



ELECTION FOR A CAPITAL DIVIDEND UNDER SUBSECTION 83(2)

- For use by a private corporation to elect to have the provisions of subsection 83(2) apply to a dividend. For more information, see Interpretation Bulletins IT-66 and IT-149.
One completed copy of this election is to be filed separate from another return...
A capital dividend paid to a non-resident is subject to Part XIII withholding tax reported on an NR4B return.
Parts, subsections, and paragraphs mentioned on this form refer to the Income Tax Act.

Do not use this area

Name of corporation (print) Business Number
Address Tax services office
Name of person to contact for more information (print) Area code Telephone number
Mailing address (complete only if different from address above)

Information required

The full amount of the dividend for which this election is made (a)
Capital dividend account immediately before this dividend becomes payable (b)
Note: Documentation to support the calculation of the capital dividend account need not be filed with this election...
Excess amount, if any, subject to Part III Tax (amount (a) minus amount (b)). (c)

Date the dividend becomes payable
First day on which any part of the dividend was paid
Date of immediately previous election (if none, enter N/A)

Does the capital dividend account include any capital dividend received from another corporation since your last election or, if an election has never been filed, since the beginning of the computation of your capital dividend account?
yes no

If yes, provide the following in respect of the other corporation:

Name of corporation (print) Business Number
Date dividend became payable by the other corporation: Year Month Day
(provide the same information separately for each dividend received)

Do not use this area

Where subsection 83(2.1) applies to treat a capital dividend as a taxable dividend received by a shareholder, that dividend will be considered to be a capital dividend in the determination of any liability of the corporation for Part III Tax and in calculating the corporation's capital dividend account.

Total remittance accompanying this election (details on reverse)

Late-filing penalty

A late-filing penalty, in accordance with subsection 83(4), will apply to an election filed after its due date.

Calculation of late-filing penalty:

Amount of the dividend _____ x 1% x amount N* _____ ÷ 12 = _____ (d)

\$500 x amount N* _____ ÷ 12 = _____ (e)

*N represents the sum of each month or each part of a month in the period from the required filing date to the actual filing date.

Late-filing penalty is the lesser of amounts (d) and (e) above (f)

Calculation of Part III tax

Excess amount of dividend declared subject to Part III tax (g)
(amount (c) from reverse side of this form)

Part III tax = 75% x amount (g) = _____ (h)

Note: The election in accordance with subsection 184(3) of the *Income Tax Act*, must be filed with the corporation's tax services office.

Remittance accompanying this election

Late-filing penalty (amount (f) above) _____

Part III tax (amount (h) above) _____

Total Remittance (amount (f) plus amount (h)) _____
(enter in the space provided on the reverse)

Make cheque or money order payable to the Receiver General. Indicate on the remittance the following details: "T2054", name of corporation, and Business Number of the corporation whose account is to be credited.

Daily compound interest at a prescribed rate applies to unpaid amounts, including late-filing penalties.

Election and certification

The corporation hereby elects to have the provisions of subsection 83(2) apply for the full amount of the dividend indicated herein. I certify that the information given in this election, and in all documents attached, is true, correct, and complete in every respect.

_____ Date

_____ Signature of authorized officer

_____ Position or office