



**CALCULATION OF PARTS IV.1 AND VI.1 TAXES
TAXES ON DIVIDENDS ON TAXABLE RFI SHARES AND
TAXABLE PREFERRED SHARES**

- For use by corporations to calculate Parts IV.1 and VI.1 taxes payable, **applicable for 1988 and subsequent taxation years.**
- Parts, sections and subsections referred to herein are parts, sections and subsections of the Income Tax Act.
- File one completed copy of this form with each corporation's income tax return for each year that Parts IV.1 and/or VI.1 taxes are applicable.
- Corporations without taxable income and with Parts IV.1 or VI.1 taxes payable, who have a permanent establishment in more than one jurisdiction, **MUST** complete Columns (B) and (D) in Part I of form T2S-TC.

Name of Corporation	Account Number										Taxation Year End		
											Day	Month	Year
													1 9

PART I

Calculation of Part IV.1 Tax (Not applicable to dividends received by Private Corporations and Financial Intermediary Corporations)

Taxable dividends (other than excepted dividends per section 187.1 and subsections 191(4) and 191(5)) received in the year on taxable preferred shares (other than a short-term preferred share or a share of a class in respect of which an election under subsection 191.2(1) has been made) _____

Taxable dividends (other than excepted dividends) received in the year by a Restricted Financial Institution on taxable RFI shares (section 187.3) (Refer to the definition of a "taxable RFI share" in subsection 248(1)) _____

Total dividends subject to Part IV.1 tax _____ x 10% = _____ (A)

Total such dividends which are also subject to Part IV tax _____ x 10% = _____ (B)

ENTER AMOUNT (A) ON LINE 132 ON THE T2 RETURN
 ENTER AMOUNT (B) ON LINE 418 IN THE PART IV TAX AREA ON THE T2 RETURN
 NOTE: Part IV.1 tax payable is due on or before the last day of the second month following the end of the taxation year.

PART II

Calculation of Part VI.1 Tax (subsection 191.1(1)) (Complete the calculation of the Dividend Allowance in Part III on reverse)

(i) Taxable dividends (other than excluded dividends per subsection 191(1)) paid in the year on taxable short-term preferred shares (a) _____

Less: Dividend Allowance (subsection 191.1(2)) (Complete Part III on reverse) .. (b) _____ (C)

Amount (C) _____ x 66 2/3 % (D) _____

(ii) Taxable dividends (other than excluded dividends) paid in the year and after 1987 on taxable preferred shares (other than short-term preferred shares) of all classes in respect of which an election under subsection 191.2(1) (form T769) has been made (c) _____

Less: The excess of (b) _____ over (a) _____ (above) .. (d) _____ (E)

Amount (E) _____ x 40% (F) _____

(iii) Taxable dividends (other than excluded dividends) paid in the year on taxable preferred shares (other than short-term preferred shares) and *not* elected upon under subsection 191.2(1) (e) _____

Less: The excess of (d) _____ over (c) _____ (above) .. (f) _____ (G)

Amount (G) _____ x 25 % (H) _____

(iv) To be completed when an agreement under section 191.3 has been made under which a corporation agrees to pay all or a portion of a **Related Corporation's** Part VI.1 tax otherwise payable for the year. (Complete and file form T770)

Part VI.1 tax transferred from *Related* Corporation (I) _____

Part VI.1 tax transferred to *Related* Corporation (J) _____

Total Part VI.1 Tax Payable - Aggregate of Amounts ((D), (F), (H) and (I) minus (J) (K) _____

ENTER AMOUNT (K) ON LINE 133 ON THE T2 RETURN

NOTE: Part VI.1 tax payable has the same due dates as Part I tax payable including instalment terms.

PART III

Calculation of Dividend Allowance

For taxation years less than 51 weeks, the Dividend Allowance must be prorated by the number of days in the taxation year over 365. A special rule is provided for in subsection 191.1(6) where the corporation has two or more taxation years ending in the same calendar year.

Basic Dividend Allowance \$500,000.00
 Less: Taxable dividends (other than Excluded Dividends) in excess of \$1,000,000 paid in the immediately preceding calendar year on taxable preferred shares or shares that would be taxable preferred shares if they were issued after June 18, 1987 and were not grandfathered shares per subsection 191.1(2) _____ (M)
 Dividend Allowance (N)

Associated Corporations

If a corporation is associated with one or more corporations, the Total Dividend Allowance is to be allocated among associated corporations, per subsection 191.1(3), as indicated below. The excess over \$1,000,000.00 (referred to above) includes non-excluded dividends paid on taxable preferred shares in the preceding calendar year by *all* associated corporations (subsection 191.1(4)).

An agreement is required to be filed by each corporation in the group which has paid taxable dividends on taxable preferred shares in the year. If the agreement is not filed within 30 days after written notification that such an agreement is required, the allocation of the Total Dividend Allowance for the year will be determined by the Minister.

Allocation of Total Dividend Allowance

NAMES OF CORPORATIONS (PRINT) Please List:	ACCOUNT NUMBERS - Please List:	ALLOCATION OF TOTAL DIVIDEND ALLOWANCE
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
Total (must not exceed the amount on line (N) above)		\$ <u> </u>

If additional space is required, please attach separate list.

AGREEMENT

It is hereby agreed that the Total Dividend Allowance is to be allocated as shown above for the taxation year 19 ____

NAME OF CORPORATION	SIGNATURE OF AUTHORIZED OFFICER	POSITION OR OFFICE	DATE