



FEDERAL FOREIGN INCOME TAX CREDITS AND FEDERAL LOGGING TAX CREDIT

Name of corporation	Account / Business Number	Taxation year-end Day   Month   Year
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- For use by corporations to claim a:
  - federal foreign non-business income tax credit;
  - federal foreign business income tax credit; or
  - federal logging tax credit.
- Calculate the foreign income tax credits for each country separately. Attach an additional schedule if the corporation is claiming credits for more than three countries.
- References to parts, sections, subsections, paragraphs, and subparagraphs are from the *Income Tax Act*.
- For more information, or how to apply unused foreign tax credits, see the *T2 Corporation Income Tax Guide*.

**Calculation of federal foreign non-business income tax credit**

A Country	B Net foreign non-business income *	C Foreign non-business income tax paid minus the amount deducted from income under subsection 20(12) **	D Adjusted net income (from box A on reverse)	E Part I tax otherwise payable (from box B on reverse)
	621	623		
	625	627		
	629	631		

F (B X E) ÷ D	G Allowable credit: Lesser of C and F	* Exclude income that is exempt from tax in Canada under an income tax treaty, and dividends received from foreign affiliates.  ** Exclude taxes paid to a foreign government on income that is exempt from tax in Canada under an income tax treaty, and foreign taxes paid on dividends received from foreign affiliates, and any foreign taxes that may reasonably be regarded as relating to an amount that any other person or partnership has received or is entitled to receive from that government.
Total credit		X (Enter amount X on line 211 on page 6 of the T2 return.)

**Calculation of federal foreign business income tax credit**

A Country	B Net foreign business income *	C Foreign business income tax paid, including unused foreign tax credit **	D Adjusted net income (from box A on reverse)	E Part I tax otherwise payable (from box C on reverse)
	641	643		
	645	647		
	649	651		

F Amount E minus total foreign non-business income tax credits deducted	G (B X E) ÷ D	H Allowable credit: Least of C, F, and G	* Exclude income that is exempt from tax in Canada under an income tax treaty.  ** Exclude taxes paid to a foreign government on income that is exempt from tax in Canada under an income tax treaty, and any foreign taxes that may reasonably be regarded as relating to an amount that any other person or partnership has received or is entitled to receive from that government.
Total credit			Y (Enter amount Y on line 213 on page 6 of the T2 return.)

**Calculation of federal logging tax credit**

A Province	B Income from logging under Regulation 700	C Amount B X 6 2/3 %	D Logging tax paid for income under B	E Amount D X 2/3	F Lesser of C and E
B.C.	661		663		
Quebec	665		667		
Total					
6 2/3% of taxable income (or, for non-residents, 6 2/3% of taxable income earned in Canada)					
Logging tax credit – Lesser of amounts G and H (enter on line 215 on page 6 of the T2 return.)					

**Box A – Adjusted net income**

(line references are from the T2 return)

Net income for income tax purposes (line 111, page 3) (If negative, enter nil) .....

**Deduct:**

Net capital losses claimed under paragraph 111(1)(b) (line 125, page 3) .....

Taxable dividends deductible under sections 112 and 113 (line 119, page 3) .....

Exempt income under an income tax treaty deductible under subparagraph 110(1)(f)(i) .....

Amount deductible under paragraph 110(1)(d.2) for prospector's and grubstaker's shares .....

Net amount (If negative, enter nil) .....

**Add:**

Amount added to taxable income for foreign tax deductions under section 110.5 .....

**Adjusted net income** .....

**Box B – Part I tax otherwise payable (foreign non-business income tax credit)**

(line references are from the T2 return)

Basic Part I tax (line 202, page 3) .....

**Deduct:**

Federal tax abatement (line 207, page 6) .....

Investment corporation deduction (line 203, page 6) .....

Additional deduction for credit unions (line 206, page 6) .....

Net amount .....

**Add:**

Corporate surtax (line 209, page 6) .....

Refundable tax on CCPC's investment income (line 212, page 6) .....

**Part I tax otherwise payable** .....

**Box C – Part I tax otherwise payable (foreign business income tax credit)**

(line references are from the T2 return)

Basic Part I tax (line 202, page 3) .....

**Deduct:**

Investment corporation deduction (line 203, page 6) .....

Additional deduction for credit unions (line 206, page 6) .....

Net amount .....

**Add:**

Corporate surtax (line 209, page 6) .....

**Part I tax otherwise payable** .....