



CALCULATION OF CAPITAL GAINS REFUND FOR A MUTUAL FUND TRUST

- A mutual fund trust should use this form to claim a capital gains refund.
- File one completed copy of this form with the *Trust Income Tax and Information Return* (T3 Return).

Refundable Capital Gains Tax on Hand

Taxable income for the year	_____	X 29% (Note 1) =	_____	(a)
Taxed capital gains for the year, paragraph 130(3)(b)	_____	X 29% (Note 1) =	_____	(b)
Federal tax payable for the year (enter amount from line 1123, schedule 11)			_____	(c)
Refundable capital gains tax on hand at the end of the previous year			_____	(1) •
Add: The least of lines a, b and c above			_____	(2)
Subtotal: Add lines 1 and 2			_____	(3)
Subtract: Federal capital gains refund calculated for previous taxation year			_____	(4) •
Refundable capital gains tax on hand , subsection 132(4) (line 3 minus line 4)			_____	(5)

Note 1: Use 29% for 1988 and subsequent taxation years and 34% for the 1982 to 1987 taxation years.

Capital Gains Redemptions

Amount from line 5	_____	X 100 ÷ 21.75 (Note 2) =	_____	(6)
Add: Fair market value of all issued units			_____	(7) •
All debts owing			_____	(8) •
Subtotal: Add lines 7 and 8			_____	(9)
Subtract: Cost of all property	_____		(10) •	
Cash on hand	_____		(11) •	
Add lines 10 and 11		▶	_____	(12)
Subtotal: Line 9 minus line 12 (if negative, enter 0)			_____	(13)
Net total at the end of the year (add lines 6 and 13)			_____	(14)
Amount paid in the year to redeem units			_____	(15) •
Capital gains redemptions , subsection 132(4)				
Amount from line 15	_____	X	Amount from line 14	_____
			=	_____ (16)
Amount from line 15	_____	+	Amount from line 7	_____

Note 2: Use 100 ÷ 21.75 for 1990 and subsequent years; 100 ÷ 19 1/3 for 1988 and 1989; and 100 ÷ 17 for 1987 and prior years.

Capital Gains Refund

Amount from line 16 _____ X 21.75% (Note 3) = _____ (17)

Federal capital gains refund for the year (lesser of amounts from lines 5 and 17) _____ (18)

Note 3: Use 21.75% for 1990 and subsequent years; 19 1/3% for 1988 and 1989; and 17% for 1987.

Provincial or Territorial Capital Gains Refund

- Calculate a separate provincial or territorial refund for trusts with income earned in more than one province or territory. Base the calculation on the proportion of the total income earned in each province or territory. Include at line 19 the total provincial or territorial refund (except for Ontario, Alberta, Manitoba or British Columbia) and attach a breakdown of this amount.
- Separate calculations are required for Ontario, Alberta, Manitoba or British Columbia.

Provincial or territorial capital gains refund

Amount from line 18 _____ X provincial or territorial tax rate _____ % = _____ (19)

Provincial capital gains refund for Ontario (1986 and subsequent taxation years)

Amount from line 18 _____ X Ontario provincial tax rate _____ % = _____ (20)

Provincial surtax (line 1341, schedule 13) _____ (21)

Amount from line 20 _____ X surtax rate _____ % (Note 4) = _____ (22)

Lesser of lines 21 and 22 _____ (23)

Ontario capital gains refund (add lines 20 and 23) _____ ► _____ (24)

Note 4: Refer to line 1340, schedule 13 for basic Ontario tax and use the following rates

- for 1994 use 30% if basic Ontario tax is greater than \$8,000 and 20% if basic Ontario tax is less than \$8,000 but greater than \$5,500
- for 1993 use 25% if basic Ontario tax is greater than \$8,000 and 17% if basic Ontario tax is less than \$8,000 but greater than \$5,500;
- for 1992 use 14% if basic Ontario tax is greater than \$10,000 and 7% if basic Ontario tax is less than \$10,000 but greater than \$5,500;
- for 1991 use 12%, for 1988, 1989 and 1990 use 10% and for 1986 and 1987 use 3%.

Provincial capital gains refund for Alberta (1987 and subsequent taxation years)

Amount from line 18 _____ X Alberta provincial tax rate _____ % = _____ (25)

Amount from line 25 _____ minus \$3,500 = _____ X 8% = _____ (26)

Amount from line 118 on page 4 of this form _____ (27)

Alberta capital gains refund (add lines 25, 26 and 27) _____ ► _____ (28)

Provincial capital gains refund for British Columbia (1991 to 1993 taxation years)

B.C. capital gains refund Amount from line 18 _____ X B.C. provincial tax rate _____ % = _____ (29)

To correctly calculate the provincial surtax on schedule 14 the following adjustment is required. This adjustment is only for purposes of calculating the provincial surtax. The original amount calculated for line 1464 must still be included in the calculation of provincial tax payable.

B.C. income tax before surtax (line 1464, schedule 14) _____

Subtract: amount from line 29 _____

Adjusted B.C. income tax before surtax _____

Provincial capital gains refund for British Columbia (1994 and subsequent taxation years)

Amount from line 18 _____ X B.C. provincial tax rate _____ % = _____ (30)

Provincial surtax (line 1465, schedule 14) _____ (31)

Adjusted provincial surtax (Note 5) _____ (32)

Subtract line 32 from line 31 _____ ► _____ (33)

B.C. capital gains refund (add lines 30 and 33) _____ ► _____ (34)

Note: 5 Calculate the adjusted provincial surtax (line 32) as follows.

B.C. income tax before surtax (line 1464, schedule 14)	_____		_____	(35)		
Subtract: amount from line 29	_____		_____	(36)		
Adjusted B.C. income tax before surtax	_____		_____	(37)		
Surtax: line 37	_____		minus \$5,300 = _____		x 30% = _____	(38)
line 37	_____		minus \$9,000 = _____		x 20% = _____	(39)
Total adjusted surtax (add lines 38 and 39)	_____		_____	(40)*		

*This amount is for purposes of calculating the B.C. capital gains refund only and should not be used to calculate provincial tax payable on Schedule 14.

Provincial capital gains refund for **Manitoba** (1987 taxation year)

Amount from line 18	_____		X 54% = _____	(41)		
Manitoba surtax (line 303, 1987 schedule 3A)	_____		_____	(42)		
Amount from line 42	_____		X 20% = _____	(43)		
Lesser of lines 42 and 43	_____		_____	(44)		
Manitoba net income tax (line 304, 1987 schedule 3A)	_____		_____	(45)		
Taxable capital gains	_____		X 1% = _____	(46)		
Lesser of lines 45 and 46	_____		_____	(47)		
Manitoba capital gains refund (add lines 41, 44 and 47)	_____		_____	▶	_____	(48)

Provincial capital gains refund for **Manitoba** (1988 and subsequent taxation years)

Amount from line 18	_____		X Manitoba provincial tax rate _____ % = _____	(49)		
Manitoba net income tax (line 1403, schedule 14)	_____		_____	(50)		
Manitoba net income surtax (line 1406, schedule 14)	_____		_____	(51)		
Add lines 50 and 51	_____		_____	▶	_____	(52)
Taxable capital gains	_____		X 4% = _____	(53)		
Lesser of lines 52 and 53	_____		_____	(54)		
Manitoba capital gains refund (add lines 49 and 54)	_____		_____	▶	_____	(55)

Total Capital Gains Refund

Federal capital gains refund from line 18	_____		_____			
Add provincial or territorial capital gains refund from lines 19, 24, 28, 29, 34, 48, or 55	_____		_____			
Total capital gains refund (enter this amount on line 89, page 4 of the T3 return)	_____		_____	▶	_____	(56)

- The following calculations apply only to those trusts claiming an Alberta capital gains refund

Refundable flat rate capital gains tax on hand

Refundable flat rate capital gains tax on hand at the end of the previous year (101) •

Add: The least of amounts **d** and **e** below

Taxable income for the year X 0.5% (**Note 6**) = (**d**)

Taxed capital gains for the year X 0.5% (**Note 6**) = (**e**) ▶ (102)

Subtotal: Add lines 101 and 102 (103)

Subtract: Provincial flat rate capital gains refund calculated for previous taxation year (104) •

Refundable flat rate capital gains tax on hand (line 103 minus line 104) (105)

Flat rate capital gains redemptions

Amount from line 105 X 100 ÷ 0.25 (**Note 7**) = (106)

Add: Fair market value of all issued units (107)

All debts owing (108)

Subtotal: Add lines 107 and 108 (109)

Subtract: Cost of all property (110)

Cash on hand (111)

Add lines 110 and 111 ▶ (112)

Subtotal: Line 109 minus line 112 (if negative, enter 0) ▶ (113)

Net total at end of year (add lines 106 and 113) (114)

Amount paid in the year to redeem units (115)

Flat rate capital gains redemptions

Amount from line 115 X Amount from line 114 = (116)

Amount from line 115 + Amount from line 107

Amount from line 116 X 0.25% (**Note 8**) = (117)

Flat rate capital gains refund for the year (lesser of amounts 105 and 117)

Enter this amount on line 27, page 2 of this form (118)

Note 6: Use 0.5% for 1988 and subsequent years and 1% for 1987.

Note 7: Use 100 ÷ 0.25 for 1988 and subsequent years and 100 ÷ 0.5 for 1987.

Note 8: Use 0.25% for 1988 and subsequent years and 0.5% for 1987.