



BRITISH COLUMBIA REFUNDABLE TAX CREDITS

| | | | | | | | |
|---------------------|-----|--|-------|--|------|--|----------------------------|
| NAME OF CORPORATION | | | | | | | |
| TAXATION YEAR END | Day | | Month | | Year | | CORPORATION ACCOUNT NUMBER |
| | | | | | | | |

- For use by corporations claiming either or both of the following credits:
 - B.C. Housing and Employment Development Bond Tax Credit
 - B.C. Small Business Employment Tax Credit.

- One completed copy of this form is to be attached to each T2 return filed.

PART I — SUMMARY OF BRITISH COLUMBIA REFUNDABLE TAX CREDITS

| | |
|--|--|
| B.C. Housing and Employment Development Bond Tax Credit — from Part II below | |
| B.C. Small Business Employment Tax Credit — from Part III on reverse | |
| Total — enter on line 158 on front of the T2 return | |

PART II — B.C. HOUSING AND EMPLOYMENT DEVELOPMENT BOND TAX CREDIT

For 1983 and subsequent taxation years, this tax credit may be claimed by corporations which, during the taxation year, received eligible interest from B.C. Housing and Employment Development bonds.

Eligible interest for purposes of the tax credit is identified on form T5 Supplementary which is issued by an agent of the B.C. Housing and Employment Financing Authority. Attach one copy of the T5 Supplementary to this form.

The tax credit claimed for a taxation year is to be included in computing the income of the corporation for the year.

Calculation of credit:

— enter in Part I above the amount calculated in (i), (ii), or (iii)

Eligible interest received during the taxation year from B.C. Housing and Employment Development Bonds — enter on line 633 on form T2S-TC _____ (A)

(i) Where the corporation has taxable income subject to B.C. Provincial Income Tax:

$$\text{Amount (A)} \times \left(\left[\frac{\text{B.C. Taxable Income at low rate}}{\text{B.C. Taxable Income}} \times 8\% \right] + \left[\frac{\text{B.C. Taxable Income at high rate}}{\text{B.C. Taxable Income}} \times \text{ \% }^* \right] \right)$$

(ii) Where the corporation has no taxable income subject to B.C. provincial income tax and is eligible for the federal small business deduction:

$$\text{Amount (A)} \times 8\%$$

(iii) Where the corporation has no taxable income subject to B.C. provincial income tax and is not eligible for the federal small business deduction:

$$\text{Amount (A)} \times \text{ \% }^*$$

- * • Prior to the 1987 taxation year, the rate is 16%.
- For the 1987 taxation year, the rate is 15%.
- For 1988 and subsequent taxation years, the rate is 14%.

(PART III ON REVERSE)

PART III — B.C. SMALL BUSINESS EMPLOYMENT TAX CREDIT

- This credit may be claimed by a Small Business Corporation where the total amount of salaries and wages paid during the taxation year, all or part of which was paid by it in B.C., does not exceed \$850,000.
- The tax credit is available for a maximum of two taxation years where those years commence after March 31, 1985 and before April 1, 1987.
- "Small Business Corporation" means a Canadian-Controlled Private Corporation carrying on active business.
- "Salaries and Wages" has the same meaning as "salaries and wages" in subsection 248(1) of the federal Income Tax Act, but does not include salaries and wages paid to a specified shareholder. "Specified shareholder" has the same meaning as in subsection 248(1) of the federal Income Tax Act.
- The tax credit claimed for a taxation year is to be included in computing the income of the corporation for the year.

Calculation of Credit:

Total Salaries and Wages paid by the corporation in all jurisdictions* _____ (A)
 Where Amount (A) exceeds \$850,000, the corporation is not eligible for the credit.

*If the corporation is associated with another small business corporation(s) enter the total salaries and wages paid in all jurisdictions by all of the associated small business corporations for their taxation years ending in the same calendar year (estimate if necessary).

Salaries and Wages paid inside British Columbia by the corporation _____ (B)

Maximum Credit

— the lesser of:

(i) Amount (B) _____
 and
 (ii) \$750,000 } _____ x 1.5% _____ (C)

Reduction

— applicable where Amount (A) exceeds \$750,000

(i) Amount (A) _____
 less: Threshold salaries and wages \$ 750,000
 Excess _____ (D)

(ii) Amount (D) _____ = _____ (E) (round down to nearest whole number)
 \$10,000

(iii) Amount (E) _____ x 10% x Amount (C) _____ (F)

Tax Credit for the year — Amount (C) less Amount (F) _____

Add: Credit(s) transferred from associated small business corporations** ((i) below) _____

Sub-total _____

Deduct: Credit transferred to associated small business corporations** ((ii) below) _____

Total B.C. Small Business Employment Tax Credit — enter in Part 1 on reverse _____

**** Associated Corporations**

Where a small business corporation is associated with one or more other corporations and the total salaries and wages paid in all jurisdictions by all of the associated corporations (Amount (A) above) exceeds \$750,000 but does not exceed \$850,000, the corporations may elect to allocate the B.C. Employment Tax Credit among the associated corporations. Complete (i) or (ii) as applicable:

(i) Election transferring tax credit(s) from associated small business corporations:

| Name of Transferor Corporation(s) | Amount of Credit Transferred |
|-----------------------------------|------------------------------|
| | |
| | |
| Total | |

(ii) Election transferring the tax credit to associated small business corporations:

| Name of Transferee Corporation(s) | Amount of Credit Transferred |
|-----------------------------------|------------------------------|
| | |
| | |
| Total | |

(Attach schedule if space insufficient)