



CALCULATION OF PROVINCIAL FOREIGN TAX CREDIT

- For use by individuals resident in a province other than Quebec on December 31st (or at date of death or at date of departure from Canada), whose amount of non-business-income tax paid to a foreign country (or a state, province or other political subdivision in that country) exceeds the federal foreign tax credit allowable in respect of that amount.
- A reference to a province or to provincial income tax includes the Yukon Territory and the Northwest Territories, and the taxes levied under their respective Ordinances.
- A separate calculation is required for each country except where the aggregate of income taxes paid to all foreign countries does not exceed \$200.
- Refer to the Federal Foreign Tax Credit calculation and the Provincial Income Tax calculation on Schedule 1 and/or Form T1C for amounts to be used in the calculation of your Provincial Foreign Tax Credit.
- Attach one completed copy of this form to your Income Tax Return.

FAMILY OR LAST NAME (print)	USUAL FIRST NAME AND INITIALS (print)	SOCIAL INSURANCE NUMBER
PRESENT ADDRESS (print)		TAXATION YEAR 19

Non-business-income tax paid to a foreign country † \$ _____

Less: Federal Foreign Tax Credit in respect of non-business-income tax

Total of:

(i) Federal Non-business Foreign Tax Credit (from line 509 on Schedule 1 or Part I of form T2209 or Special Foreign Tax credit Calculation on form T691) \$ _____

(ii) Additional Non-business Foreign Tax Credit Allowed against Individual Surtax (from part II of form T2209) \$ _____

▶ _____

Excess of non-business income tax paid over relevant

Federal Foreign Tax Credits \$ _____ (A)

Net Foreign Income †† \$ _____ X Provincial Tax otherwise payable ††† \$ _____ = \$ _____ (B)

Provincial Foreign Tax Credit = (A) or (B) whichever is less (enter on "Schedule 1 and/or form T1C") \$ _____

† **Non-business-income tax paid to a foreign country** is the total taxes paid to that country for the year other than business-income tax, minus any portion of such taxes that is deductible under subsection 20(11) or deducted under subsection 20(12) of the Income Tax Act. It does not include any portion of such taxes: (a) that would not have been payable had the taxpayer not been a citizen of the foreign country and that cannot reasonably be regarded as attributable to income from a source outside Canada; (b) that may reasonably be regarded as relating to an amount that any other person or partnership received or is entitled to receive from the foreign country; (c) that may reasonably be regarded as attributable to the portion of the taxpayer's employment income from that country on which an Overseas Employment Tax Credit is calculated; (d) that may reasonably be attributed to any portion of taxable capital gains from that country for which a capital gains deduction is claimed; or (e) that may reasonably be regarded as related to an amount that was deductible as exempt income under the tax treaty between Canada and that country.

†† **Net foreign income** must be reduced by any capital gains deduction claimed that is attributable to capital gains from that foreign country and by any income from that country that was deductible as exempt income under the tax treaty between Canada and that country (line 256 on T1 Return). It does not include any portion of employment income from that country on which an Overseas Employment Tax Credit is calculated.

Note: Net foreign income does not include business income that is allocable to a permanent establishment outside Canada as this is not subject to provincial tax.

Note: For individuals resident in Canada during part of the year only, include only the income for the period or periods in the year throughout which they were resident in Canada, were employed in Canada or were carrying on businesses in Canada.

††† Net income (line 236 on T1 Return or if you filed a form T581 election, use line 7 of that form - if negative, enter zero) less any net capital losses of other years allowed (line 253 on T1 Return), any capital gains deduction claimed (line 254 on T1 Return), any foreign income that was deductible as exempt income under a tax treaty (line 256 on T1 Return), or any amount deductible as an employee home relocation loan deduction (line 248 on T1 Return) or stock option and shares deduction (line 249 on T1 Return).

Note: Net income does not include business income allocable to permanent establishments outside Canada or outside the province of residence on the last day of the year.

Note: For individuals resident in Canada during part of the year only, include only the income for the period or periods in the year throughout which they were resident in Canada, were employed in Canada or were carrying on businesses in Canada.

†††† **Provincial Tax otherwise payable** is the provincial tax before Provincial Foreign Tax Credit. Use Schedule 1 or the form indicated on the Schedule 1 to calculate this amount.

Note: For the purpose of this calculation, Ontario and Alberta tax before Provincial Foreign Tax Credit is computed by replacing "Basic Federal Tax" with ("Basic Federal Tax" plus dividend tax credit and overseas employment tax credit).