



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.)

Taxable income from line 260 of your return 1

Net contributions to plans

Registered pension plan deduction from line 207 of your return		2	
RRSP deduction from line 208 of your return (Note 1)	+		3
Add line 2 and line 3	=		4
Lump-sum payments from pension plans, DPSPs, and foreign retirement arrangements (Note 2)	-		5
Line 4 minus line 5 (if negative, enter "0")	6780 =		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
Loss created or increased by CCA: Line 7 minus line 8 (if negative, enter "0")	6782 =		9

Carrying charges (Note 3)

Carrying charges claimed for certain investments (Note 5)		10	
Net income from all such investments before carrying charges (if negative, enter "0") (Note 4)	-		11
Loss created or increased by carrying charges: Line 10 minus line 11 (if negative, enter "0") ..	=		12

Limited partnership and tax shelter losses

Limited partnership and tax shelter losses (Note 6)	+		13
Add line 12 and line 13	6784 =		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")		16	
Income from dispositions of foreign resource properties, and recovery of exploration and development expenses (if a loss, enter "0")	+		17
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		21	
Portion of total capital gains included on line 20 that is exempt from Canadian tax under a tax treaty	6788 +		22
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	=		26
Net non-taxable part of capital gains: Line 26	x 25% =		27
Add lines 1, 6, 9, 14, 19, and 27	=		28

Departmental use only 6790

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 51

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% =	+		54	
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
Line 56 minus line 57	=			58
			Basic federal tax	
Federal surtax for non-residents and deemed residents of Canada: Line 58 x 52% =	+			59
Add lines 58 and 59	=			60
Federal foreign tax credit from Part 1 of Form T2209			61	
Federal logging tax credit	+		62	
Add line 61 and line 62	=			63
Line 60 minus line 63 (if negative, enter "0")	=			64
			Federal tax	
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")	=			69
			Federal tax before the federal individual surtax	

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%	X	17%	
Foreign income limit for special foreign tax credit	=		A

(ii) Foreign non-business-income tax paid x 0.6667 =

Foreign business-income tax paid	+		
Foreign taxes paid for special foreign tax credit	=		B

Enter amount A or amount B, whichever is **less**

Enter amount C, or the amount from line 61 above, whichever is more			C
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Special foreign tax credit 70

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			74
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")	=		77

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 more	Basic federal tax for 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.

