## 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 $T 3$ 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 If you are a member of a partnership that has invested in certified feature films or certified productions, include your share of the and 7 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 Investments include (i) rental or leasing property, certified feature films and certified productions, (ii) flow-through shares and and 10 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.

Total deductible contributions and payments to RPPs for 1996 (line 207 of your return). 1
Total deductible contributions and payments to RRSPs and RRIFs for 1996 (line 208 of your return) (excluding amounts transferred under paragraph 60(l) *)
Total of lines 1 and 2
Lump-sum payments from pension plans, DPSPs, and foreign retirement arrangements *
Line 3 minus line 4 ; if negative, enter " 0 ".
CCA claimed for certified feature films and certified productions on line 122 or 232 of your return *
Net income or net loss reported for all such film property before CCA *
(if the result is a loss, enter "0")
Loss created or increased by CCA (line 6 minus line 7; if negative, enter " 0 ").
Carrying charges claimed for certain investments *
Net income or net loss reported for all such investments before carrying charges *
(if the result is a loss, enter " 0 ")
Loss created or increased by carrying charges (line 9 minus line 10; if negative, enter "0").
Losses deducted by limited partners and amounts deducted for certain tax sheiters *
Total of lines 11 and 12
$\square$



Total of all resource expenditures and depletion allowances deducted.
 $692+$ 8

$\equiv$ 11 12
$\square$
$=$ $678+$ 13

Income reported from the production of petroleum, natural gas, and minerals, including royalties (before resource expenditures, and depletion allowances) (if a loss, enter "0")
 15


Loss created or increased by resource expenditures and depletion allowances (line 14 minus line 17; if negative, enter "0")

| Total capital gains from line 040 of Schedule 3 . |  |  |
| :---: | :---: | :---: |
| Total capital gains arising from mortgage foreclosures and conditional sales repossessions (from lines 019 and 028 of Schedule 3). | - |  |
| Line 19 minus line 20. | 三 |  |
| Total capital gains exempt from Canadian tax under a tax treaty included on line 19 | 687- |  |
| Net total capital gains (line 21 minus line 22) | = |  | Net non-taxable part of capital gains (calculate $1 / 4$ of the amount on line 23) 23

Stock option and shares deductions (from line 249 of your return)


Limited partnership losses, restricted farm losses, farm losses and non-capital losses applied in 1996 from any CCA and carrying charges claimed on MURBs, certified feature films, and certified productions, and to resource expenditures and depletion allowances claimed after 1985 (included on lines 251 and 252 of your return) *
Total of lines 25 to 27 *


Total of lines $5,8,13,18,24$, and 28


Net additions to taxable income (line 29 minus line 34 ; if negative, show it in brackets and subtract it)
Taxable income (from line 260 of your return).
Adjusted taxable income (total of lines 35 and 36 )
Basic exemption
Net adjusted taxable income (line 37 minus line 38)


Employee home relocation loan deduction (from line 248 of your return)
$+$

Calculate $20 \%$ of the amount on line 120 of your return
Calculate $1 / 3$ of the amount on line 217 of your return
Net non-deducted capital losses (from line 111 in Part IX) *
Additional current-year loss available *
Total of lines 30 to 33

If this amount is negative, enter " 0 : you are not subject to minimum tax. Attach a copy of this form to your return, and complete your Schedule 1 and your return as usual.

* See page 1 of this form for explanatory notes.



## Part II - Net Federal Tax Payable

| Complete Schedule 1 using Method B and stop at line 21. Enter the amount from line 21 of that schedule here |  |  |  | 51 |
| :---: | :---: | :---: | :---: | :---: |
| Total non-refundable tax credits (from line 350 of your return) . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . 5 |  |  |  |  |
| Overseas employment tax credit (from Form T626) | $+$ | 53 |  |  |
| Dividend tax credit (calculate 13.33\% of the amount on line 120 of your return) | $+$ | 54 |  |  |
| Total of lines 52 to 54. | = |  | - | 55 |
| Tax payable before minimum tax carry-over (line 51 minus line 55). |  |  | = | 56 |
| Minimum tax carry-over applied in 1996 (from line 89 in Part VIII) |  |  | - | 57 |
| Basic federal tax (line 56 minus line 57) |  |  | = | 58 |
| Federal surtax for non-residents and deemed residents of Canada (multiply line 58 by $52 \%$ ). |  |  | $\pm$ | 59 |
| Total of lines 58 and 59. |  |  | = | 60 |
| Federal foreign tax credit (from Form T2209) |  |  | - | 61 |
| Federal tax (line 60 minus line 61; if negative enter "0"). |  |  | 三 | 62 |
| Federal political contribution tax credit (from line 410 of your return) |  | 63 |  |  |
| Investment tax credit (from line 412 of your return). | $\pm$ | 64 |  |  |
| Labour-sponsored funds tax credit (from line 414 of your return) | $+$ | 65 |  |  |
| Total of lines 63 to 65. | 三 |  | - | 66 |
| Federal tax before the federal individual surtax (line 62 minus line 66; if negative, enter "0") |  |  | = | 67 |

## Part III - Special Foreign Tax Credit

(i) Foreign non-business income (for which a non-business-income tax has been paid) Foreign business income Total foreign income Foreign income limit for special foreign tax credit
Enter amount $A$ or amount $B$, whichever is less
Special foreign tax credit (enter amount $C$, or the amount from line 61 above, whichever is more)

$\ldots . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .$.


## Part IV - Obligation to Pay Minimum Tax

Minimum amount (from line 50)

|  | 69 |
| :--- | ---: |
| - | 70 |
| $=$ | 71 | Net minimum tax payable (line 69 minus line 700 )

 Net minimum tax payable minus regular tax payable (line 71 minus line 74)


If this amount is negative, enter "0": you are not subject to minimum tax. Attach a copy of this form to your return and complete your Schedule 1 and your return as usual. If the amount on line 75 is positive, complete Part V, Part VI, and Part VII.



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).86Balance of minimum tax carry-over available for subsequent years, if any (line 85 minus line 89)87

| - |  |
| :--- | ---: |
| $\equiv$ | 89 |
| + | 90 |
| $=$ | 91 |

Total minimum tax carry-over available for subsequent years (total of lines 90 and 91 ).

## Part IX - Net Non-Deducted Capital Losses

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



Capital gains deductions claimed:

Enter the least of $\$ 2,000$, the amount on line 106, and the amount on line 107
Adjusted capital losses (total of lines 100 and 108).
Net capital losses of other years (from line 253 of your return)
Net non-deducted capital losses (line 109 minus line 110; enter this amount on line 32)


* See page 1 of this form for explanatory notes.

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