



CALCULATION OF ACTIVE BUSINESS AND INVESTMENT INCOME

Name of corporation	Account number	Taxation year-end		
		Day	Month	Year

Use this form for Canadian-controlled private corporations to calculate:

- Canadian and foreign investment income for the refundable portion of Part I tax;
- income from an active business carried on in Canada for the small business deduction; and
- specified partnership income for members of a partnership(s) (complete reverse).

For more information, see the sections called "Small Business Deduction" and "Refundable Portion of Part 1 Tax" in the *T2 Corporation Income Tax Guide*.

Investment income

		Canadian	Foreign	Total	
Total income from property, other than exempt income (include income from a specified investment business). Do not include amounts paid from NISA Fund No. 2; these amounts should be included in the corporation's active business income					(A)
Add: Taxable capital gains minus allowable capital losses (include allowable business investment losses) - if negative, enter nil					(B)
Subtotal					(C)
Deduct: Taxable dividends deductible from T2S(3) after deducting related expenses *					(D)
Business income (loss) from an interest in a trust that is considered property income under paragraph 108(5)(a) of the <i>Income Tax Act</i> *					(E)
Losses from property (include loss from a specified investment business)					(F)
Subtotal (total of D, E, and F)					(G)
Totals - Net investment income (loss) (line C minus line G)	(H)		(I)		

Enter amount H on line 247 on the T2 return.
Enter amount I on line 249 on the T2 return.

Income from active business income carried on in Canada

Net income for income tax purposes from line 111 of the T2 return					(J)
Deduct: Taxable capital gains minus allowable capital losses – amount B above					
Net property income – amount A minus amount F *					
Foreign business income after deducting related expenses *					
Personal services business income after deducting related expenses . . *					
				▶	(K)
Net amount					
Deduct net adjustment for partnership income (amount Y on reverse)					(L)
Income from active business carried on in Canada (enter on line 223 of the T2 return) – if negative, enter nil					

* If negative, enter amount in brackets, and add instead of subtract.

Cette formule existe aussi en français.

Specified partnership income

Complete the following calculations for each fiscal period of a partnership ending in the taxation year of the corporation. If required, use additional schedules to calculate amount Q for each partnership. If the total of amounts O is negative, the corporation does not have to complete the calculations – the net adjustment (line Y) will be nil.

	Partnership 1 Identification number	Partnership 2 Identification number
Total income (loss) of the partnership from an active business carried on in Canada (as determined under Division B, subdivision j of the <i>Income Tax Act</i>)	_____ (M)	_____ (M)
Corporation's share of amount M	_____ (N)	_____ (N)
Deduct expenses incurred by the corporation to earn this partnership income	_____	_____
Corporation's income (loss) from the partnership (the total of all negative amounts make up the specified partnership loss – line T)	_____ (O)	_____ (O)
Amount N – if negative, enter nil _____ X \$200,000 * =	_____ (P)	_____ (P)
Amount M _____		
Least of amounts O and P – if negative, enter nil	_____ (Q)	_____ (Q)
Total of all amounts Q	_____ (R)	_____ (R)
Add: least of:		
(i) the corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount	_____ (S)	
Plus		
the specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts O)	_____ (T)	

(ii) amount O minus amount P – if negative, enter nil (if a member of more than one partnership, calculate separately for each partnership and enter total)	_____ (U)	_____
Specified partnership income	_____ (V)	_____ (V)

* If the fiscal period of the partnership is shorter than 365 days, do not use \$200,000. Instead, multiply \$548 by the number of days in the fiscal period of the partnership. Make a separate calculation for each partnership.

Net adjustment for partnership income

Corporation's share of partnership income from active businesses carried on in Canada after deducting related expenses – total of amounts O above (if the net amount is negative, enter nil on line Y)		_____
Add: Specified partnership loss (amount T)		_____ (W)
	Subtotal	_____
Deduct: Specified partnership income (amount V)		_____ (X)
Net adjustment for partnership income		_____ (Y)
Enter on line L on reverse		