apply the lower rate to the income you earned in a province or territory that is eligible for the federal small business deduction. Apply the higher rate to your income that is not eligible for this deduction. A provincial small business deduction is offered by Prince Edward Island and the Northwest Territories.

Quebec, Ontario, and Alberta do not have corporate tax collection agreements with the federal government. **Corporations established in these provinces must file a return for their province.**

The following table shows the income tax rates for the provinces and territories that have tax collection agreements with the federal government.

Province or territory	Income eligible for the small business deduction (% of federal taxable income)	Other income (% of federal taxable income)
Newfoundland	10	17
Nova Scotia	10	16
Prince Edward Island	10	15
New Brunswick	9	17
Manitoba	10	17
Saskatchewan	10	16
British Columbia	9	15
Northwest Territories	5	12
Yukon Territory	5	10

These rates may change during 1992.

You can reduce the tax calculated at these rates by various deductions and credits. For more information, refer to the *T2 Corporation Income Tax Guide*.



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impôt

DECLARATION OF TAXPAYER RIGHTS

THE CONSTITUTION AND LAWS OF CANADA ENTITLE YOU TO MANY RIGHTS THAT PROTECT YOU IN MATTERS OF INCOME TAX. YOU ARE ENTITLED TO KNOW YOUR RIGHTS. YOU ARE ENTITLED TO INSIST ON THEM. YOU ARE ENTITLED TO BE HEARD, AND TO BE DEALT WITH FAIRLY.

FAIR TREATMENT IN ALL DEALINGS WITH NATIONAL REVENUE TAXATION MEANS IMPORTANT RIGHTS TO:

Information

You are entitled to expect that the Government will make every reasonable effort to provide you with access to full, accurate and timely information about the Income Tax Act, and your rights under it.

Impartiality

You are entitled to an impartial determination of law and facts by departmental staff who seek to collect only the correct amount of tax, no more and no less.

Courtesy and Consideration

You are entitled to courtesy and considerate treatment from National Revenue Taxation at all times, including when it requests information or arranges interviews and audits.

Presumption of Honesty

You are entitled to be presumed honest unless there is evidence to the contrary.

FAIR TREATMENT UNDER THE CONSTITUTION AND LAWS OF CANADA INCLUDES IMPORTANT RIGHTS TO:

Privacy and Confidentiality

In addition to other constitutional and legal rights, you have a special right that personal and financial information you provide to National Revenue Taxation will be used only for purposes allowed by law.

Independent Review

You are entitled to object to an assessment or reassessment if you think the law has been applied incorrectly. To protect this right, you must file your objection within 90 days of the assessment or reassessment. Filing an objection will start an independent review by departmental appeals officers. If they don't resolve the matter to your satisfaction, they will explain how you can appeal to the courts.

An Impartial Hearing Before Payment

Until you have had an impartial review by the Department or a court, you may withhold amounts disputed in formal objections filed after January 1, 1985. If you appeal to a higher court, you will be able to provide equivalent security instead of paying those disputed amounts.

Certain exceptions, set out in legislation to guarantee these rights, are applicable to frivolous appeals to the courts, or where collection is clearly in jeopardy.

Bilingual Services

The Official Languages Act gives you the right to communicate with and receive services from National Revenue Taxation in either official language.

HELPING YOU EXERCISE YOUR RIGHTS REMAINS AN IMPORTANT ROLE OF THE STAFF OF NATIONAL REVENUE TAXATION AT ITS DISTRICT OFFICES AND OTHER LOCATIONS. FAIR TREATMENT OF A COMPLAINT IS ONE OF YOUR GREATEST RIGHTS.

YOU ARE ENTITLED TO EVERY BENEFIT ALLOWED BY THE LAW

You have a right to arrange your affairs in order to pay the minimum tax required by law. You can also expect your government to administer tax law consistently, and to apply it firmly to those who try to avoid paying their lawful share.

Canada

Taxation centre addresses

If you have any questions or, if you would like to send your instalment payments directly to us, mail your correspondence to your regional taxation centre at the following addresses.

You can also request information concerning your corporation account by telephone, or by FAX. The numbers for each taxation centre are listed below.

Corporations served by district offices in

Contact

Nova Scotia, New Brunswick,
Prince Edward Island, and
Newfoundland



Revenue Canada
Taxation Centre
Freshwater Road and
Empire Avenue
St. John's, Newfoundland
A1B 3Z1

Manager, Corporation
Accounts (709) 772-0276
Fax number (709) 754-3416

Sherbrooke, Québec,
Rouyn-Noranda, Chicoutimi,
Rimouski, and
Trois-Rivières



Revenue Canada
Taxation Centre
2251, boul. de la Centrale
Jonquière, Quebec
G7S 5J1

Manager, Corporation
Accounts (418) 699-0244
Fax number (418) 548-0846

Montréal, Saint-Hubert,
and Laval



Revenue Canada
Taxation Centre
4695-12th Avenue
Shawinigan-Sud, Quebec
G9N 7S6

Manager, Corporation
Accounts (819) 536-6386
Fax number (819) 536-7078

Ottawa, Toronto,
Scarborough, Mississauga,
and North York



Revenue Canada
Taxation Centre
875 Heron Road
Ottawa, Ontario
K1A 1A2

Manager, Corporation
Accounts (613) 954-9910
Fax number (613) 739-1147

Kingston, Belleville, Hamilton,
Kitchener, St. Catharines,
London, Windsor, Sudbury,
and Thunder Bay



Revenue Canada
Taxation Centre
1050 Notre-Dame Avenue
Sudbury, Ontario
P3A 5C1

Manager, Corporation
Accounts (705) 670-5566
Fax number (705) 671-3994

Alberta, Saskatchewan,
Manitoba, and the
Northwest Territories



Revenue Canada
Taxation Centre
66 Stapon Road
Winnipeg, Manitoba
R3C 3M2

Manager, Corporation
Accounts (204) 984-3427
Fax number (204) 661-6989

British Columbia and the
Yukon Territory



Revenue Canada
Taxation Centre
9755 King George Highway
Surrey, British Columbia
V3T 5E1

Manager, Corporation
Accounts (604) 585-5763
Fax number (604) 585-5769

Improving this guide

This guide is reviewed each year. If you have any comments or suggestions to improve the explanations provided in this guide, we would like to hear from you.

Please send your comments to:

Tax Forms Directorate
875 Heron Road
Ottawa, Ontario
K1A 0L8

DISTRICT TAXATION OFFICES	GENERAL ENQUIRIES		FORMS REQUEST
	ENGLISH SERVICES		
	LOCAL	LONG DISTANCE	LOCAL
NEWFOUNDLAND St. John's - Sir Humphrey Gilbert Building, A1C 5X6	772-2610	1-800-563-2600	772-5088
PRINCE EDWARD ISLAND Charlottetown - 94 Euston St., C1A 8L3	628-4200	1-628-4200	628-4250
NOVA SCOTIA Halifax - 1256 Barrington St., B3J 2T5 Sydney - 136 Charlotte St., B1P 6K3	426-2210 564-7080	1-426-2210 1-564-7080	426-2210 564-7120
NEW BRUNSWICK Bathurst - 120 Harbourview Blvd., 4th floor, E2A 4L8 Saint John - 65 Canterbury St., E2L 4H9	548-7100 636-4600	1-800-561-6104 1-800-222-9622	548-7100 636-4618
QUEBEC Chicoutimi - 100 Lafontaine St., Office 211, G7H 6X2 Laval - 3131 Saint-Martin Blvd. W., H7T 2A7 Montréal - 305 René-Lévesque Blvd. W., H2Z 1A6 Québec - 165 Pointe-aux-Lièvres St. S., G1K 7L3 Rimouski - 320 St-Germain E., 4th floor, G5L 1C2 Rouyn-Noranda - 11 Terminus St. E., J9X 3B5	545-8026 956-9101 283-5300 648-3180 722-3111 764-5171	1-800-463-4421 1-800-363-2218 1-800-361-2808 1-800-463-4421 1-800-463-4421	545-8026 956-9115 283-5623 648-4083 1-800-463-4421 797-4299
Calls from area code 418 Calls from area code 819		1-800-567-6428 1-800-567-6403	1-819-797-4299 1-797-4299
Sherbrooke - 50 Place de la Cité, J1H 5L8 Saint-Hubert - 5245 Cousineau Blvd., Suite 200, J3Y 7Z7 Trois-Rivières - 25 des Forges St., Suite 411, G9A 2G4	564-5888 283-5300 373-2723	1-800-567-7360 1-800-361-2808 1-800-567-9325	821-8565 445-5264 373-2723
ONTARIO Belleville - 11 Station St., K8N 2S3 Hamilton - 150 Main St. W., L8N 3E1 Calls from area code 416 Calls from area code 519 Kingston - 385 Princess St., K7L 1C1 Kitchener - 166 Frederick St., N2G 4N1 London - 451 Talbot St., N6A 5E5 Mississauga - 77 City Centre Drive, L5A 4E9 Calls from area code 416 Calls from area codes 519, 705 North York - 36 Adelaide St. E., Toronto, M5C 2V4 Calls from area code 416 Calls from area codes 519, 705 Ottawa - 360 Lisgar St., K1A 0L9 Calls from area code 613 Calls from area code 819 St. Catharines - 32 Church St., L2R 3B9 Scarborough - 200 Town Centre Court, M1P 4Y3 Calls from area code 416 Calls from area code 519, 705 Sudbury - 19 Lisgar St. S., P3E 3L5 Calls from area code 705 Calls from area codes 613, 807 Thunder Bay - 201 North May St., P7C 3P5 Toronto - 36 Adelaide St. E., M5C 1J7 Windsor - 185 Ouellette Ave., N9A 5S8	969-3706 522-8671 545-8371 579-2230 645-4211 566-6700 869-1500 598-2275 688-4000 296-1950 671-0581 623-3443 869-1500 258-8302	1-800-267-8030 1-800-263-9200 1-800-263-9210 1-800-267-9447 1-800-265-2530 1-800-265-4900 1-800-387-1700 1-800-387-1710 1-800-387-1700 1-800-387-1710 1-800-267-8440 1-800-267-4735 1-800-263-5672 1-800-387-5229 1-800-387-5183 1-800-461-4060 1-800-461-6320 1-800-465-6981 1-800-265-4841	969-3707 522-8671 1-800-263-9200 1-800-263-9210 1-800-267-8043 579-8951 645-4244 566-6005 1-800-387-1700 1-800-387-1710 865-9469 1-800-387-1700 1-800-387-1710 957-8088 1-800-267-8440 1-800-267-4735 688-4000 296-0104 1-800-387-5229 1-800-387-5183 671-0596 1-800-461-4060 1-800-461-6320 623-2751 865-9469 252-3611
MANITOBA Winnipeg - 391 York Ave., R3C 0P5	983-6350	1-800-282-8079	983-3942
SASKATCHEWAN Regina - 1955 Smith St., S4P 2N9 Saskatoon - 201-21st St. E., S7K 0A8	780-6015 975-4595	1-800-667-7555 1-800-667-2083	780-6079 975-4577
ALBERTA Calgary - 220-4th Ave. S.E., T2G 0L1 Calls from southern Alberta Edmonton - 9700 Jasper Ave., T5J 4C8 Calls from northern Alberta Calls from Northwest Territories	292-4101 423-3510	1-800-332-1410 1-800-232-1966 1-800-661-6451	292-4225 1-800-472-9701 423-4044 1-800-661-4597 1-800-661-3350
BRITISH COLUMBIA Penticton - 277 Winnipeg St., V2A 1N6 Vancouver - 1166 West Pender St., V6E 3H8 Calls from Yukon Territory and northwestern B.C. Calls from northeastern B.C. Victoria - 1415 Vancouver St., V8V 3W4	492-9200 689-5411 363-0121	1-800-642-8259 1-800-663-9033 1-800-663-0451 1-800-661-6451 1-800-742-6108	492-9200 669-1033 1-800-663-9935 1-800-661-3350 363-3291


HEARING DISABILITY

If you have a hearing disability and have access to a Telephone Device for the Deaf, telephone 1-800-665-0354, (1-426-5220 in Nova Scotia).

REGULAR HOURS OF TELEPHONE AND COUNTER SERVICE

Monday to Friday -
8:15 a.m. to 5:00 p.m.
(holidays excepted)

Long-distance calls:
No charge to caller

MAIL  POSTE	
<small>Canada Post Corporation / Société canadienne des postes</small>	
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