

CALCULATION OF MINIMUM TAX

Use this form to calculate your 1997 minimum tax. If you are completing a return for a trust, use Schedule 12 of the T3 return.

Complete Part 1, Part 2, and Part 8 if you do not have to pay minimum tax in 1997 and you are applying a minimum tax carry-over from previous years against your 1997 tax payable.

Minimum tax does not apply to a person who died in 1997, or 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*.

Attach a completed copy of this form to your 1997 income tax return.

If minimum tax is payable to more than one jurisdiction, also attach a completed Form T691A, Minimum Tax Supplement - Multiple Jurisdictions.

Part 1 – Adjusted taxable income and minimum amount (See page 2 of this form for explanatory notes.)		1	
Taxable income from line 260 of your return	_		1
Net contributions to plans			
Registered pension plan deduction from line 207 of your return	2 3		
Add line 2 and line 3 = Lump-sum payments from pension plans, DPSPs, and foreign retirement arrangements (Note 2) = Line 4 minus line 5 (if negative, enter "0") 6780 =	4 5 ▶ <u>+</u>	<u> </u>	6
Capital cost allowance (CCA) (Note 3)			
CCA claimed on film property (line 122 or 232 of your return) and on rental and leasing property	7		
Net income from rental and leasing property, and on film property, before CCA and carrying charges (if negative, enter "0") (Note 4)	8 ▶ <u>+</u>	+	9
Carrying charges (Note 3)			
Carrying charges claimed for certain investments (Note 5) Net income from all such investments before carrying charges (if negative, enter "0") (Note 4) Loss created or increased by carrying charges: Line 10 minus line 11 (if negative, enter "0") . =	10 11 12		
Limited partnership and tax shelter losses			
Limited partnership and tax shelter losses (Note 6) + Add line 12 and line 13 - 6784 =	13 ► ±	+	14
Resource property and flow-through shares			
Total of all resource expenditures and depletion allowances claimed	15		
Income from production of petroleum, gas, and minerals, (including royalties) before resource expenditures, depletion allowances, and carrying charges (if a loss, enter "0")			
Income from dispositions of foreign resource properties, and recovery of exploration and development expenses (if a loss, enter "0")			
Total resource income: Add line 16 and line 17 =	18		
Loss created or increased by resource expenditures and depletion allowances: Line 15 minus line 18 (if negative, enter "0") 6786 =	• :	+	19
Non-taxable portion of capital gains reported in the year			
Total capital gains from line 197 of Schedule 3 (do not include a reserve from any year before 1986)	20		
Capital gains arising from mortgage foreclosures and conditional sales repossessions from lines 124 and 155 of Schedule 3			
Portion of total capital gains included on line 20 that is exempt from Canadian tax under a tax treaty			
Adjusted capital gains on gifts of certain capital property from line 193 of Schedule 3 + 23 Capital gains from donations not included on line 23 6789 + 24			
Add lines 21 to 24 = >	25		
Net total capital gains: Line 20 minus line 25 Net non-taxable part of capital gains: Line 26 x 25% =	26	_ 1	27
Net non-taxable part of capital gains: Line 26 x 25% = Add lines 1, 6, 9, 14, 19, and 27	<u>-</u>	=	28
	-		

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Amount from line 29 from page 1 of this form					1	
Amount from line 28 from page 1 of this form	·····	• • • • • • • • • • • • • • • • • • • •				
Employee home relocation loan deduction from line 248 of your return				9		
Stock option and shares deductions from line 249 of your return				0		
Portion of limited partnership losses, restricted farm losses, farm loss applied in 1997 from any CCA and carrying charges claimed on MUR and certified productions, and to resource expenditures and depletion 1985 (included on lines 251 and 252 of your return) (Note 7)	Bs, certified feature films, allowances claimed after		3	1		
Add lines 29 to 31 (Note 8)		· <u></u>		, 	1	
Add line 28 and line 32		•		'		
Amount from line 120 of your return	x 20% =	•	3		L	
Amount from line 217 of your return	x 33.33% =	+		-		
Net non-deducted capital losses from line 113 in Part 9 (Note 9)		. +		-		
Additional current-year loss available (Note 10)	*******************	. +	3:	_		
Add lines 34 to 37		· =	•	_	1	
Line 33 minus line 38 (if negative, enter "0")		. Adjusted taxa	ble income	=		
Basic exemption: \$40,000				_	40,000	00
Line 39 minus line 40 (if negative, enter "0")		let adjusted taxa	ble income	=	,,,,,,,	
If line 41 is "0", you are not subject to minimum tax.						
Attach a copy of this form to your return, and complete Schedule	1 and your return as us	ual.				
Enter the amount from line 41	,					
Federal tax rate: 17%				X	17	7%
Gross minimum amount: Multiply line 42 by line 43						70
Total non-refundable tax credits from line 350 of your return			45	. —		
Enter the total of lines 314, 318, 324, and 326 of your return		46				
Federal tax rate: 17%	x 17%	47				
Multiply line 46 by line 47	=		48	ì		
Line 45 minus line 48	·			, 		
Line 44 minus line 49 (if negative, enter "0")		. Minimu	m amount			
If line 50 is "0", you are not subject to minimum tax.			anivani			

Note 1

Do not include on line 3 the following amounts transferred to your registered retirement savings plan (RRSP):

- a refund of premiums from an RRSP, or a designated benefit from a registered retirement income fund (RRIF);
- · a payment in full or partial commutation of your RRSP;
- · an excess amount from a RRIF; or
- a lump sum from a registered pension plan (RPP) received because you are a child or grandchild of a member who died.

Include on line 3 any amount claimed at line 232 of your return because of the refund of an undeducted RRSP contribution that you made after 1990.

Note 2

Enter the lump-sum payments you received out of or under a deferred profit-sharing plan (DPSP), a superannuation or pension fund or plan, or a foreign retirement arrangement because:

- the 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.

Do not include on line 5 retiring allowance payments you reported on your return.

Note 3

If you are a member of a partnership, include your share of the income and deductions for the partnership's fiscal period ending in 1997.

Do not include any amount that must be included on line 13 of this form.

Note 4

For film property and rental and leasing property, first add income from these investments (before CCA and/or carrying charges, if applicable) and net taxable capital gains, if any, from dispositions of such investments. Then subtract losses from these investments (before CCA and/or carrying charges, if applicable). If result is negative, enter "0".

Note 5

These are carrying charges claimed on rental and leasing property, film property, flow-through shares and resource property. They also include carrying charges related to the acquisition of an interest in a partnership of which you are a limited partner or a specified member or that owns investments in rental or leasing property, or in film property.

Note 6

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 *Income Tax Act* (the Act), include your share of the net losses of the partnership from each source (allowable capital losses, business losses, and property losses) that exceeds the amount allowed under paragraph 127.52(1)(c.1) of the Act.

Also include all other amounts deducted for property for which an identification number is needed or has been obtained under section 237.1 of the Act.

Note '

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.

Note 8

If you elect under section 40 of the *Income Tax Application Rules*, add the elected income to the total of lines 29 to 31, and enter the result on line 32.

Note 9

If you have unapplied capital losses from other years, complete Part 9 and enter the net non-deducted capital losses here. This applies even if you have not claimed any net capital losses of other years on line 253 of your return.

Note 10

If, for 1997, 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 1997 non-capital loss available for carry-back or carry-forward to other years.

Part 2 – 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 Total non-refundable tax credits from line 350 of your return 52 Overseas employment tax credit from Form T626 53 Dividend tax credit from line 120 of your return x 13.33% = Add lines 52 to 54 _____ = 55 Tax payable before minimum tax carry-over: Line 51 minus line 55 56 Minimum tax carry-over applied in 1997 from line 91 in Part 8 57 58 Federal surtax for non-residents and deemed residents of Canada: Line 58 59 60 Federal foreign tax credit from Part 1 of Form T2209 Federal logging tax credit 62 Add line 61 and line 62 63 Line 60 minus line 63 (if negative, enter "0") Federal tax 64 Federal political contribution tax credit from line 410 of your return 65 Investment tax credit from line 412 of your return 66 Labour-sponsored funds tax credit from line 414 of your return 67 Add lines 65 to 67 68 Line 64 minus line 68 (if negative, enter "0"). Federal tax before the federal individual surtax 69 Part 3 - 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 Federal tax rate: 17% Foreign income limit for special foreign tax credit (ii) Foreign non-business-income tax paid Foreign business-income tax paid Foreign taxes paid for special foreign tax credit Enter amount A or amount B, whichever is less Part 4 – Obligation to pay minimum tax Minimum amount from line 50 71 Special foreign tax credit from line 70 72 Net minimum tax payable: Line 71 minus line 72 73 Federal tax before the federal individual surtax from line 69 Federal surtax for non-residents and deemed residents of Canada from line 59 ___ 75 Regular tax payable: Line 74 minus line 75 76 Line 73 minus line 76 (if negative, enter "0") If line 77 is "0", you are not subject to minimum tax.

Attach a copy of this form to your return and complete Schedule 1 and your return as usual.

If the amount on line 77 is positive, complete Parts 5, 6, and 7.

Part 5 – Basic federal tax for the year

Basic federal tax from line 58	D	Minimum amount from line 50	E	
Enter amount D or amount E, whichever is mo	re	Basic federal tax f	or the year	78

Use the amount on line 78 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 6 – Federal tax payable (minimum tax)						
Net minimum tax payable from line 73						_ 79
Federal surtax on income not subject to a provincial tax: Multiply line 78 by 52%, or enter the amount from line 5 of Form	T691A				<u>+</u>	80
Add lines 79 and 80. Enter this amount on line 417 of your return						81
Part 7 – Additional taxes paid for minimum tax c	carry-over					
Minimum amount from line 50						_ 82
Basic federal tax from line 58				83		
Special foreign tax credit from line 70						
Federal foreign tax credit from line 61						
Result:	····· =					
Result X Foreign taxes (from line B in Part 3)			+	84		
Foreign taxes paid (foreign non-business-income tax p	oaid plus			_		
foreign business-income tax paid)			1		1	
Add lines 83 and 84 Line 82 minus line 85 (if negative, enter "0")					_	_ 85
Line of minus line of (ii negative, enter "0")	Additional taxe	s paid for mi	inimum tax carry-ove	er •	=	_ 86
Part 8 – Applying a minimum tax carry-over from	n previous years a	gainst 199	97 tax payable			
Minimum tax carry-over from previous years (1990 to 1996)	•	-				87
Tax payable before minimum tax carry-over from line 56 \ldots				88		
Minimum amount from line 50			_	_ 89		
Maximum carry-over that can be applied in 1997 (if negative, ent	ter "0")		=	_ 90		
Minimum tax carry-over applied in 1997: Claim an amount that is not more than line 87 or 90, whichever is	e lace and antar it on li	na 24 of Scho	idulo 1		_ 1	01
Balance of minimum tax carry-over available for subsequent year					=	- ⁹¹ 92
Additional 1997 taxes for carry-over to subsequent years from lin					+	93
Total minimum tax carry-over available for subsequent years: Ac					=	94
Dowl O. Not your deducated any test language						
Part 9 — Net non-deducted capital losses Complete this part only if you have unapplied capital losses from	other years					
Net total capital gains from line 26	*				1	95
Capital gains deduction from line 254 of your return (Note 11)					_	96
Capital gains available for capital losses of other years: Line 95					=	97
Pre-1988 unapplied net capital losses		x 2 =		98		_
1988 and 1989 unapplied net capital losses		3/2 =	+	_ 99		
1990 through 1996 unapplied net capital losses		(4/3 =	+	- 100	1	
Add lines 98 to 100 (Note 12)			=	_		_ 101
Adjusted capital losses of other years applied against total capital Enter the amount from line 97 or line 101, whichever is less	ai gains:				İ	102
•				•		_
Unapplied net capital loss incurred before May 23, 1985 (if none,	, enter "0" on line 109)			_ 103		
Capital gains deductions claimed:		1				
	2/3 =	104				
In 1988 and 1989 x 3 Before 1988		105				
Add lines 104 to 106			_ 1	107		
Pre-1986 capital loss balance for 1997: Line 103 minus line 107			=	108		
Line 101 minus line 102 (if negative, enter "0")		< 2/3 =		_ _ 109		
Enter the amount from line 108, line 109, or \$2,000, whichever is					+	_ 110
Adjusted capital losses: Add line 102 and 110			• • • • • • • • • • • • • • • • • • • •		=	_ 111
Net capital losses of other years from line 253 of your return		Natura da			_	_ 112
Line 111 minus line 112. Enter this amount on line 36		Net non-de	educted capital losse	5	=	_ 113 ¬
Note 11 Do not include the part of the capital gains deduction that relates						ı
Do not include the part of the capital gains deduction that relates	to the disposition of all	rible cenitel -	roporty which is av-15	find for	m proports	ĺ
Note 12	to the disposition of eliq	gible capital p	roperty which is quali	fied far	m property.	
Note 12 Exclude the non-deducted portion of capital losses from mortgag For post-1994 net capital losses, the first paragraph under Note 6	ge foreclosures and cond	litional sales	,	fied far	m property.	