

TRUST SCHEDULE 1

T3 Rev. 86
Schedule 1

Calculation of Gross-up of Dividends and Taxable Income for the 1986 Taxation Year

Name of Trust _____	Taxation Year _____
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Income of Trust before Gross-up of Dividends (from line 53 page 3 of T3 Return) _____ 101

Calculation of Gross-up of Dividends to be added to the Income of Trust (guide item 40A)
(for dividends from Taxable Canadian Corporations retained by the trust)

Dividends from Taxable Canadian Corporations retained by the Trust

Actual amount of Dividends:

Eligible (from line 05, page 2 of T3 Return) _____	102			
Ineligible (from line 06, page 2 of T3 Return) _____	103			
Subtotal (add lines 102 and 103) _____	▶			104
Deduct:				
Eligible and designated to beneficiaries (amount 41, page 3 of T3 Return) _____	105			
Ineligible and designated to beneficiaries (amount 42, page 3 of T3 Return) _____	106			
Subtotal (add lines 105 and 106) _____	▶			107
Total dividends retained by the Trust to be Grossed-up (Subtract line 107 from line 104) _____				108
Gross-up of dividends _____ amount 108 _____		× 50% =		109
Net Income of Trust (add lines 101 and 109) _____				110

Calculation of Taxable Income

Total Deductions:

Interest and Dividend Income Deduction (for eligible Interest and Dividends retained in a Testamentary Trust) (guide item 40B)

Eligible Interest and Dividends retained by the Trust

Eligible Grossed-up Dividends – amount 102 _____	× 3/2 =			
Eligible, Interest (from line 605, page 4 of T3 Return) _____				113
Subtotal (add lines 112 and 113) _____				▶ 114

Deduct:

Grossed-up Eligible Dividends Designated/Allocated:

To Resident Beneficiaries (from line 41a and c, page 3 of T3 Return) _____	× 3/2 =			
To Non-Resident Beneficiaries (from lines 41b or 47b, page 3 of T3 Return) _____				116

Eligible Interest Designated/Allocated:

To Resident Beneficiaries (amounts 43a and c, page 3 of T3 Return) _____	117			
To Non-Resident Beneficiaries (amount 43b or 47b, page 3 of T3 Return) _____	118			

Related Expense (amount at line 606, page 4 of T3 Return) _____ 119

Subtotal (add lines 115 to 119) _____ ▶ 120

Eligible Interest and Dividends retained by the Trust (Subtract line 120 from line 114) _____ 121

Interest and Dividend Income Deduction (the lesser of line 121 and \$1,000) _____ + _____ 122

Non-Capital Losses of other years (guide item 40D) _____ + _____ 123

Net Capital Losses of other years (guide item 40E) _____ + _____ 124

Taxable Capital Gains Deduction (for resident Spouse Trust only, attach form T673) (guide item 40C) _____ + _____ 125

Other deductions (guide item 40G) _____ + _____ 126

Total Deductions (add lines 122 to 126) _____ = _____ 127

Net Income of Trust (amount 110) _____ 128

Total Deductions (amount 127) _____ - _____ 129

Taxable Income of Trust: (Subtract line 129 from line 128. Enter this amount at line 80 on page 1 of T3 Return)* = _____ 130

* – if result is zero, refer to guide item 40H and Trust Schedule 2B for the possibility of having to pay Minimum Tax.
– if result is greater than zero, carry forward to line 201 of Trust Schedule 2A.