



## CALCULATION OF MINIMUM TAX

- Use this form to calculate the amount of minimum tax you have to pay on your 1996 *General Income Tax Return*. If you are completing a return for a trust, use Schedule 12 of the T3 return.
- Complete Part I, Part II, and Part VIII if you do not have to pay minimum tax in 1996 and you are applying a minimum tax carry-over from previous years against your 1996 tax payable.
- Minimum tax does not apply to returns filed under subsection 70(2) or 150(4), or under paragraph 104(23)(d), or 128(2)(e) of the *Income Tax Act*.
- Minimum tax does not apply to a person who died in 1996.
- Attach one completed copy of this form to your 1996 return. If minimum tax is payable to more than one jurisdiction, also attach a completed Form T691A, *Minimum Tax Supplement – Multiple Jurisdictions*.

### Explanatory Notes:

- Line 2     Exclude the amount transferred to a registered retirement savings plan (RRSP), to a registered retirement income fund (RRIF), or to an issuer to purchase an annuity if you received the amount transferred:
- as a refund of premiums from an RRSP;
  - because of the full or partial commutation of your RRSP;
  - from your spouse's RRIF because your spouse died, or as an excess amount from a RRIF; or
  - in a lump sum from a registered pension plan (RPP), or as a designated benefit from a RRIF, and if you were the beneficiary and a child or grandchild of the member or annuitant.
- Line 4     Include the amount of lump-sum payments you reported on your return. These are lump-sum payments out of or under a deferred profit-sharing plan (DPSP), a superannuation or pension fund or plan, or a foreign retirement arrangement that you received because:
- a person died, withdrew from the fund, plan, or arrangement, or terminated employment;
  - the fund, plan, or arrangement was wound up (in full satisfaction of all the payee's rights in or under the fund, plan, or arrangement); or
  - the fund, plan, or arrangement was amended.
- Note:** Do not include retiring allowance payments you reported on your return.
- Lines 6 and 7     If you are a member of a partnership that has invested in certified feature films or certified productions, include your share of the income and your share of the related capital cost allowance (CCA) deducted for the property for the partnership's fiscal period ending in 1996. If you are a limited partner or a specified member of the partnership, or if your interest in the partnership is one that needs, or has obtained, an identification number under section 237.1 of the *Income Tax Act* (the Act), do not include any amount that you will include on line 12 below.
- Lines 9 and 10     Investments include (i) rental or leasing property, certified feature films and certified productions, (ii) flow-through shares and resource property, and (iii) interest in a partnership if you are a limited partner or a specified member of the partnership, or if the partnership owns investments referred to in (i). If (iii) applies, include your share of the income of the partnership for the fiscal period ending in 1996. The last sentence under the explanation for lines 6 and 7 also applies here.
- Line 12     If you are a limited partner or specified member of a partnership, or if your interest in the partnership is one that needs or has obtained an identification number under section 237.1 of the Act, include your share of the total of the net losses of the partnership from each partnership source calculated according to paragraph 127.52(1)(c.1) of the Act. Also include all other amounts deducted for property for which an identification number needs or has been obtained under section 237.1 of the Act other than those included on lines 7 and 10.
- Line 27     Calculate the limited partnership losses, restricted farm losses, farm losses and non-capital losses for other years from CCA and carrying charges using the rules in effect for that particular year.
- Line 28     If you make an election under section 40 of the *Income Tax Application Rules*, add the elected income to the total of lines 25 to 27, and enter the result on line 28.
- Line 32     If you have unapplied capital losses from other years, complete Part IX and enter the net non-deducted capital losses here. You include this amount in the calculation of the adjusted taxable income even if you have not claimed any net capital losses of other years on line 253 of your return.
- Line 33     If, for 1996, you incurred a loss from office or employment, or from business or property (including your share of a partnership loss) that you do not fully apply when you calculate your income for regular tax purposes, enter the unapplied part of the loss here. This does not reduce the amount of 1996 non-capital loss available for carry-back or carry-forward to other years.
- Line 99     Exclude the non-deducted portion of capital losses from mortgage foreclosures and conditional sales repossessions. For post-1994 net capital losses, the first sentence under the explanation at line 12 also applies here.





**Part V – Basic Federal Tax for the Year**

Basic federal tax (from line 58)	D	Minimum amount (from line 50)	E	
Basic federal tax for the year (enter amount D or amount E, whichever is more)				76

Use the amount on line 76 as basic federal tax (line 26 of Schedule 1) when calculating the federal individual surtax, refundable Quebec abatement (for residents of Quebec only), and provincial or territorial tax on Form T1C or Form T1C-TC, if applicable. If tax is payable to more than one jurisdiction, enter this amount on line 4 of Form T691A.

**Part VI – Federal Tax Payable (Minimum Tax)**

Net minimum tax payable (from line 71)				77
Federal surtax on income not subject to a provincial tax (calculate 52% of the amount on line 76, or enter the amount from line 5 of Form T691A)			+	78
Federal tax before the federal individual surtax (enter this amount on line 417 of your return)			=	79

**Part VII – Additional Taxes Paid for Minimum Tax Carry-Over**

Minimum amount (from line 50)				80
Basic federal tax (from line 58)				81
Special foreign tax credit (from line 68)				
Federal foreign tax credit (from line 61)				
Result:				
Result X Foreign taxes (from line B in Part III)			+	82
Foreign taxes paid (foreign non-business-income tax paid plus foreign business-income tax paid)				
Total of lines 81 and 82			=	83
Additional taxes for carry-over to subsequent years (line 80 minus 83; if negative, enter "0")			=	84

**Part VIII – Applying a Minimum Tax Carry-Over from Previous Years Against 1996 Tax Payable**

Minimum tax carry-over from previous years (1989 to 1995)				85
Tax payable before minimum tax carry-over (from line 56)				86
Minimum amount (from line 50)				87
Maximum carry-over that can be applied in 1996 (if negative, enter "0")				88
Minimum tax carry-over applied in 1996 (claim an amount that is not more than line 85 or 88, whichever is less) (enter this amount on line 24 of Schedule 1)				89
Balance of minimum tax carry-over available for subsequent years, if any (line 85 minus line 89)				90
Additional 1996 taxes for carry-over to subsequent years (from line 84)			+	91
Total minimum tax carry-over available for subsequent years (total of lines 90 and 91)			=	92

**Part IX – Net Non-Deducted Capital Losses**

Complete this part only if you have unapplied capital losses from other years.

Net total capital gains (from line 23)				93
Capital gains deduction claimed in 1996 (from line 254 of your return)				94
Capital gains available for capital losses of other years (line 93 minus line 94)				95
Pre-1988 unapplied net capital loss		X 2 =		96
1988 and 1989 unapplied net capital loss		X 3/2 = +		97
1990 through 1995 unapplied net capital loss		X 4/3 = +		98
Total of lines 96 to 98 *				99
Adjusted capital losses of other years applied against total capital gains (enter the amount on line 95 or line 99, whichever is less)				100
Unapplied net capital loss incurred before May 23, 1985 (if none, enter "0" on line 108)				101
Capital gains deductions claimed:				
In 1990 through 1995		X 2/3 =		102
In 1988 and 1989		X 3/4 = +		103
Before 1988				104
Total of lines 102 to 104				105
Pre-1986 capital loss balance for 1996 (line 101 minus line 105)				106
Line 99 minus line 100; if negative, enter "0"		X 2/3 =		107
Enter the least of \$2,000, the amount on line 106, and the amount on line 107				108
Adjusted capital losses (total of lines 100 and 108)				109
Net capital losses of other years (from line 253 of your return)				110
Net non-deducted capital losses (line 109 minus line 110; enter this amount on line 32)				111

\* See page 1 of this form for explanatory notes.