Canada Revenue Agency   Agence du revenu du Canada

BRITISH COLUMBIA CORPORATION TAX CALCULATION
(2008 and later tax years)

Name of corporation	Business Number	Tax year-end Year	Month	Day

- Use this schedule if your corporation had a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in British Columbia and had taxable income earned in the year in British Columbia.

- This schedule is a worksheet only. You do not have to file it with your *T2 Corporation Income Tax Return*.

Part 1 – Calculation of income subject to British Columbia lower and higher tax rates

Taxable income for British Columbia* .... _____ A

Income eligible for British Columbia lower tax rate:

Amount from line 400 of the T2 return .... _____ B

Amount from line 405 of the T2 return .... _____ C

Amount from line 425 of the T2 return .... _____ × $\dfrac{400{,}000}{\text{line 4 on page 4 of the T2 return}}$ = _____ D

Amount B, C, or D, whichever is the least .... _____ E

For credit unions only:

    Amount from line D of Schedule 17, *Credit Union Deductions* ..... _____

    Deduct: amount E above .... _____

                     Excess (if negative, enter "0") _____ ▶ _____ F

                             Total (**add** amounts E and F) _____ G

Amount G _____ × $\dfrac{\text{taxable income for British Columbia*}}{\text{taxable income for all provinces**}}$ = ... _____ H

Income subject to British Columbia higher tax rate (amount A **minus** amount H) .... _____ I

* If the corporation has a permanent establishment only in British Columbia, enter the taxable income from line 360 of the T2 return. Otherwise, enter the taxable income allocated to British Columbia from column F in Part 1 of Schedule 5, *Tax Calculation Supplementary – Corporations*.

** Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 2 – Calculation of British Columbia tax before credits

British Columbia tax at the lower rate:

Amount H _____ × $\dfrac{\text{Number of days in the tax year before July 1, 2008}}{\text{Number of days in the tax year}}$ _____ × 4.5% = ... _____ J

Amount H _____ × $\dfrac{\text{Number of days in the tax year after June 30, 2008 and before December 1, 2008}}{\text{Number of days in the tax year}}$ _____ × 3.5% = ... _____ K

Amount H _____ × $\dfrac{\text{Number of days in the tax year after November 30, 2008}}{\text{Number of days in the tax year}}$ _____ × 2.5% = ... _____ L

Total British Columbia tax at the lower rate (**add** amounts J, K, and L) .... _____ M

British Columbia tax at the higher rate:

Amount I _____ × $\dfrac{\text{Number of days in the tax year before July 1, 2008}}{\text{Number of days in the tax year}}$ _____ × 12% = ... _____ N

Amount I _____ × $\dfrac{\text{Number of days in the tax year after June 30, 2008}}{\text{Number of days in the tax year}}$ _____ × 11% = ... _____ O

Total British Columbia tax at the higher rate (**add** amounts N and O) .... _____ P

British Columbia tax before credits* (**add** amounts M and P) .... _____ Q

* If the corporation has a permanent establishment in more than one jurisdiction or is claiming a British Columbia tax credit, enter amount Q on line 240 of Schedule 5, *Tax Calculation Supplementary – Corporations*. Otherwise, enter it on line 760 of the T2 return.

T2 SCH 427 E (08)   (Vous pouvez obtenir ce formulaire en français à **www.arc.gc.ca** ou au **1-800-959-3376**.)

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