



**FEDERAL AND PROVINCIAL OR TERRITORIAL CAPITAL GAINS REFUND  
(1999 and later taxation years)**

|                     |                 |                                           |
|---------------------|-----------------|-------------------------------------------|
| Name of corporation | Business Number | Taxation year end<br>Year    Month    Day |
|---------------------|-----------------|-------------------------------------------|

- Use this schedule if you are an investment corporation or a mutual fund corporation to calculate the federal capital gains refund and the provincial and territorial capital gains refund (except for Quebec, Ontario, and Alberta).
- The expressions **investment corporation** and **taxed capital gains** are defined in subsection 130(3), the expression **mutual fund corporation** is defined in subsection 131(8), and the expressions **refundable capital gains tax on hand** and **capital gains redemptions** are defined in subsection 131(6) of the *Income Tax Act*.
- File this schedule with the *T2 Corporation Income Tax Return*. For more information, refer to the *T2 Corporation Income Tax Guide*.

**Part 1 – Refundable capital gains tax on hand (RCGTOH)**

|                                                                                                         |            |         |   |
|---------------------------------------------------------------------------------------------------------|------------|---------|---|
| RCGTOH at end of previous year .....                                                                    | <b>101</b> |         | A |
| Taxable income for the year .....                                                                       |            | x 28% = | B |
| Taxed capital gains for the year .....                                                                  | <b>120</b> | x 28% = | C |
| Part I taxes payable, excluding corporate surtax .....                                                  |            |         | D |
|                                                                                                         |            |         |   |
| The least of amounts B, C, and D .....                                                                  |            |         | E |
| RCGTOH amount transferred on amalgamation (for mutual fund and investment corporations) .....           | <b>144</b> |         | F |
| Subtotal (add amounts A, E, and F) .....                                                                |            |         | G |
| <b>Deduct:</b> Federal capital gains refund for previous taxation year .....                            | <b>151</b> |         | H |
|                                                                                                         |            |         |   |
| <b>RCGTOH at end of year</b> (before capital gains refund for the year) (amount G minus amount H) ..... | <b>160</b> |         | I |

**Part 2 – Capital gains redemptions for the year**

|                                                                   |                                           |            |                                           |            |
|-------------------------------------------------------------------|-------------------------------------------|------------|-------------------------------------------|------------|
| Amount I .....                                                    |                                           | x 100/21 = |                                           | J          |
| <b>Add:</b> Fair market value of all issued shares .....          | <b>162</b>                                |            | K                                         |            |
| All debts or other obligations owing .....                        | <b>164</b>                                |            | L                                         |            |
| Subtotal (amount K plus amount L) .....                           |                                           |            | ▶ M                                       |            |
|                                                                   |                                           |            |                                           |            |
| <b>Deduct:</b> Cost amount of all property .....                  | <b>166</b>                                |            | N                                         |            |
| Cash on hand .....                                                | <b>168</b>                                |            | O                                         |            |
| Subtotal (amount N plus amount O) .....                           |                                           |            | ▶ P                                       |            |
| Subtotal (amount M minus amount P) (if negative, enter "0") ..... |                                           |            | ▶                                         | Q          |
| Net total at end of year (amount J plus amount Q) .....           |                                           |            |                                           | R          |
|                                                                   |                                           |            |                                           |            |
| Amount paid in the year to redeem shares .....                    |                                           |            | <b>169</b>                                | S          |
|                                                                   |                                           |            |                                           |            |
| <b>Capital gains redemptions for the year</b> ...                 | $\frac{\text{Amount S}}{\text{Amount S}}$ | x          | $\frac{\text{Amount R}}{\text{Amount K}}$ | =          |
|                                                                   |                                           |            |                                           | <b>170</b> |
|                                                                   |                                           |            |                                           | T          |

**Part 3 – Federal capital gains refund for the year \***

|                                                                                                                                                |  |            |            |   |
|------------------------------------------------------------------------------------------------------------------------------------------------|--|------------|------------|---|
| Capital gains dividends paid in the period starting 60 days after the beginning of the year and ending 60 days after the end of the year ..... |  | <b>180</b> |            |   |
| <b>Add:</b> Capital gains redemptions for the year (amount T) .....                                                                            |  |            |            | U |
|                                                                                                                                                |  |            | Total      | U |
|                                                                                                                                                |  |            |            |   |
| Amount U multiplied by 21% .....                                                                                                               |  |            |            | V |
| <b>Federal capital gains refund for the year</b> – the lesser of amounts I and V (enter amount W on line 788 on page 6 of the T2 return) ..... |  |            | <b>190</b> | W |

\* The corporation must either be an investment corporation or a mutual fund corporation throughout a taxation year to obtain a refund (subsections 130(2) and 131(2) of the *Income Tax Act*).

**Part 4 – Provincial or territorial capital gains refund for the year**

| Provincial or territorial code     |                                                                     |   |                                                      |   |                                                     |   |  | Capital gains refund |
|------------------------------------|---------------------------------------------------------------------|---|------------------------------------------------------|---|-----------------------------------------------------|---|--|----------------------|
|                                    |                                                                     |   |                                                      |   |                                                     |   |  | <b>210</b>           |
| <b>XO Newfoundland Offshore: *</b> | <u>Newfoundland Offshore taxable income</u><br>Total taxable income | x | Federal capital gains refund for the year (amount W) | x | <u>Newfoundland Offshore income tax rate</u><br>28% | = |  |                      |
| <b>NF Newfoundland: *</b>          | <u>Newfoundland taxable income</u><br>Total taxable income          | x | Federal capital gains refund for the year (amount W) | x | <u>Newfoundland income tax rate</u><br>28%          | = |  |                      |
| <b>PE Prince Edward Island:</b>    | <u>Prince Edward Island taxable income</u><br>Total taxable income  | x | Federal capital gains refund for the year (amount W) | x | <u>Prince Edward Island income tax rate</u><br>28%  | = |  |                      |
| <b>NO Nova Scotia Offshore:</b>    | <u>Nova Scotia Offshore taxable income</u><br>Total taxable income  | x | Federal capital gains refund for the year (amount W) | x | <u>Nova Scotia Offshore income tax rate</u><br>28%  | = |  |                      |
| <b>NS Nova Scotia:</b>             | <u>Nova Scotia taxable income</u><br>Total taxable income           | x | Federal capital gains refund for the year (amount W) | x | <u>Nova Scotia income tax rate</u><br>28%           | = |  |                      |
| <b>NB New Brunswick:</b>           | <u>New Brunswick taxable income</u><br>Total taxable income         | x | Federal capital gains refund for the year (amount W) | x | <u>New Brunswick income tax rate</u><br>28%         | = |  |                      |
| <b>MB Manitoba: *</b>              | <u>Manitoba taxable income</u><br>Total taxable income              | x | Federal capital gains refund for the year (amount W) | x | <u>Manitoba income tax rate</u><br>28%              | = |  |                      |
| <b>SK Saskatchewan:</b>            | <u>Saskatchewan taxable income</u><br>Total taxable income          | x | Federal capital gains refund for the year (amount W) | x | <u>Saskatchewan income tax rate</u><br>28%          | = |  |                      |
| <b>BC British Columbia:</b>        | <u>British Columbia taxable income</u><br>Total taxable income      | x | Federal capital gains refund for the year (amount W) | x | <u>British Columbia income tax rate</u><br>28%      | = |  |                      |
| <b>NT Northwest Territories:</b>   | <u>Northwest Territories taxable income</u><br>Total taxable income | x | Federal capital gains refund for the year (amount W) | x | <u>Northwest Territories income tax rate</u><br>28% | = |  |                      |
| <b>YT Yukon:</b>                   | <u>Yukon taxable income</u><br>Total taxable income                 | x | Federal capital gains refund for the year (amount W) | x | <u>Yukon income tax rate</u><br>28%                 | = |  |                      |
| <b>NU Nunavut:</b>                 | <u>Nunavut taxable income</u><br>Total taxable income               | x | Federal capital gains refund for the year (amount W) | x | <u>Nunavut income tax rate</u><br>28%               | = |  |                      |

**Total provincial or territorial capital gains refund for the year** (enter this amount on line 808 on page 6 of the T2 return) **290**

\* For Newfoundland and Manitoba, the capital gains refund as calculated above cannot exceed the lesser of:  
 – Newfoundland or Manitoba tax otherwise payable on line 209 or line 234, respectively, on Schedule 5;  
 – the taxed capital gains on line 120 on page 1 times the Newfoundland or Manitoba income tax rate; or  
 – Newfoundland or Manitoba taxable income times the Newfoundland or Manitoba income tax rate.