

# T2 CORPORATION INCOME TAX RETURN (1994 and later taxation years)

For departmental use

This form serves as a federal and provincial or territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. If you need more information about items on the return, see the corresponding items in the *1994 T2 Corporation Income Tax Guide*.

Send or hand-deliver one copy of this completed return, including financial statements and schedules, to your district taxation office, or mail it to the taxation centre that serves the corporation. You have to file the return within six months of the end of the corporation's taxation year.

See items 1 to 5 in the guide for more information on how to file T2 returns.

## Identification

<b>Name of corporation</b> (item 12) _____		<b>Identification</b>	
<b>Account number</b> (item 12) _____ <b>or</b> <b>Business Number (BN)</b> _____ <b>RC</b>		<b>To which taxation year does this return apply?</b> (item 18) From _____ 19 _____ to _____ 19 _____ Day Month Year Day Month Year	
<b>Address of head office</b> (item 13) _____ City and province or territory _____ Postal code _____		Does the taxation year begin and end on the same dates as last year? Yes <input type="checkbox"/> No <input type="checkbox"/> If <i>no</i> , why has the taxation year changed? _____	
<b>Mailing address</b> (if different from head-office address)(item 13) c/o _____ 1 <input type="checkbox"/> _____ City and province or territory _____ Postal code _____		If the reason is an acquisition of control, when was control acquired? _____ 19 _____ Day Month Year	
<b>Location of books and records</b> Address _____ _____ City and province or territory _____ Postal code _____ Name of person to contact _____ Telephone number _____ Area code _____		<b>Type of corporation at the end of the taxation year</b> (item 19) 1 <input type="checkbox"/> Canadian-controlled private corporation    5 <input type="checkbox"/> Corporation controlled by a public corporation 2 <input type="checkbox"/> Other private corporation    4 <input type="checkbox"/> Other corporation (please specify) _____ 3 <input type="checkbox"/> Public corporation	
<b>Is the corporation a resident of Canada?</b> (item 14)    2 Yes <input type="checkbox"/> 1 No <input type="checkbox"/> If <i>no</i> , give the country of residence. _____		Did the type of corporation change during the taxation year?    2 Yes <input type="checkbox"/> 1 No <input type="checkbox"/> If <i>yes</i> , indicate the former type. _____	
<b>Is this the first year of filing?</b> (item 15)    Yes <input type="checkbox"/> No <input type="checkbox"/> If <i>yes</i> , give the date of incorporation or amalgamation, as it applies. Date of incorporation _____ Date of amalgamation _____ _____ 19 _____    _____ 19 _____ Day Month Year Day Month Year		<b>Is the corporation exempt from tax under paragraph 149(1)(e) or (l)?</b> (item 20)    Yes <input type="checkbox"/> No <input type="checkbox"/> <b>What is the corporation's major business activity?</b> (item 21) (If the corporation is inactive, say so.) _____ Has the major business activity changed since the last return was filed?    2 Yes <input type="checkbox"/> 1 No <input type="checkbox"/> If the major activity involves the resale of goods, indicate whether it is wholesale or retail.    wholesale <input type="checkbox"/> retail <input type="checkbox"/> Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents. 1. _____ % 2. _____ % 3. _____ %	
<b>Is this the final taxation year before amalgamation?</b> (item 16)    Yes <input type="checkbox"/> No <input type="checkbox"/>		<b>Language of correspondence</b> Please indicate the language of your choice.    1 English / Anglais <input type="checkbox"/>	
<b>Is this the final return up to dissolution?</b> (item 17)    Yes <input type="checkbox"/> No <input type="checkbox"/>		<b>Langue de correspondance</b> Indiquer la langue de correspondance de votre choix.    2 Français / French <input type="checkbox"/>	

**Attachments**

**Financial statements** - These include a balance sheet, an income statement, any notes to the financial statements, and an auditor's report if it applies.  
**Schedules** - Answer the following questions. For each yes response, attach to the T2 return the schedule that applies.

Guide item	Information schedules	Yes	Schedule
22	Is the corporation associated with any other corporations? .....	<input type="checkbox"/>	T2013*
24	Is the corporation related to any other corporations? .....	<input type="checkbox"/>	T2S(9)
25	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's-length transactions with non-residents. ....	<input type="checkbox"/>	T2S(11)
26	If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee? .....	<input type="checkbox"/>	T2S(11)(A)
27	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? .....	<input type="checkbox"/>	T2S(14)
28	Is the corporation claiming a deduction for payments to a type of employee benefit plan? .....	<input type="checkbox"/>	T2S(15)
29	Is this the first return of (a) a new corporation, or (b) an amalgamated corporation or a parent corporation after winding up a subsidiary? .....	<input type="checkbox"/>	T2S(24)
30	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989? .....	<input type="checkbox"/>	T5004*
31	Is the corporation a member of a partnership for which a partnership identification number has been assigned? .....	<input type="checkbox"/>	T5013*
33	Does the corporation have any non-resident shareholders? .....	<input type="checkbox"/>	T2S(19)
34	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust? .....	<input type="checkbox"/>	T2S(22)
35	Did the corporation have any foreign affiliates during the year? .....	<input type="checkbox"/>	T2S(25)
36	Has the corporation made certain payments to non-residents of Canada for which the appropriate NR4B, T4-T4A, or T4A-NR return has not been filed? .....	<input type="checkbox"/>	T2S(29)
37	Is the corporation deducting an expense for advertising in a non-Canadian newspaper or periodical, or for advertising on a foreign broadcasting station? .....	<input type="checkbox"/>	T2S(30)
38	Has the corporation had any non-arm's-length transactions with a non-resident? .....	<input type="checkbox"/>	T106*
<b>Calculation schedules</b>			
39	Is the net income shown on the financial statements different from the net income for income tax purposes? .....	<input type="checkbox"/>	T2S(1)
40	Has the corporation realized any capital gains or incurred any capital losses during the taxation year? .....	<input type="checkbox"/>	T2S(6)*
41	Does the corporation have any property that is eligible for capital cost allowance? .....	<input type="checkbox"/>	T2S(8)*
42	Does the corporation have any property that is eligible capital property? .....	<input type="checkbox"/>	T2S(8)(A)*
43	Does the corporation have an earned depletion base? .....	<input type="checkbox"/>	T2S(12)
44	Is the corporation claiming reserves of any kind? .....	<input type="checkbox"/>	T2S(13)
45	Is the corporation claiming a patronage dividend deduction? .....	<input type="checkbox"/>	T2S(16)*
46	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing? .....	<input type="checkbox"/>	T2S(17)
47	Is the corporation claiming any scientific research and experimental development expenditures? .....	<input type="checkbox"/>	T661*
55,56	Has the corporation made any charitable donations, gifts to Canada or a province, or gifts of cultural property? .....	<input type="checkbox"/>	T2S(2)
57	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund? .....	<input type="checkbox"/>	T2S(3)*
59	Is the corporation claiming any non-capital, net capital, farm, limited partnership, or restricted farm losses? .....	<input type="checkbox"/>	T2S(4)
66	Is the corporation adding an amount to taxable income for foreign deductions under section 110.5? .....	<input type="checkbox"/>	T2S(28)
68	If it is a Canadian-controlled private corporation, does the corporation have both investment income and income from an active business carried on in Canada, including active business income from a partnership(s)? .....	<input type="checkbox"/>	T2S(7)*
69	Does the corporation have any Canadian manufacturing and processing profits? .....	<input type="checkbox"/>	T2S(27)*
74	Is the corporation claiming any federal foreign tax credits? .....	<input type="checkbox"/>	T2S(21)*
74	Is the corporation claiming a federal logging tax credit? .....	<input type="checkbox"/>	T2S(21)*
76	Is the corporation claiming an investment tax credit? .....	<input type="checkbox"/>	T2038(CORP)*
77	Is the corporation claiming a Part VI tax credit or a Part I tax credit? .....	<input type="checkbox"/>	T921*
78	Is the corporation claiming a Part I.3 tax credit or a surtax credit? .....	<input type="checkbox"/>	T962*
85	Is the corporation subject to Part I.3 tax (before deduction of any surtax credit)? .....	<input type="checkbox"/>	T2147/8/9*
85	Is the corporation a member of a related group with one or more members subject to Part I.3 tax (before deduction of any surtax credit)? .....	<input type="checkbox"/>	T2150*
87	Is the corporation paying Part IV.1 tax on preferred share dividends received? .....	<input type="checkbox"/>	T761*
88	Is the corporation subject to Part VI tax on capital of financial institutions (before deduction of any Part I tax credit or surtax credit)? .....	<input type="checkbox"/>	T2044*
89	Is the corporation paying Part VI.1 tax on dividends paid on taxable preferred shares? .....	<input type="checkbox"/>	T761*
90	Was the corporation carrying on business in Canada while not a Canadian corporation? .....	<input type="checkbox"/>	T2S(20)
92	Does the corporation have a permanent establishment in more than one jurisdiction? .....	<input type="checkbox"/>	T2S-TC*
107	Is the corporation an investment corporation or a mutual fund corporation? .....	<input type="checkbox"/>	T2S(18)
108	Is the corporation a non-resident-owned investment corporation claiming an allowable refund? .....	<input type="checkbox"/>	T2S(26)

\* We print this schedule, which is available at your Revenue Canada income tax office.

**Taxable income and base amount of Part I tax**

Net income or loss for income tax purposes from financial statements or T2S(1) (items 39 and 54)	<b>111</b>	
Deduct: Charitable donations	<b>113</b>	
Maximum 20% of net income (item 55)	<b>115</b>	
Gifts to Canada or a province, and gifts of cultural property (item 56)	<b>117</b>	
Taxable dividends deductible under section 112 or 113, or both (item 57)	<b>119</b>	
Part VI. 1 tax X 9/4 (item 58)	<b>120</b>	
Restricted farm losses of prior taxation years from T2S(4) (item 60)	<b>121</b>	
Non-capital and limited partnership losses of prior taxation years from T2S(4) (items 61 and 62)	<b>123</b>	
Net capital losses of prior taxation years from T2S(4) (item 63)	<b>125</b>	
Farm losses of prior taxation years from T2S(4) (item 64)	<b>126</b>	
<b>Taxable income (item 65)</b>	<b>127</b>	
Addition to taxable income for foreign tax deductions from T2S(28) (item 66):		
Line 127 + Addition = Adjusted taxable income		(A)
<b>Base amount of Part I tax (item 67)</b>		
38% of line 127 (or amount A above, if it applies) (Enter this amount on line A on page 4.)		<b>202</b>

**Small business deduction (item 68)**

<b>Canadian-controlled private corporations throughout the taxation year</b>		
Income from active business carried on in Canada from T2S(7)	<b>223</b>	(A)
Taxable income from line 127 above minus 10/3 of line 211 and 10/4 of line 213 on page 4, and minus any amount that, because of federal law, is exempt from Part I tax	<b>225</b>	(B)
Business limit (for associated corporations, enter business limit from Form T2013)	<b>227</b>	(C)
<b>Reduction to business limit : *</b>		
Large corporation tax for preceding year ** (for associated corporations, enter total of column 6 from Form T2013)	<b>229</b>	(D)
Amount C X $\frac{\text{Amount D}^{***}}{10,000}$ X $\frac{\text{Number of days in the taxation year after June 30, 1994}}{\text{Number of days in the taxation year}}$		(E)
Reduced business limit (amount C minus amount E) (If negative, enter nil)		(F)
<b>Small business deduction</b> - 16% of the least of amounts A, B, and C (or F, if it applies). (Enter amount G on line 8 on page 4.)	<b>231</b>	(G)

\* This change had not yet become law at the time of printing.  
\*\* Total gross Part I.3 Tax for the corporation for its preceding taxation year, before deducting the surtax credits, increased to reflect a full-year tax liability if the prior year is less than 51 weeks. For corporations that are members of associated groups, please see special rules on Form T2013.  
\*\*\* For taxation years starting before July 1994, the lesser of \$10,000 and amount D.

**Manufacturing and processing profits deduction (item 69)**

<b>All eligible corporations that have such profits</b>		
Canadian manufacturing and processing profits from T2S(27)	<b>233</b>	
Deduct the least of amounts on lines 223, 225, and 227 (or line F, if it applies) above		(A)
Taxable income from line 127 above		
Deduct the total of:		
1. The least of amounts on lines 223, 225, and 227 (or line F, if it applies) above		
2. Canadian-controlled private corporations only, enter:		
Canadian investment income or loss from line 247		
Foreign investment income or loss from line 249		
Subtotal		
Deduct net capital losses claimed on line 125		
3. Foreign business income tax credit from line 213 X 10/4 =		
Least of A and B above X $\frac{\text{number of days in the taxation year after Dec. 1992 and before Jan. 1994}}{\text{number of days in the taxation year}}$	<b>235</b>	(B)
Least of A and B above X 6% =		(C)
Least of A and B above X $\frac{\text{number of days in the taxation year after Dec. 1993}}{\text{number of days in the taxation year}}$		(D)
Least of A and B above X 7% =		(D)
<b>Manufacturing and processing profits deduction</b> - Total of C and D (enter amount E on line 9 on page 4.)	<b>243</b>	(E)

**Part I tax**

Base amount from line 202 on page 3 ..... (A)

**Corporate surtax calculation (item 70)**

Base amount from line A above ..... (1)

Deduct:

10% of taxable income ..... (2)

Investment corporation deduction from line 203 below ..... (3)

Federal logging tax credit from line 215 below ..... (4)

For a mutual fund corporation or an investment corporation throughout the taxation year, enter the least of a, b, and c below on line 5:

28% of taxable income ..... (a)

28% of taxed capital gains ..... (b) (5)

Part I tax otherwise payable  
(line A minus line D) ..... (c)

Total of lines 2 to 5 ..... (6)

Net amount (line 1 minus line 6) ..... (7)

**Corporate surtax - 3% of line 7** ..... **209** (B)

Subtotal (line A plus line B) ..... (C)

Deduct:

Small business deduction from line 231 on page 3 ..... (8)

Investment corporation deduction (item 71) ..... **203**  
(Taxed capital gains **205** )

Additional deduction - Credit unions (item 72) ..... **206**

Federal tax abatement (item 73) ..... **207**

Manufacturing and processing profits deduction from line 243 on page 3 ..... (9)

Federal foreign non-business income tax credit from T2S(21) (item 74) ..... **211**

Federal foreign business income tax credit from T2S(21) (item 74) ..... **213**

Federal logging tax credit from T2S(21) (item 74) ..... **215**

Federal political contribution tax credit (item 75) ..... **217**

Federal political contributions (attach receipts) **219** ..... **219**

Investment tax credit from T2038(CORP) (item 76) ..... **221**

Part VI tax credit from T921 (item 77) ..... **224**

Part I.3 tax credit from T962 (item 78) ..... **226**

Subtotal ..... (D)

**Part I tax payable - Line C minus line D** ..... (E)  
(Enter on line 129 on page 6).

### Refundable portion of Part I tax (item 80)

**Canadian-controlled private corporations throughout the taxation year**

Net Canadian investment income or loss from line H on Schedule T2S(7)	247			
Add or deduct net foreign investment income or loss from line I on Schedule T2S(7)	249			
Deduct net capital losses from line 125 on page 3				(A)
(If negative, enter nil)				
Net Canadian investment income from line 247 above (if negative, enter nil)				
Add foreign investment income from line 249 above				
(if negative, enter nil)				
Deduct foreign non-business income tax credit from line 211 on page 4			X 30 %	
				X 4
				Subtotal
Deduct net capital losses from line 125 on page 3				(B)
(If negative, enter nil)				
Taxable income				
Deduct: Least of amounts on lines 223, 225, and 227				
(or line F, if it applies) on page 3				
Foreign non-business income				
tax credit from line 211			X 10/3	
Foreign business income				
tax credit from line 213			X 10/4	(C)
20% of least of amounts A, B, and C				257 (D)
Part I tax payable from page 4				(E)
Deduct corporate surtax from line 209 on page 4				
<b>Refundable portion of Part I tax - the least of amounts D and E</b>				<b>261</b>

### Part IV tax on taxable dividends received (item 81)

**Private and subject corporations at the time taxable dividends were received in the taxation year**

Taxable dividends received in the taxation year while the corporation was a private or subject corporation from column 5 of T2S(3)	405			
Deduct total non-capital and/or farm losses claimed for purposes of Part IV from T2S(4)	406			(A)
Taxable amount				
Part IV tax payable			Amount A above X 1/4	(B)
Part IV.1 tax payable, if any, on dividends subject to Part IV tax from Form T761				418 (C)
<b>Total Part IV tax payable - amount B minus amount C</b>				
(Enter on line 131 on page 6)				

### Refundable dividend tax on hand (item 82)

Refundable dividend tax on hand at the end of the preceding taxation year	409			
Deduct dividend refund for the previous taxation year	410			
Add: Refundable portion of Part I tax from line 261 above				
Total Part IV tax payable				
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation				465
<b>Refundable dividend tax on hand at the end of the taxation year</b>				<b>411</b>

### Dividend refund (item 83)

**Private and subject corporations at the time taxable dividends were paid in the taxation year**

Taxable dividends paid in the taxation year while the corporation was a private or subject corporation from T2S(3)	414			
Refundable dividend tax on hand at the end of the taxation year from line 411 above			X 1/4	(A)
<b>Dividend refund - Least of A and B</b>				(B)
(Enter on line 147 on page 6)				

**Additional information**

1. For a Canadian-controlled private corporation, provide the following information on the shareholders that hold the most voting shares.

Name of shareholder(s)	Social insurance or account number	% of voting shares held
		%
		%
		%

2. What was the total remuneration, including salaries, wages, bonuses, and commissions, that was paid to employees during the taxation year? Do not include management salaries included on line 3 below, or employee benefits included on line 4 below. \_\_\_\_\_ (2)
3. What was the total of management salaries, including bonuses and directors' fees, that was paid during the taxation year to corporate owners acting as officers, directors, etc.? \_\_\_\_\_ (3)
4. What was the total amount of employee benefits paid during the taxation year? \_\_\_\_\_ (4)
5. How many employees did the corporation have at the end of the taxation year? \_\_\_\_\_ (5)
6. What is the employer's remittance account number? If the corporation has more than one number, provide any one of those numbers. \_\_\_\_\_

**Summary of tax and credits**

**Federal tax**

Part I tax payable from page 4 (item 84)	129	_____
Part I.3 tax payable from Forms T2147, T2148, or T2149 (item 85)	130	_____
Part IV tax payable from page 5 (item 86)	131	_____
Part IV.1 tax payable from box 3 of Form T761 (item 87)	132	_____
Part VI tax payable from Form T2044 (item 88)	134	_____
Part VI.1 tax payable from box 2 of Form T761 (item 89)	133	_____
Part XIV tax payable from Schedule T2S(20) (item 90)	135	_____
Total federal tax		_____

**Provincial and territorial tax**

Provincial or territorial jurisdiction (item 91) **137** \_\_\_\_\_  
 (if more than one jurisdiction, enter "multiple" and complete Schedule T2S-TC)

Provincial and territorial tax payable (except Quebec, Ontario, and Alberta) (item 92)	139	_____
Deduct provincial and territorial tax credits and rebates from T2S-TC (items 93 to 103)	141	_____
Total tax payable	143	_____ (A)

**Other credits**

Deduct:

Tax instalments paid (item 104)	145	_____
Investment tax credit refund (items 76 and 105)	146	_____
Dividend refund from page 5 (items 83 and 106)	147	_____
Federal capital gains refund from Schedule T2S(18) (item 107)	149	_____
Provincial and territorial capital gains refund from Schedule T2S(18) (item 107)	151	_____
Allowable refund for non-resident-owned investment corporations from Schedule T2S(26) (item 108)	153	_____
Nova Scotia research and development tax credit refund from Form T85 (item 109)	154	_____
Federal mining reclamation tax credit refund (item 110) *	155	_____
Tax withheld at source - attach slips (item 111)	157	_____
Total credits		_____ (B)
Balance (line A minus line B)		_____

\* This change had not yet become law at the time of printing.

Enclosed payment **159** \_\_\_\_\_ Balance unpaid (item 113) **163**  Overpayment (item 113) **165**  Refund code (item 114) **161**

We do not charge or refund a difference of less than \$2.

If you want direct deposit, attach a completed Form T2-DD.

**Certification**

I, \_\_\_\_\_, of \_\_\_\_\_  
 (Name in block letters) (Address)  
 am an authorized signing officer of the corporation.

I certify that I have examined this return, including accompanying schedules and statements, and that it is a correct and complete return.

I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

\_\_\_\_\_ Date

\_\_\_\_\_ Signature of an authorized signing officer of the corporation

\_\_\_\_\_ Position, office, or rank