

ALTERNATIVE MINIMUM TAX

Use this form to calculate your 1999 federal tax payable under Alternative Minimum Tax. If you are completing a return for a trust, use Schedule 12 of the T3 return.

Complete parts 1, 2, and 8 if you do not have to pay minimum tax in 1999 and you are applying a minimum tax carryover from previous years against your 1999 tax payable. Alternative Minimum Tax does not apply to a person who died in 1999, 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 1999 return.

If you have to pay tax to more than one jurisdiction, also attach a completed Form T2203, *Provincial and Territorial Taxes - Multiple Jurisdictions*.

Part 1 – Adjusted taxable income and minimum amount (See page 2 of this form for the explanatory notes.)

Taxable income from line 260 of your return, or the amount that you would have entered at line 260 if the instruction "if negative, enter '0'" on lines 236 and 260 was replaced with the instruction "if negative, enter the result in brackets" _____ | 1

Film property (Note 1)

Capital cost allowance (CCA) and carrying charges claimed on certified film property acquired before March 1996 (usually included on lines 221 and 232 of your return) _____ | 2

Net income from film property before CCA and related carrying charges (if negative, enter "0") (Note 2) - _____ | 3

Line 2 minus line 3 (if negative, enter "0") **6782** = _____ | 4

Rental and leasing property (Note 1)

Capital cost allowance (CCA) and carrying charges claimed on rental and leasing property (included on line 126 of your return) _____ | 5

Net income from rental and leasing property before CCA and related carrying charges (if negative, enter "0") (Note 2) - _____ | 6

Line 5 minus line 6 (if negative, enter "0") **6783** = _____ | 7

Tax shelters, limited partnerships, and non-active partners

Losses from partnerships of which you are a limited or non-active partner (line 122 of your return), or partnerships that are tax shelters (Note 3) _____ | 8

Amounts deductible in respect of properties that are tax shelters (Note 4) + _____ | 9

Carrying charges relating to the acquisition of an interest in a partnership of which you are a limited or non-active partner, or that owns a rental or leasing property or a film property (included on line 221 of your return) (Note 5) + _____ | 10

Add lines 8, 9, and 10 **6784** = _____ | 11

Resource property and flow-through shares

Total of all resource expenditures, depletion allowances, and carrying charges related to resource property and flow-through shares (included on lines 221, 224, and 232 of your return) _____ | 12

Income from production of petroleum, gas, and minerals, (including royalties) before carrying charges, resource expenditures, and depletion allowances included on line 12 (if negative, enter "0") _____ | 13

Income from dispositions of foreign resource properties, and recovery of exploration and development expenses (if negative, enter "0") + _____ | 14

Add line 13 and line 14 = _____ | 15

Line 12 minus line 15 (if negative, enter "0") **6786** = _____ | 16

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) _____ | 17

Capital gains arising from mortgage foreclosures and conditional sales repossessions from lines 124 and 155 of Schedule 3 _____ | 18

Portion of total capital gains included on line 17 that is exempt from Canadian tax under a tax treaty **6788** + _____ | 19

Adjusted capital gains on gifts of certain capital property from line 193 of Schedule 3 + _____ | 20

Capital gains from donations not included on line 20 **6789** + _____ | 21

Add lines 18 to 21 = _____ | 22

Line 17 minus line 22 = _____ | 23

Amount from line 23 _____ x 25% = _____ + _____ | 24

Add lines 1, 4, 7, 11, 16, and 24 = _____ | 25

Do not use this area **6790**

Part 1 – Adjusted taxable income and minimum amount (continued)

Amount from line 25 from page 1 of this form					25
Employee home relocation loan deduction from line 248 of your return					26
Stock option and shares deductions from line 249 of your return		+			27
Portion of limited partnership losses, restricted farm losses, farm losses, and non-capital losses applied in 1999 from any CCA, and carrying charges claimed on MURBs, rental and leasing property, certified feature films, and certified productions, and the portion of these losses related to resource expenditures and depletion allowances (included on lines 251 and 252 of your return) (Note 6)		+			28
Add lines 26 to 28 (Note 7)	=			▶	29
Add line 25 and line 29	=				30
Amount from line 120 of your return		x	20% =		31
Amount from line 217 of your return		+	33.3333% =		32
Net non-deducted capital losses from line 111 in Part 9 (Note 8)		+			33
Add lines 31 to 33	=			▶	34
Line 30 minus line 34 (if negative, enter "0")					35
Basic exemption					36
Line 35 minus \$40,000 (if negative, enter "0")					37
					37

If line 37 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.

Enter the amount from line 37					38
Federal tax rate		X	17%		39
Gross minimum amount: Multiply line 38 by 17%		=			40
Total non-refundable tax credits from line 350 of your return					41
Enter the total of lines 314, 318, 324, and 326 of your return					42
Federal tax rate		X	17%		43
Multiply line 42 by 17%		=		▶	44
Line 41 minus line 44		=		▶	45
Line 40 minus line 45 (if negative, enter "0")					46
					46

If line 46 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.

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| <p>Note 1
If you are a member of a partnership, include your share of the income and deductions for the partnership's fiscal period ending in 1999. Do not include any amounts that you have to include on lines 8 to 10 of this form.</p> <p>Note 2
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 the result is negative, enter "0".</p> <p>Note 3
If you are a limited or non-active partner 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 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.

Generally, the allowable amount should correspond with the net taxable capital gains that were attributed to you by the partnership or that you have realized on the disposition of your interest in the partnership.</p> | <p>Note 4
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; for example, carrying charges relating to the acquisition of the property. Include amounts from Form T5004 that you reported on your return.</p> <p>Note 5
Enter on this line carrying charges relating to the acquisition of an interest in a partnership of which you were a limited or non-active partner, or in a partnership that owns a rental or leasing property or a film property. Include only carrying charges that exceed your share of the partnership's income.</p> <p>Note 6
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.</p> <p>Note 7
If you elect under section 40 of the <i>Income Tax Application Rules</i>, add the elected income to the total on line 29.</p> <p>Note 8
If you have unapplied capital losses from other years, complete Part 9 and enter the net non-deducted capital losses on line 33. This applies even if you have not claimed any net capital losses of other years on line 253 of your return.</p> |
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Part 2 – Basic federal tax for the year

Complete Schedule 1 using Method B and stop at line 28. Enter the amount from line 28 of that schedule here	_____	47
Total non-refundable tax credits from line 350 of your return	_____	48
Overseas employment tax credit from Form T626	+	49
Dividend tax credit from line 120 of your return _____ x 13.3333%	+	50
Add lines 48 to 50	=	▶ _____ 51
Tax payable before minimum tax carryover: Line 47 minus line 51	=	52
Minimum tax carryover applied in 1999 from line 87 in Part 8	-	53
Line 52 minus line 53	=	Basic federal tax _____ 54

Basic federal tax from line 54 _____	A	Minimum amount from line 46 _____	B
Enter amount A or amount B, whichever is more (Note 9)		Basic federal tax for the year _____ 55	

Part 3 – Net federal tax payable

Federal surtax on income you earned outside Canada: Enter the amount from line 9 of Form T2203 or multiply the amount from line 55 by 52%	+	_____	56
Add lines 54 and 56	=	_____	57
Federal foreign tax credit from Part 1 of Form T2209	_____	58	
Federal logging tax credit	+	_____	59
Add line 58 and line 59	=	▶ _____	60
Line 57 minus line 60 (if negative, enter "0")	=	_____	Federal tax 61
Federal political contribution tax credit from line 410 of your return	_____	62	
Investment tax credit from line 412 of your return	+	_____	63
Labour-sponsored funds tax credit from line 414 of your return	+	_____	64
Add lines 62 to 64	=	▶ _____	65
Line 61 minus line 65 (if negative, enter "0")	=	_____	66

Part 4 – Special foreign tax credit (Terms identified by the symbols * and † are defined in Form T2209.)

(i) Foreign business income (total business income earned in the foreign country minus allowable expenses and deductions relating to the foreign income)	_____	
Foreign non-business income (on which non-business-income tax was paid to a foreign country *)	+	_____
Total foreign income	=	_____
Federal tax rate	X	17%
Foreign income limit for special foreign tax credit	=	_____ C
(ii) Total non-business-income tax paid to a foreign country * _____ x 66.6667% =	_____	
Total business-income tax paid to a foreign country †	+	_____
Foreign taxes paid for special foreign tax credit	=	_____ D
Enter amount C or amount D, whichever is less	_____	E
Enter amount E, or the amount from line 58 above, whichever is more	_____	Special foreign tax credit _____ 67

Part 5 – Obligation to pay minimum tax

Minimum amount from line 46	_____	68
Special foreign tax credit from line 67	-	_____ 69
Net minimum tax payable: Line 68 minus line 69 (if negative, enter "0")	=	_____ 70
Enter the amount from line 66	_____	71
Federal surtax on income you earned outside Canada from line 56	-	_____ 72
Regular tax payable: Line 71 minus line 72 (if negative, enter "0")	=	▶ _____ 73
Line 70 minus line 73 (if negative, enter "0")	=	_____ 74

If the amount on line 74 is positive, complete Parts 6 and 7.

If line 74 is "0", you are not subject to minimum tax. Attach a copy of this form to your return. Complete Schedule 1 and your return as usual. (Note 9)

Note 9: Whether or not you have minimum tax to pay, use the amount on line 55 as basic federal tax (instead of line 33 of Schedule 1) when you calculate the refundable Quebec abatement and provincial or territorial tax on Form T1C or Form T1C-TC, if applicable.
If you have to pay tax to more than one jurisdiction, enter this amount on line 5 of Form T2203.

Part 6 – Federal tax payable (under Alternative Minimum Tax)

Net minimum tax payable from line 70			75
Federal surtax on income you earned outside Canada from line 56	+		76
Add lines 75 and 76. Enter this amount on line 417 of your return	=		77

Use line 55 as basic federal tax (instead of line 33 of Schedule 1) when you calculate the federal individual surtax on Schedule 1.

Part 7 – Additional taxes paid for minimum tax carryover

(Terms identified by the symbols * and † are defined in Form T2209.)

Minimum amount from line 46				78
Basic federal tax from line 54			79	
Special foreign tax credit from line 67		F		
Federal foreign tax credit from line 58	-	G		
Line F minus line G	=	H		
Line H x Foreign taxes paid for special foreign tax credit (line D in Part 4)				80
Foreign taxes paid (non-business-income tax paid to a foreign country * plus business-income tax paid to a foreign country †)	=			
Add lines 79 and 80	=			81
Line 78 minus line 81 (if negative, enter "0")	=			82

Additional taxes paid for minimum tax carryover

Part 8 – Applying a minimum tax carryover from previous years against 1999 tax payable

Minimum tax carryover from previous years (1992 to 1998)				83
Tax payable before minimum tax carryover from line 52			84	
Minimum amount from line 46	-		85	
Maximum carryover that can be applied in 1999 (if negative, enter "0")	=		86	
Minimum tax carryover applied in 1999:				
Claim an amount that is not more than line 83 or 86, whichever is less, and enter it on line 31 of Schedule 1	-			87
Balance of minimum tax carryover available for subsequent years, if any: Line 83 minus line 87	=			88
Additional 1999 taxes for carryover to subsequent years from line 82	+			89
Add lines 88 and 89	=			90
Additional 1992 taxes not applied	-			91
Total minimum tax carryover available for 2000: Line 90 minus line 91	=			92

Part 9 – Net non-deducted capital losses (Complete this part only if you have unapplied capital losses from other years)

Amount from line 23				93
Capital gains deduction from line 254 of your return (Note 10)	-			94
Capital gains available for capital losses of other years: Line 93 minus line 94	=			95
Pre-1988 unapplied net capital losses		x 2 =		96
1988 and 1989 unapplied net capital losses		x 3/2 =	+	97
1990 through 1998 unapplied net capital losses		x 4/3 =	+	98
Add lines 96 to 98 (Note 11)	=			99
Adjusted capital losses of other years applied against total capital gains:				
Enter the amount from 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 1998		x 2/3 =		102
In 1988 and 1989		x 3/4 =	+	103
Before 1988			+	104
Add lines 102 to 104	=			105
Pre-1986 capital loss balance for 1999: Line 101 minus line 105 (if negative, enter "0")	=			106
Line 99 minus line 100 (if negative, enter "0")		x 1/2 =		107
Enter the amount from line 106, line 107, or \$2,000, whichever is least	+			108
Adjusted capital losses: Add lines 100 and 108	=			109
Net capital losses of other years from line 253 of your return	-			110
Line 109 minus line 110. Enter this amount on line 33	=			111

Net non-deducted capital losses

Note 10: Do not include the part of the capital gains deduction that relates to the disposition of eligible capital property which is qualified farm property.

Note 11: Exclude the non-deducted portion of capital losses from mortgage foreclosures and conditional sales reposessions. For post-1994 net capital losses, the first paragraph under Note 3 on page 2 also applies here.