



CALCULATION OF PROVINCIAL FOREIGN TAX CREDITS FOR 1991 AND SUBSEQUENT YEARS

- Use this form to determine the amount you may claim as a foreign tax credit deduction from provincial tax.
- You must be resident in a province, other than Quebec, on December 31 of the taxation year (or at date of death or at date of departure from Canada) and you were required to include, on your Canadian income tax return, income originating in a foreign country and non-business taxes paid to that foreign country exceed the federal foreign tax credits.
- References to a province includes the Yukon Territory and the Northwest Territories and the taxes levied under their respective Ordinances.
- A separate calculation and form is required for each country, unless the total foreign taxes paid to all foreign countries is less than \$200.00.
- Attach a completed copy of this form, for each foreign country, to your income tax return.

Name	Social Insurance Number
Address	Taxation Year 19 ____

Non-business-income tax paid to a foreign country † \$ _____ (1)

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 line (C) of form T2209 or Special Foreign Tax Credit Calculation on form T691) \$ _____

(ii) Additional Federal Non-business Foreign Tax Credit allowed against Individual Surtax (from line (K) of form T2209) \$ _____

(line (i) plus line (ii)) ► \$ _____ (2)

Excess of non-business-income tax paid over relevant Federal Foreign Tax Credits (line (1) minus line (2)) \$ _____ (A)

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

Provincial Foreign Tax Credit (the lesser of (A) or (B))
(Enter this amount on Schedule 1 and/or your provincial form (T1C)) \$ _____

† **Non-business-income tax paid to a foreign country** is the total taxes paid to the 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 also does not include any portion of such taxes that may reasonably be attributed to amounts:

- that any other person or partnership received or is entitled to receive from the foreign country,
- of employment income from a country for which an Overseas Employment Tax Credit is calculated (plus 46.5% of that amount if you were a resident of Alberta),
- of taxable capital gains for which a capital gains deduction is claimed,
- that was deductible as exempt income under the tax treaty between Canada and the country, and
- that would not have been taxable had you not been a citizen of the foreign country, and cannot reasonably be regarded as attributable to income from a source outside Canada.

†† **Net foreign income** (see notes 1 and 2 below) 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 the country. It also does not include any portion of employment income from the country for which an Overseas Employment Tax Credit is calculated.

††† **Net Income** (see notes 1 and 2 below) for the purposes of this calculation is, line 236 on your T1 Return (or line 7 of form T561 election if completed and you were a resident of Alberta or Ontario) minus any:

- net capital losses of other years claimed (line 253 on T1 Return),
- capital gains deduction claimed (line 254 on T1 Return),
- foreign income deductible as exempt income under a tax treaty (line 256 on T1 Return),
- amount deductible as an employee home relocation loan deduction (line 248 on T1 Return), and
- amount deductible as stock option and shares deductions (line 249 on T1 Return).

†††† **Provincial Tax otherwise payable** is the provincial tax calculated before determining the Provincial Foreign Tax Credit. Use Schedule 1, the applicable provincial form T1C or form T2203 to determine the amount.
Note: For the purposes of this calculation, Ontario and Alberta tax before Provincial Foreign Tax Credit is determined by replacing the term "Basic Federal Tax" on the respective form T1C's with ("Basic Federal Tax" plus dividend tax credit and overseas employment tax credit).

Note 1: If you were only resident in Canada for part of the year, you only include the income for the period or periods in the year throughout which you were resident in Canada, employed in Canada or carrying on a business in Canada.
Note 2: Do not include income attributable to business(es) outside of Canada.