



- 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 1987. 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 1988.
- 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 21 below.
- Attach one completed copy to your 1988 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
- upon the death, withdrawal from the fund or plan, or termination of employment of a person
  - upon the winding-up of the fund or plan in full satisfaction of the rights of the payee under the fund or plan
  - to which the individual is entitled by virtue of an amendment to the fund or plan.
- Line 15 — For minimum tax purposes, the non-taxable portion of capital gains (except the non-taxable portion of capital gains arising from mortgage foreclosures and conditional sales repossessions) arising from dispositions of capital property after 1985 is included in the calculation of adjusted taxable income at line 15. Include an amount equal to one-third the total capital gains reported on the line below line 542 on schedule 3 of the return arising from 1988 capital dispositions and/or reserves on capital dispositions in 1986 and 1987.
- Line 20 — 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 25 — 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 (except capital losses on mortgage foreclosures and conditional sales repossessions) arising from dispositions of capital property after 1985 against the otherwise non-taxable portion of capital gains at line 25. Include an amount equal to one-half the post-1985 capital losses claimed at line 253 of the return.
- Line 28 — If, for the 1988 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 28. This application does not reduce the amount of 1988 non-capital loss available for carry-back or carry-forward to other taxation years.
- Line 30 — Net additions to taxable income at line 30 can be a negative amount.

**PART I - CALCULATION OF ADJUSTED TAXABLE INCOME**

<p>(A) Total deductible contributions to registered pension plans, registered retirement savings plans and deferred profit sharing plans for 1988 (excluding refund of premiums on death of annuitant) ..... 1. _____</p> <p>SUBTRACT: Lump sum payments from pension plans and deferred profit sharing plans ..... 2. _____</p> <p>Net Contributions to Deferred Income Plans (If negative, enter zero) ..... 3. _____</p> <hr/> <p>(B) Capital cost allowance claimed in respect of multiple unit residential properties (MURBS) including furniture, fixtures and equipment ..... 4. _____</p> <p>SUBTRACT: Net income reported in respect of such properties before capital cost allowance. (If a loss - enter zero) ..... 5. _____</p> <p>Amount of Loss created by, or increased by, capital cost allowance (Enter the amount, if any, by which line 4 exceeds line 5) ..... 6. _____</p> <hr/> <p>(C) Capital cost allowance claimed in respect of film property certified by the Canadian Film and Videotape Certification Office ..... 7. _____</p> <p>SUBTRACT: Net income reported in respect of such film property before capital cost allowance. (If a loss - enter zero.) ..... 8. _____</p> <p>Amount of loss created by, or increased by, capital cost allowance (Enter the amount, if any, by which line 7 exceeds line 8) ..... 9. _____</p> <hr/> <p>(D) Total of all resource expenditures, depletion and resource allowances deducted ..... 10. _____</p> <p>SUBTRACT: The total of:</p> <p style="padding-left: 20px;">(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. _____</p> <p style="padding-left: 20px;">(ii) Amounts included in income from dispositions of foreign resource properties and recovery of exploration and development expenses (if a loss - enter zero) ..... 12. _____</p> <p>Total Resource Income ..... 13. _____</p> <p>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. _____</p> <hr/> <p>(E) Total non-taxable portion of capital gains (an amount equal to 1/3 of the total capital gain reported on the line below line 542 on schedule 3 in respect of dispositions of capital property after 1985) ..... 15. _____</p> <p>Subtract: Non-taxable portion of capital gains arising from mortgage foreclosures and conditional sales repossessions included at line 15 above ..... 16. _____</p> <p>Net non-taxable portion of capital gains after 1985 ..... 17. _____</p> <hr/> <p>(F) Add: (i) Employee home relocation loan deduction (line 248 on T1 return) ..... 18. _____</p> <p style="padding-left: 20px;">(ii) Stock option and shares deductions (line 249 on T1 return) ..... 19. _____</p> <p style="padding-left: 20px;">(iii) Portion of post-1985 non-capital losses applied in 1988 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) ..... 20. _____</p> <p>TOTAL OF LINES 18 to 20 ..... 21. _____</p> <hr/> <p><b>TOTAL ADDITIONS TO TAXABLE INCOME FOR MINIMUM TAX PURPOSES</b> (Total of lines 3, 6, 9, 14, 17 and 21) ..... 22. _____</p> <p>SUBTRACT: The total of</p> <p style="padding-left: 20px;">(i) 20% of taxable amount of dividends from taxable Canadian corporations ..... 23. _____</p> <p style="padding-left: 20px;">(ii) Allowable Business Investment Loss (An amount equal to 1/2 the amount claimed at line 217 on page 2 of the T1 return) ..... 24. _____</p> <p style="padding-left: 20px;">(iii) An amount equal to 1/2 post-1985 capital losses claimed at line 253 on page 2 of the T1 return ..... 25. _____</p> <p style="padding-left: 40px;">Subtract: Non-deductible portion of capital losses arising from mortgage foreclosures and conditional sales repossessions included at line 25 above ..... 26. _____</p> <p>Net non-deductible capital losses after 1985 ..... 27. _____</p> <p style="padding-left: 20px;">(iv) Additional current year loss available ..... 28. _____</p> <p><b>TOTAL ADDITIONAL DEDUCTIONS FROM TAXABLE INCOME FOR MINIMUM TAX PURPOSES</b> ..... 29. _____</p> <p><b>NET ADDITIONS TO TAXABLE INCOME FOR MINIMUM TAX PURPOSES</b> (line 22 minus line 29) ..... 30. _____</p> <p>ADD: Taxable Income (from line 260 on page 2 of the T1 return) ..... 31. _____</p> <p><b>ADJUSTED TAXABLE INCOME FOR MINIMUM TAX</b> ..... 32. _____</p> <p>SUBTRACT: Basic Exemption ..... 33. _____</p> <p><b>NET ADJUSTED TAXABLE INCOME</b> (if negative, enter zero) ..... 34. _____</p> <p style="text-align: right; margin-right: 100px;"><b>GROSS MINIMUM AMOUNT</b> ..... 35. _____</p>	<p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <hr/> <p>4. _____</p> <p>5. _____</p> <p>6. _____</p> <hr/> <p>7. _____</p> <p>8. _____</p> <p>9. _____</p> <hr/> <p>10. _____</p> <p>11. _____</p> <p>12. _____</p> <p>13. _____</p> <p>14. _____</p> <hr/> <p>15. _____</p> <p>16. _____</p> <p>17. _____</p> <hr/> <p>18. _____</p> <p>19. _____</p> <p>20. _____</p> <p>21. _____</p> <hr/> <p>22. _____</p> <p>23. _____</p> <p>24. _____</p> <p>25. _____</p> <p>26. _____</p> <p>27. _____</p> <p>28. _____</p> <p>29. _____</p> <p>30. _____</p> <p>31. _____</p> <p>32. _____</p> <p>33. _____</p> <p>34. _____</p> <p>35. _____</p>
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(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 prior years and have a carry-over available to apply against 1988 tax payable, complete Part II and Part VIII on page 4.)

Gross minimum amount (from line 35 on page 2) ..... 36. \_\_\_\_\_

Subtract: Basic Minimum Tax Credit

Total non-refundable tax credits (from line 350 on T1 return) ..... 37. \_\_\_\_\_

Pension income amount (from line 314 on T1 return) ..... 38. \_\_\_\_\_

Disability amount for dependant other than spouse (from line 318 on T1 return) ..... 39. \_\_\_\_\_

Tuition fees and education amount transferred from child (from line 324 on T1 return) ..... 40. \_\_\_\_\_

Amounts transferred from spouse (from line 326 on T1 return) ..... 41. \_\_\_\_\_

Total amounts not deductible for minimum tax purposes (add lines 38 to 41) ..... 42. \_\_\_\_\_

..... X 17%

43. \_\_\_\_\_

BASIC MINIMUM TAX CREDIT (line 37 minus line 43) ..... 44. \_\_\_\_\_

MINIMUM AMOUNT (line 36 minus line 44) ..... 45. \_\_\_\_\_

**PART II - CALCULATION OF NET FEDERAL TAX PAYABLE**

Taxable Income \_\_\_\_\_ (from line 260 of the T1 Return) 1988 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 ..... 46. \_\_\_\_\_

Add: Tax Adjustments ..... 47. \_\_\_\_\_

..... 48. \_\_\_\_\_

Subtract: The total of:

Total Non-Refundable Tax Credits ..... 49. \_\_\_\_\_

Overseas Employment Tax Credit (from form T626) ..... 50. \_\_\_\_\_

Dividend Tax Credit (13 1/3% of Dividends from Taxable Canadian corporations) ..... 51. \_\_\_\_\_

TOTAL (Lines 49 to 51) ..... 52. \_\_\_\_\_

Tax Payable before Minimum Tax Carry-Over ..... 53. \_\_\_\_\_

Subtract: Minimum Tax Carry-Over (from line 88, Part VIII on page 4) ..... 54. \_\_\_\_\_

BASIC FEDERAL TAX ..... 55. \_\_\_\_\_

Add: Surtax - 47% of Basic Federal Tax for Income not earned in a province (if applicable) ..... 56. \_\_\_\_\_

SUBTOTAL ..... 57. \_\_\_\_\_

Subtract: Federal Foreign Tax Credit (from form T2209) ..... 58. \_\_\_\_\_

FEDERAL TAX ..... 59. \_\_\_\_\_

Subtract: The total of:

Federal Political Contribution Tax Credit ..... 60. \_\_\_\_\_

Investment Tax Credit (from form T2038-IND) ..... 61. \_\_\_\_\_

Labour-Sponsored Funds Tax Credit (attach receipts) ..... 62. \_\_\_\_\_

Total of above credits ..... 63. \_\_\_\_\_

Federal Tax before Federal Individual Surtax ..... 64. \_\_\_\_\_

**PART III - CALCULATION OF SPECIAL FOREIGN TAX CREDIT**

65.(i) Foreign non-business income\* ..... (ii) Foreign non-business income tax paid \_\_\_\_\_ X .6667 = \_\_\_\_\_

Add: Foreign business income ..... Add: Foreign business income tax paid \_\_\_\_\_

Total Foreign Income ..... X 17% ..... Foreign taxes paid for special foreign tax credit ..... B

Foreign income limit for special foreign tax credit ..... A

The lesser of Amounts A and B is: ..... C

The greater of amount C and the federal foreign tax credit from line 58 of Part II = Special Foreign Tax Credit ..... 66. \_\_\_\_\_

\*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 45 above ..... 67. \_\_\_\_\_

Less: Special Foreign Tax Credit (from line 66 above) ..... 68. \_\_\_\_\_

Net Minimum Tax Payable ..... 69. \_\_\_\_\_

Less: Federal Tax (from line 64 above) ..... 70. \_\_\_\_\_

Subtract: Federal Surtax (47%) (from line 56 above) ..... 71. \_\_\_\_\_

Federal Tax before Federal Surtax and Federal Individual Surtax ..... 72. \_\_\_\_\_

Amount by which Minimum Amount exceeds Regular Tax Payable (Subtract line 72 from line 69 - 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 73 is positive, complete Parts V and VI on page 4) ..... 73. \_\_\_\_\_

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

The greater of:  
Basic Federal Tax from Line 55: \_\_\_\_\_ and: Minimum Amount from Line 45: \_\_\_\_\_  
BASIC FEDERAL TAX FOR THE YEAR 74. \_\_\_\_\_

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

Net Minimum Tax Payable before Federal Surtax (47%), and Federal Individual Surtax - from line 69 ..... 75. \_\_\_\_\_  
Add: Surtax for income not earned in a province (if applicable) - 47% of amount at line 74 or amount from Part II of form T691A ..... 76. \_\_\_\_\_  
FEDERAL TAX BEFORE FEDERAL INDIVIDUAL SURTAX (Enter this amount at line 417 on page 4 of your T1 return) ..... 77. \_\_\_\_\_

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

Minimum Amount (from line 45) ..... 78. \_\_\_\_\_  
SUBTRACT: The Total of:  
(i) Basic Federal Tax (from line 55) ..... 79. \_\_\_\_\_

(ii) Add:  
Special Foreign Tax Credit (from line 66) ..... \_\_\_\_\_  
Less: Federal Foreign Tax Credit (from line 58) ..... \_\_\_\_\_  
Foreign Taxes (from line B) in Part III ..... \_\_\_\_\_  
Foreign Taxes Paid \*\* ..... \_\_\_\_\_  
Subtotal (total of line 79 plus line 80) ..... 81. \_\_\_\_\_

ADDITIONAL TAXES FOR CARRY-OVER TO SUBSEQUENT TAXATION YEAR (Subtract line 81 from line 78. If negative, enter zero.) ..... 82. \_\_\_\_\_  
\*\* Non-business foreign income tax paid plus foreign business income tax paid

**PART VIII - APPLICATION OF MINIMUM TAX CARRY-OVER FROM PRIOR YEARS AGAINST 1988 TAX PAYABLE**

• Complete this part only if you have a minimum tax carry-over from prior years

Minimum Tax Carry-Over from 1986 and/or 1987 ..... 83. \_\_\_\_\_  
SUBTRACT:

(i) Tax Payable before Minimum Tax Carry-Over (from line 53) ..... 84. \_\_\_\_\_  
Less: Minimum Amount (from line 45) ..... 85. \_\_\_\_\_  
Maximum Carry-Over which can be applied in 1988 ..... 86. \_\_\_\_\_

(ii) Minimum Tax Carry-Over from 1986 and/or 1987 ..... 87. \_\_\_\_\_  
Minimum Tax Carry-Over Applied in 1988. (Claim an amount not exceeding the lesser of lines 86 and 87 above at line 88.  
Enter this amount on line 504 on Schedule 1 of the T1 Return) ..... 88. \_\_\_\_\_

Balance, if any, of 1986 and/or 1987 Minimum Tax Carry-Over Available for Subsequent Taxation Years (line 83 minus line 88) ..... 89. \_\_\_\_\_

Add: Additional 1988 taxes for carry-over to subsequent taxation years (from line 82 above) ..... 90. \_\_\_\_\_

TOTAL MINIMUM TAX CARRY-OVER AVAILABLE FOR SUBSEQUENT YEARS ..... 91. \_\_\_\_\_