



- For use by an individual to calculate his or her obligation to pay Minimum Tax under Division E.1 of the Income Tax Act for taxation years commencing after 1985. Trusts which may have an obligation to pay minimum tax should complete Schedule 2B of the T3 return.
- Minimum Tax is not applicable to returns filed under subsections 70(2) or 150(4) or paragraphs 104(23)(d), 128(2)(e) or a taxation year in respect of which a farmer or fisherman has filed a return under section 119.
- Minimum Tax is not applicable to a taxpayer who died in 1987.
- If you are a member of a partnership which has invested in multiple unit residential property, or films, you must include your share of the income and your share of the related capital cost allowance deducted in respect of the property for the taxation year in which the fiscal period ended at areas B and C below.
- Any amount for which an election under ITAR 40 is made must be added at line 24 below.
- Attach one completed copy to your 1987 Income Tax Return.

NAME	SOCIAL INSURANCE NUMBER
ADDRESS	

EXPLANATORY NOTES

- Line 2 — The amounts to be deducted at this line are those lump sum payments which are included in computing income which are received
- (i) upon the death, withdrawal from the fund or plan, or termination of employment of a person
 - (ii) upon the winding-up of the fund or plan in full satisfaction of the rights of the payee under the fund or plan
 - (iii) to which the individual is entitled by virtue of an amendment to the fund or plan.
- Line 23 — A claim for "Non-capital losses of other years" (line 252 on page 2 of the T1 return) must be reduced for minimum tax purposes by the portion, if any, of post-1985 non-capital losses attributable to capital cost allowance claimed on multiple unit residential properties (including furniture, fixtures and equipment), films certified by the Canadian Film and Videotape Certification Office, and/or resource expenditures, resource and depletion allowances included in the loss claimed.
- Line 26 — If you received 1986 taxable dividends from taxable Canadian corporations from a trust (as shown on form T3 Supplementary below Box (R)), use 33 1/3% as the multiplier for the 1986 dividends at this line.
- Line 28 — For minimum tax purposes, the non-taxable portion of capital gains arising from dispositions of capital property after 1985 is included in the calculation of adjusted taxable income at line 15. You may deduct the non-deductible portion of capital losses arising from dispositions of capital property after 1985 against the otherwise non-taxable portion of capital gains at line 28.
- Line 29 — If, for the 1987 taxation year, you incurred a loss from office, employment, business or property which is not fully applied in computing income for regular tax purposes, the unapplied portion of the loss may be used to reduce taxable income for minimum tax purposes at line 29. This application does not reduce the amount of 1987 non-capital loss available for carry-back or carry-forward to other taxation years.
- Line 31 — Net additions to taxable income at line 31 can be a negative amount.
- Line 41 — If you are reporting 1986 taxable dividends from taxable Canadian corporations (as identified on form T3 Supplementary below Box (R)), the multiplier for the Dividend Tax Credit for these particular dividends is 22 2/3%.

PART I - CALCULATION OF ADJUSTED TAXABLE INCOME

(A) Total deductible contributions to registered pension plans, registered retirement savings plans and deferred profit sharing plans for 1987 (excluding refund of premiums on death of annuitant) 1. _____

SUBTRACT: Lump sum payments from registered pension plans and deferred profit sharing plans 2. _____

Net Contributions to Deferred Income Plans (If negative, enter zero) 3. _____

(B) Capital cost allowance claimed in respect of multiple unit residential properties (MURBS) including furniture, fixtures and equipment 4. _____

SUBTRACT: Net income reported in respect of such properties before capital cost allowance. (If a loss - enter zero.) 5. _____

Amount of Loss created by, or increased by, capital cost allowance (Enter the amount, if any, by which line 4 exceeds line 5) 6. _____

(C) Capital cost allowance claimed in respect of film property certified by the Canadian Film and Videotape Certification Office 7. _____

SUBTRACT: Net income reported in respect of such film property before capital cost allowance. (If a loss - enter zero.) 8. _____

Amount of loss created by, or increased by, capital cost allowance (Enter the amount, if any, by which line 7 exceeds line 8) 9. _____

(D) Total of all resource expenditures, depletion and resource allowances deducted 10. _____

SUBTRACT: The total of:

(i) Income reported attributable to production of petroleum, natural gas and minerals, including royalties (before depletion and other allowances) (if a loss - enter zero) 11. _____

(ii) Amounts included in income from dispositions of foreign resource properties and recovery of exploration and development expenses (if a loss - enter zero) 12. _____

Total Resource Income 13. _____

Amount of loss created by, or increased by, resource expenditures, resource and depletion allowances (Enter the amount, if any, by which line 10 exceeds line 13 at 14) 14. _____

(E) Non-taxable portion of capital gains (an amount equal to the amount reported at line 127 of the T1 Return in respect of 1986 and 1987 dispositions) 15. _____

(F) Add: (i) Pension income deduction (line 240 on T1 Return) 16. _____

(ii) Interest and Dividend income deduction (line 238 on T1 Return) 17. _____

(iii) Disability deduction transferred from dependant (line 246 on T1 Return) 18. _____

(iv) Education deduction transferred from dependant (included at line 247 on T1 Return) 19. _____

(v) Employee home relocation loan deduction (line 248 on T1 Return) 20. _____

(vi) Stock option and shares deductions (line 249 on T1 Return) 21. _____

(vii) Deductions transferred from spouse (line 251 on T1 Return) 22. _____

(viii) Portion of post-1985 non-capital losses applied in 1987 attributable to capital cost allowance claimed on MURBs, film property certified by the Canadian Film and Videotape Certification Office and/or resource expenditures, resource and depletion allowances claimed after 1985 (included at line 252 on T1 return) 23. _____

TOTAL OF LINES 16 to 23 24. _____

TOTAL ADDITIONS TO TAXABLE INCOME FOR MINIMUM TAX PURPOSES (Total of lines 3, 6, 9, 14, 15 and 24) 25. _____

SUBTRACT: The total of:

(i) 25% of taxable amount of dividends from taxable Canadian corporations 26. _____

(ii) Allowable Business Investment Loss (An amount equal to the amount claimed at line 217 on page 2 of the T1 return) 27. _____

(iii) An amount equal to post-1985 capital losses claimed at line 253 on page 2 of the T1 return 28. _____

(iv) Additional current year loss available 29. _____

TOTAL ADDITIONAL DEDUCTIONS FROM TAXABLE INCOME FOR MINIMUM TAX PURPOSES 30. _____

NET ADDITIONS TO TAXABLE INCOME FOR MINIMUM TAX PURPOSES (line 25 minus line 30) 31. _____

ADD: Taxable Income (from line 260 on page 2 of the T1 return) 32. _____

ADJUSTED TAXABLE INCOME FOR MINIMUM TAX 33. _____

SUBTRACT: Basic Exemption 34. 40,000 00

NET ADJUSTED TAXABLE INCOME (If negative, enter zero) 35. _____

MINIMUM AMOUNT 36. _____ x 17%

(If net adjusted taxable income is zero, you are not subject to minimum tax - attach a copy of this form to your T1 Return, and complete the return as usual. NOTE: If you paid minimum tax in 1986 and have a carry-over available to apply against 1987 tax payable, complete Part II and Part VIII on Page 4.)

PART II - CALCULATION OF NET FEDERAL TAX PAYABLE

Taxable Income _____ (from line 260 of the T1 Return) 1987 Rates of Federal Tax are shown on Schedule 1 of the T1 Return.
 On the first _____ tax is _____
 On remaining _____ tax at _____ % is _____
TOTAL FEDERAL INCOME TAX ON TAXABLE INCOME _____

Add: Tax Adjustments _____ 37. _____
 _____ 38. _____
 _____ 39. _____

Subtract: The Total of:
 Overseas Employment Tax Credit (from form T626) 40. _____
 Dividend Tax Credit (16 2/3% of Dividends from Taxable Canadian corporations) 41. _____
TOTAL (Lines 40 and 41) 42. _____

Tax Payable before Minimum Tax Carry-Over 43. _____
 Subtract: Minimum Tax Carry-Over (from line 80, Part VIII on page 4) 44. _____

BASIC FEDERAL TAX 45. _____
 Add: Surtax - 47% of Basic Federal Tax for Income not earned in a province (if applicable) 46. _____

FEDERAL TAX 47. _____
 Subtract: Federal Foreign Tax Credit (from form T2209) 48. _____

FEDERAL TAX PAYABLE 49. _____

Subtract: The total of:
 Federal Political Contribution Tax Credit 50. _____
 Share Purchase Tax Credit (from form T2111) 51. _____
 Investment Tax Credit (from form T2038-IND) 52. _____
 Employment Tax Credit Claimed (from form T2208) 53. _____
 Labour-Sponsored Funds Tax Credit (attach receipts) 54. _____
Total of above credits 55. _____

Federal Tax Payable before Federal Forward Averaging Tax and Individual Surtax 56. _____

PART III - CALCULATION OF SPECIAL FOREIGN TAX CREDIT

57. (i) Foreign non-business income* _____ (ii) Foreign non-business income tax paid _____
 Add: Foreign business income _____ Add: Foreign business income tax paid _____
Total Foreign Income _____ $\times 17\%$ _____
 Foreign income limit for special foreign tax credit _____ **A** Foreign taxes paid for special foreign tax credit _____ **B**
 The lesser of Amounts A and B is: _____ **C**

The greater of amount C and the federal foreign tax credit from line 48 of Part II = **Special Foreign Tax Credit** 58. _____
 *Income for the year from sources outside Canada in respect of which a non-business income tax has been paid

PART IV - OBLIGATION TO PAY MINIMUM TAX

Minimum Amount from line 36 59. _____
 Less : Special Foreign Tax Credit (from line 58 above) 60. _____

Net Minimum Tax Payable 61. _____
 Less: Federal Tax Payable (from line 56 above) 62. _____

Subtract: Federal Surtax (47%) (from line 46) 63. _____
Federal Tax Payable before Federal Surtax, Individual Surtax and Forward Averaging Tax Payable 64. _____

Amount by which Minimum Amount exceeds Regular Tax Payable (Subtract line 64 from line 61 - If negative, enter zero, you are not subject to Minimum Tax - attach a copy of this form to your T1 Return and complete your return as usual. If line 65 is positive, complete Parts V and VI below) ... 65. _____

PART V - BASIC FEDERAL TAX FOR THE YEAR (To be used when computing Individual Surtax payable, Refundable Quebec Abatement and provincial tax payable on Schedule 1, or, if tax is payable to more than one jurisdiction, on form T691A)

The greater of:
 Basic Federal Tax from Line 45: _____ and: Minimum Amount from Line 36: _____
BASIC FEDERAL TAX FOR THE YEAR 66. _____

PART VI - CALCULATION OF FEDERAL TAX PAYABLE (MINIMUM TAX)

Net Minimum Tax Payable before Federal Surtax (47%), Individual Surtax and Forward Averaging Tax (or Tax Credit) - from line 61 above 67. _____
 Add: Surtax for income not earned in a province (if applicable) - 47% of amount at line 66 or amount from Part II of form T691A 68. _____

FEDERAL TAX PAYABLE BEFORE INDIVIDUAL SURTAX AND FORWARD AVERAGING TAX (Enter this amount at line 417 on page 4 of your T1 return) 69. _____

PART VII - CALCULATION OF ADDITIONAL TAXES PAID FOR MINIMUM TAX CARRY-OVER

Minimum Amount (from line 36) 70. _____

SUBTRACT: The Total of:

(i) Basic Federal Tax (from line 45) 71. _____

(ii) Add:

Special Foreign Tax Credit (from line 58) _____

Less: Federal Foreign Tax Credit (from line 48) _____

_____ X $\left[\begin{array}{l} \text{Foreign Taxes} \\ \text{(from line B) in Part III} \\ \text{Foreign Taxes} \\ \text{Paid}^{**} \end{array} \right] =$ 72. _____

Subtotal (total of line 71 plus line 72) 73. _____

ADDITIONAL TAXES FOR CARRY-OVER TO SUBSEQUENT TAXATION YEAR (Subtract line 73 from line 70. If negative, enter zero.) 74. _____

**Non-business foreign income tax paid plus foreign business income tax paid

PART VIII - APPLICATION OF MINIMUM TAX CARRY-OVER FROM 1986 AGAINST 1987 TAX PAYABLE

• Complete this part only if you have a minimum tax carry-over from 1986.

Minimum Tax Carry-Over from 1986 75. _____

SUBTRACT:

(i) Tax Payable before Minimum Tax Carry-Over (from line 43) 76. _____

Less: Minimum Amount (from line 36) 77. _____

Maximum Carry-Over which can be applied in 1987 78. _____

(ii) Minimum Tax Carry-Over from 1986 79. _____

Minimum Tax Carry-Over Applied in 1987. (Claim an amount not exceeding the lesser of lines 78 and 79 above at line 80. Enter this amount on line 504 on Schedule 1 of the T1 Return) 80. _____

Balance, if any, of 1986 Minimum Tax Carry-Over Available for Subsequent Taxation Years (line 75 minus line 80) 81. _____

Add: Additional 1987 taxes for carry-over to subsequent taxation years (from line 74 above) 82. _____

TOTAL MINIMUM TAX CARRY-OVER AVAILABLE FOR SUBSEQUENT YEARS 83. _____