



CALCULATION OF CAPITAL GAINS REFUND FOR A MUTUAL FUND TRUST—1996

- Use this form to claim a capital gains refund for a mutual fund trust.
- File one completed copy of this form with the *Trust Income Tax and Information Return*.

Refundable capital gains tax on hand

| | | | | | | | |
|---|-------|---------|-------|---|-------|---|---|
| Taxable income for the year | _____ | x 29% = | _____ | = | _____ | | a |
| Taxed capital gains for the year, paragraph 130(3)(b) | _____ | x 29% = | _____ | = | _____ | | 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 | |

Capital gains redemptions

| | | | | | | | |
|--|-------|-----------------|---------------------------|-------|-------|-------|----|
| Amount from line 5 | _____ | x 100 ÷ 21.75 = | _____ | = | _____ | | 6 |
| Fair market value of all issued units | | | | | _____ | 7 | • |
| All debts owing | | | | + | _____ | 8 | • |
| Subtotal: Add lines 7 and 8 | | | | = | _____ | 9 | |
| Cost amounts of all property ... | _____ | | | | _____ | 10 | • |
| Cash on hand | | + | | | _____ | 11 | • |
| Subtotal (add lines 10 and 11) ... | | = | | | _____ | ▶ | |
| Subtotal: Line 9 minus line 12 (if negative, enter "0") | | | | = | _____ | ▶ | + |
| 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) (divide the multiple of the first two amounts by the sum of the second two amounts) | | | | | | | |
| Amount from line 15 | _____ | x | Amount from line 14 | _____ | | | |
| | | | | | = | _____ | 16 |
| Amount from line 15 | _____ | + | Amount from line 7 | _____ | | | |

Capital gains refund

| | | |
|--|----|--|
| Amount from line 16 _____ x 21.75% = | 17 | |
| Federal capital gains refund for the year (lesser of amounts from lines 5 and 17) | 18 | |

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. At line 19, include the total provincial or territorial refund (except for Ontario, Alberta, Manitoba, and British Columbia) and attach the breakdown of this amount.
- Separate calculations are required for Ontario, Alberta, Manitoba, and British Columbia. See below.

Provincial or territorial capital gains refund

| | | |
|---|----|--|
| Amount from line 18 _____ x provincial or territorial tax rate ____ % = | 19 | |
|---|----|--|

Ontario capital gains refund

| | | |
|---|----|----|
| Amount from line 18 _____ x 56% | 20 | |
| Provincial surtax (line 1341, schedule 13) | 21 | |
| Surtax on capital gains refund: | | |
| line 20 _____ x surtax rate ____ % (Note 1) = | 22 | |
| Add lesser of lines 21 and 22 | | 23 |
| Total (add lines 20 and 23) | 24 | |

Note 1: See line 1340, Schedule 13, for basic Ontario Tax and use the rate indicated below:
 33% if basic Ontario tax is greater than \$7,635, and 20% if basic Ontario tax is equal to or less than \$7,635 but greater than \$5,310.

Alberta capital gains refund

| | | |
|--|----|--|
| Amount from line 18 _____ x 45.5% = | 25 | |
| Amount from line 25 _____ - \$3,500 = _____ x 8% = | 26 | |
| Amount from line 118 on page 4 of this form | 27 | |
| Total (add lines 25, 26, and 27) | 28 | |

British Columbia capital gains refund

| | | | |
|--|---------|----|------------|
| Amount from line 18 _____ x 52% = | _____ | 30 | |
| Provincial surtax (line 1465, Schedule 14) | _____ | 31 | |
| Adjusted provincial surtax from line 40 (Note 2) | - _____ | 32 | |
| Subtract line 32 from line 31 | = _____ | ▶ | + _____ 33 |
| Total (add lines 30 and 33) | = _____ | ▶ | _____ 34 |

Note 2: Calculate the adjusted provincial surtax (line 32) as follows:

| | | | |
|--|---------|------|--|
| B.C. income tax before surtax (line 1464, Schedule 14) | _____ | 35 | |
| Subtract: Amount from line 30 | - _____ | 36 | |
| Adjusted B.C. income tax before surtax | = _____ | 37 | |
| Surtax on capital gains refund: | | | |
| line 37 _____ - \$5,300 = _____ x 30% = | _____ | 38 | |
| line 37 _____ - \$8,915 = _____ x 21.5% | + _____ | 39 | |
| Subtotal (add lines 38 and 39) | = _____ | 40 * | |

* Use this amount only to calculate the B.C. capital gains refund. Do not use it to calculate provincial tax payable on Schedule 14.

Manitoba capital gains refund

| | | | |
|---|---------|----|----------|
| Amount from line 18 _____ x 52% = | _____ | 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 | |
| Add lesser of lines 52 and 53 | + _____ | 54 | |
| Total (add lines 49 and 54) | = _____ | ▶ | _____ 55 |

Total capital gains refund

| | | | |
|---|---------|---|----------|
| Federal capital gains refund from line 18 | _____ | | |
| Add provincial and territorial capital gains refunds from lines 19, 24, 28, 34, and 55 ... | + _____ | | |
| Total capital gains refund (enter this amount on line 89, page 4 of the T3 return) | = _____ | ▶ | _____ 56 |

Capital gains refund – Alberta

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 × 0.5% = **d**
 Taxed capital gains for the year × 0.5% = **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 × 100 ÷ 0.25 = 106

Fair market value of all issued units 107

All debts owing + 108

Subtotal: Add lines 107 and 108 ... = 109

Cost of all property 110

Cash on hand + 111

Subtotal (add lines 110 and 111) = ▶ - 112

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

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

Amounts paid in the year to redeem units 115

Flat-rate capital gains redemptions

Divide the multiple of the first two amounts by the sum of the second two amounts.

Amount from line 115 × Amount from line 114 = 116

Amount from line 115 + Amount from line 107 = 117

Amount from line 116 × 0.25% = 117

Flat-rate capital gains refund for the year (lesser of amounts 105 and 117) 118

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