



## 1998 CALCULATION OF CAPITAL GAINS REFUND FOR A MUTUAL FUND TRUST

- Use this form to claim a capital gains refund for a mutual fund trust for the 1998 taxation year.
- File one completed copy of this form with the T3 *Trust Income Tax and Information Return*.

### Refundable capital gains tax on hand

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

### Capital gains redemptions

Amount from line 5 .....	_____	x 100 ÷ 21.75 =	_____	<b>6</b>
Fair market value of all issued units .....	_____		_____	<b>7 •</b>
All debts owing .....	_____	+	_____	<b>8 •</b>
<b>Subtotal: Add lines 7 and 8</b> .....	_____	=	_____	<b>9</b>
Cost amounts of all property .....	_____		_____	<b>10 •</b>
Cash on hand .....	_____	+	_____	<b>11 •</b>
<b>Subtotal: (add lines 10 and 11)</b> .....	_____	=	_____ ▶	<b>12</b>
<b>Subtotal: Line 9 minus line 12 (if negative, enter "0")</b> .....	_____	=	_____ ▶	<b>+ 13</b>
Net total at the end of the year ( <b>add</b> lines 6 and 13) .....	_____	=	_____	<b>14</b>
Amount paid in the year to redeem units .....	_____		_____	<b>15 •</b>
<b>Capital gains redemptions – subsection 132(4) (divide the multiple of lines 14 and 15 by the sum of lines 15 and 7)</b>				
Amount from line 15 .....	_____	x	Amount from line 14 .....	_____
			=	_____
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 42.75% .....            **20**

Provincial surtax (line 1341, Schedule 13) .....            **21**

Surtax on capital gains refund:

Line 20 \_\_\_\_\_ x surtax rate \_\_\_\_\_ % (Note 1) = .....            **22**

Enter the **lesser** of lines 21 and 22 .....            **23**

**Total (add lines 20 and 23)** .....            **24**

Note 1: The surtax rate to be used is based on the amount of basic Ontario tax paid by the trust (line 1340, Schedule 13): 53% if basic Ontario tax is greater than \$5,217.50, 20% if basic Ontario tax is equal to or less than \$5,217.50, but greater than \$4,057.50, and 0% if basic Ontario tax is equal to or less than \$4,057.50.

**Alberta capital gains refund**

Amount from line 18 \_\_\_\_\_ x 44% = .....            **25**

Amount from line 25 \_\_\_\_\_ x 8% =            **A**

Amount of surtax paid (from line 1441, Schedule 14) =            **B**

Surtax on capital gains refund (enter the **lesser** of A and B) .....            **26**

Amount from line 118 on page 4 of this form .....            **27**

**Total (add lines 25, 26, and 27)** .....            **28**

**British Columbia (B.C.) capital gains refund**

Amount from line 18 _____ x 50.5% .....	_____	30	
Provincial surtax (line 1465, Schedule 14) .....	_____	31	
Adjusted provincial surtax from line 40 (Note 2) .....	- _____	32	
<b>Subtract</b> line 32 from line 31 .....	= _____		▶ + _____ 33
<b>Total</b> (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
<b>Subtract:</b> 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 _____ - \$8,660 = _____ x 26% = .....	+ _____	39
<b>Subtotal:</b> (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 51% = .....	_____	49
Manitoba net income tax (line 1403, Schedule 14) .....	_____	50
Manitoba net income surtax (line 1406, Schedule 14) .....	+ _____	51
<b>Add</b> lines 50 and 51 .....	= _____	52
Taxable capital gains _____ x 4% = .....	_____	53
Enter the <b>lesser</b> of lines 52 and 53 .....	+ _____	54
<b>Total</b> (add lines 49 and 54) .....	= _____	▶ = _____ 55

**Total capital gains refund**

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

### Alberta capital gains refund

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 •

Enter on line 102 the **lesser** 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 amount 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 lines 115 and 114 by the sum of lines 115 and 107

Amount from line 115 \_\_\_\_\_ × Amount from line 114 \_\_\_\_\_ = \_\_\_\_\_ 116

Amount from line 115 \_\_\_\_\_ + Amount from line 107 \_\_\_\_\_

Amount from line 116 \_\_\_\_\_ × 0.25% ..... = \_\_\_\_\_ 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