



- 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 1988. 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 made an election under section 119.
- Minimum Tax is not applicable to a taxpayer who died in 1989.
- 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 1989 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 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 line 539 on schedule 3 of the T1 return arising from 1989 capital dispositions and/or reserves relating to dispositions of capital property after 1985.
- 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 1989 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 1989 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 1989 (excluding refund of premiums on death of annuitant)</p> <p>SUBTRACT: Lump sum payments from pension plans and deferred profit sharing plans</p> <p>Net Contributions to Deferred Income Plans (If negative, enter zero)</p>	<p>1.</p> <p>2.</p> <p>3.</p>	<p>_____</p> <p>_____</p> <p>_____</p>	<p>▶</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>(B) Capital cost allowance claimed in respect of multiple unit residential properties (MURBs) including furniture, fixtures and equipment</p> <p>SUBTRACT: Net income reported in respect of such properties before capital cost allowance. (If a loss - enter zero)</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)</p>	<p>4.</p> <p>5.</p> <p>6.</p>	<p>_____</p> <p>_____</p> <p>_____</p>	<p>▶</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>(C) Capital cost allowance claimed in respect of film property certified by the Canadian Film and Videotape Certification Office</p> <p>SUBTRACT: Net income reported in respect of such film property before capital cost allowance. (If a loss - enter zero.)</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)</p>	<p>7.</p> <p>8.</p> <p>9.</p>	<p>_____</p> <p>_____</p> <p>_____</p>	<p>▶</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>(D) Total of all resource expenditures, depletion and resource allowances deducted</p> <p>SUBTRACT: The total of:</p> <p>(i) Income reported attributable to production of petroleum, natural gas and minerals, including royalties (before depletion and other allowances) (if a loss - enter zero)</p> <p>(ii) Amounts included in income from dispositions of foreign resource properties and recovery of exploration and development expenses (if a loss - enter zero)</p> <p>Total Resource Income</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)</p>	<p>10.</p> <p>11.</p> <p>12.</p> <p>13.</p> <p>14.</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>▶</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p>(E) Total non-taxable portion of capital gains (an amount equal to 1/3 of the total capital gain reported on line 539 on schedule 3 in respect of dispositions of capital property after 1985)</p> <p>Subtract: Non-taxable portion of capital gains arising from mortgage foreclosures and conditional sales repossession included at line 15 above</p> <p>Net non-taxable portion of capital gains after 1985</p>	<p>15.</p> <p>16.</p> <p>17.</p>	<p>_____</p> <p>_____</p> <p>_____</p>	<p>▶</p>	<p>_____</p> <p>_____</p> <p>_____</p>
<p>(F) Add: (i) Employee home relocation loan deduction (line 248 on T1 return)</p> <p>(ii) Stock option and shares deductions (line 249 on T1 return)</p> <p>(iii) Portion of post-1985 non-capital losses applied in 1989 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)</p> <p>TOTAL OF LINES 18 to 20</p>	<p>18.</p> <p>19.</p> <p>20.</p> <p>21.</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>▶</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p>TOTAL ADDITIONS TO TAXABLE INCOME FOR MINIMUM TAX PURPOSES (Total of lines 3, 6, 9, 14, 17 and 21)</p> <p>SUBTRACT: The total of</p> <p>(i) 20% of taxable amount of dividends from taxable Canadian corporations</p> <p>(ii) Allowable Business Investment Loss (An amount equal to 1/2 the amount claimed at line 217 on page 2 of the T1 return)</p> <p>(iii) An amount equal to 1/2 post-1985 capital losses claimed at line 253 on page 2 of the T1 return</p> <p>Subtract: Non-deductible portion of capital losses arising from mortgage foreclosures and conditional sales repossession included at line 25 above</p> <p>Net non-deductible capital losses after 1985</p> <p>(iv) Additional current year loss available</p>	<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>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>▶</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
<p>TOTAL ADDITIONAL DEDUCTIONS FROM TAXABLE INCOME FOR MINIMUM TAX PURPOSES</p> <p>NET ADDITIONS TO TAXABLE INCOME FOR MINIMUM TAX PURPOSES (line 22 minus line 29)</p> <p>ADD: Taxable income (from line 260 on page 2 of the T1 return)</p> <p>ADJUSTED TAXABLE INCOME FOR MINIMUM TAX</p> <p>SUBTRACT: Basic Exemption</p> <p>NET ADJUSTED TAXABLE INCOME (if negative, enter zero)</p>	<p>30.</p> <p>31.</p> <p>32.</p> <p>33.</p> <p>34.</p> <p>35.</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>▶</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p style="text-align: center;">40,000 00</p> <p>_____</p> <p style="text-align: right;">× 17%</p> <p>_____</p>

(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 1989 tax payable, complete Part II on page 3 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)

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 - 49.5% 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. _____

1989 Rates of Federal Tax are shown on Schedule 1 of the T1 Return.

PART III - CALCULATION OF SPECIAL FOREIGN TAX CREDIT

65.(i) Foreign non-business income* _____

Add: Foreign business income _____

Total Foreign Income X 17%

Foreign income limit for special foreign tax credit A

The lesser of Amounts A and B is: C

(ii) Foreign non-business income tax paid X .6667 = _____

Add: Foreign business income tax paid _____

Foreign taxes paid for special foreign tax credit B

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 (49.5%) (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 (49.5%), and Federal Individual Surtax - from line 69 75. _____
 Add: Surtax for income not earned in a province (if applicable) - 49.5% 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) _____
 _____ × $\frac{\text{Foreign Taxes (from line B) in Part III}}{\text{Foreign Taxes Paid **}}$ = 80. _____
 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 1989 TAX PAYABLE

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

Minimum Tax Carry-Over from prior years (1986 to 1988) 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 1989 86. _____
 (ii) Minimum Tax Carry-Over from prior years (1986 to 1988) 87. _____
 Minimum Tax Carry-Over Applied in 1989. (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 Minimum Tax Carry-Over Available for Subsequent Taxation Years (line 83 minus line 88) 89. _____
 Add: Additional 1989 taxes for carry-over to subsequent taxation years (from line 82 above) 90. _____
TOTAL MINIMUM TAX CARRY-OVER AVAILABLE FOR SUBSEQUENT YEARS 91. _____