Revenue Canada Taxation

T581(E) Rev. 91

FORWARD AVERAGING TAX CREDITS FOR 1991

- Use this form if you were resident in Canada throughout 1991 and are electing, under subsection 110.4(2) of the Income Tax Act, to reduce your Accumulated Averaging Amount.
- If a person who died in 1991 was resident in Canada throughout the period starting on January 1, 1991 and ending on the date of death, the person is deemed for the purposes of this election, to have been resident in Canada throughout 1991. In the year of death, all or any amount of the deceased resident's Accumulated Averaging Amount at the end of the immediately preceding year may be added in the deceased's taxable income for the year of death. This form is used to specify what amount, if any, of the Accumulated Averaging Amount is to be taxed in the year of death. Any remaining balance of the deceased's Accumulated Averaging Amount may be taxed under special rules. Form T541 provides the special calculations and is available at any District Office or Taxation Centre.
- Block Averaging is not allowed to a person who is a farmer or fisherman if, in the year or in any of the preceding years included in an averaging period under Section 119 of the Act, an amount has been added or deducted for forward averaging purposes in computing taxable income of the person.
- In computing Taxable income for 1991, "non-capital losses" and "farm losses" for the year will be offset against the Accumulated Averaging Amount
 Withdrawal specified for the year. In other words, if a "non-capital loss" and/or "farm loss" was incurred in the year, such loss(es) will be reduced by
 the Accumulated Averaging Amount Withdrawal specified for the year.
- Attach one copy of this form to the T1 General Individual Income Tax Return and file not later than April 30, 1992 or, in the case of a deceased
 individual, by the later of April 30, 1992 or within 6 months from the date of death.

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- CALCULATION OF ACCUMULATED AVE							
	ERAGING AMOUNT AT THE END	OF 1990					
Accumulated Averaging Amount at the end of 1989					_		
Deduct: Accumulated Averaging Amount Withdrawal	, if any, specified for 1990				_		
		Sı	Sub total				
Accumulated Averaging Amount at the end of 1990 (line (3) X 1.048)				=		
Accumulated Averaging Amount for the purp Obtain form T541 if an election to carryback	ose of line (6) below, proceed directly to the balance remaining in the Accumulate	STEP III and er	nter NIL at	line	(8).		
II – 1991 ACCUMULATED AVERAGING AM	OUNT WITHDRAWAL						
NOTE: If, net income is zero as a result of a "non-ca		the year, enter t	he value o	of the	-		
v v	• • • • • • • • • • • • • • • • • • • •						
NOTES: (i) If the amount at line (7) is positive, enter		turn.			<u>+</u> -=		
III – CALCULATION OF FEDERAL AND PRO	OVINCIAL FORWARD AVERAGIN	G TAX CREDI	TS FOR	199			
Enter amount at line (6) (if applicable)							
* * * * * * * * * * * * * * * * * * * *	line (3) on page 1 of form T541 (if applic	cable)					
		•					
Federal Forward Averaging Tax Credit: Amount at line (10)				X 29	9%		
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					=		
* A deemed resident of Canada, who was not resince and the amount at line (11) by 52 % thereof.	dent in a province or territory on Decen	mber 31 of the ta	xation ye	ar, m	iust		
NOTE: The amount at line (11) must be deducted fro (on Schedule 1)	om the Basic Federal Tax line of the Fed	deral Individual S	Surtax Cal	culat	ion.		
	FOR OHEREC RESIDATS ONLY						
			(C) is not to	درم ور	stract 16 6	0/. of 30	nount /E
	Ф(A) (B)	from the a	from the amount at line (440) of Schedule 1				
otract: Amount at line (11) above		b) If amount (C) is negative, reduce the amount at line above by 16.5%			anne (1		
	NOTE: If, in the case of a person who died in 1991 Accumulated Averaging Amount for the purp Obtain form T541 if an election to carryback the year of death has been made by the legal II — 1991 ACCUMULATED AVERAGING AMI Net income at line (236) on page 2 of T1 Return NOTE: If, net income is zero as a result of a "non-ca" non-capital loss" and/or "farm loss" at line (3) NOTE: Enter the amount at line (6) on line (237) on Total lines (5) and (6) NOTES: (i) If the amount at line (7) is positive, ente (ii) If the amount at line (7) is negative, ente (iii) If the amount at line (7) is negative, ente For deceased individuals only: Add amount (C) from Total Accumulated Averaging Amount Withdrawal (a Federal Forward Averaging Tax Credit: Amount at line (Add: Provincial Forward Averaging Tax Credit: Enter on line (4) A deemed resident of Canada, who was not resi increase the amount at line (11) by 52 % thereof. NOTE: The amount at line (11) must be deducted from (on Schedule 1)	Accumulated Averaging Amount for the purpose of line (6) below, proceed directly to Obtain form T541 if an election to carryback the balance remaining in the Accumulat the year of death has been made by the legal representative. II – 1991 ACCUMULATED AVERAGING AMOUNT WITHDRAWAL Note income at line (236) on page 2 of T1 Return NOTE: If, net income is zero as a result of a "non-capital loss" and/or "farm loss" incurred in "non-capital loss" and/or "farm loss" at line (5). Use brackets to indicate the loss. Add: Accumulated Averaging Amount Withdrawal (all or any portion of line (4)) NOTE: Enter the amount at line (6) on line (237) on page 2 of T1 Return. Fotal lines (5) and (6) NOTES: (i) If the amount at line (7) is positive, enter that amount at line (239) of the T1 Return. III – CALCULATION OF FEDERAL AND PROVINCIAL FORWARD AVERAGIN Enter amount at line (6) (if applicable) For deceased individuals only: Add amount (C) from line (3) on page 1 of form T541 (if applicated accumulated Averaging Amount Withdrawal (add lines (8) and (9)) Federal Forward Averaging Tax Credit: Amount at line (10) Add: Provincial Forward Averaging Tax Credit: Enter on line (478) (on page 4) of T1 Return A deemed resident of Canada, who was not resident in a province or territory on Decer increase the amount at line (11) by 52 % thereof. NOTE: The amount at line (11) must be deducted from the Basic Federal Tax line of the Fe (on Schedule 1) FOR QUEBEC RESIDNTS ONLY —	Note: If, in the case of a person who died in 1990 (line (3) X 1.048) NOTE: If, in the case of a person who died in 1991, no portion of the amount at line (4) is to be withdrawn Accumulated Averaging Amount for the purpose of line (6) below, proceed directly to STEP III and er Obtain form T541 if an election to carryback the balance remaining in the Accumulated Averaging Am the year of death has been made by the legal representative. II – 1991 ACCUMULATED AVERAGING AMOUNT WITHDRAWAL Set income at line (236) on page 2 of T1 Return NOTE: If, net income is zero as a result of a "non-capital loss" and/or "farm loss" incurred in the year, enter to "non-capital loss" and/or "farm loss" at line (5). Use brackets to indicate the loss. Add: Accumulated Averaging Amount Withdrawal (all or any portion of line (4)) NOTE: Enter the amount at line (6) on line (237) on page 2 of T1 Return. Foral lines (5) and (6) NOTES: (i) If the amount at line (7) is positive, enter that amount at line (239) of the T1 Return. FILL — CALCULATION OF FEDERAL AND PROVINCIAL FORWARD AVERAGING TAX CREDICATE amount at line (6) (if applicable) For deceased individuals only: Add amount (C) from line (3) on page 1 of form T541 (if applicable) Foral Accumulated Averaging Tax Credit: Amount at line (10) Add: Provincial Forward Averaging Tax Credit: Enter on line (478) (on page 4) of T1 Return A deemed resident of Canada, who was not resident in a province or territory on December 31 of the taincrease the amount at line (11) by 52 % thereof. NOTE: The amount at line (11) must be deducted from the Basic Federal Tax line of the Federal Individual S (on Schedule 1) FOR QUEBEC RESIDNTS ONLY	Accumulated Averaging Amount at the end of 1990 (line (3) X 1.048) ACTE: If, in the case of a person who died in 1991, no portion of the amount at line (4) is to be withdrawn from the Accumulated Averaging Amount for the purpose of line (6) below, proceed directly to STEP III and enter NIL at Obtain form T541 if an election to carryback the balance remaining in the Accumulated Averaging Amount at the year of death has been made by the legal representative. II — 1991 ACCUMULATED AVERAGING AMOUNT WITHDRAWAL Bet income at line (236) on page 2 of T1 Return IVOTE: If, net income is zero as a result of a "non-capital loss" and/or "farm loss" incurred in the year, enter the value of "non-capital loss" and/or "farm loss" at line (5). Use brackets to indicate the loss. IVOTE: Enter the amount at line (6) on line (237) on page 2 of T1 Return. IVOTE: Inter the amount at line (6) on line (237) on page 2 of T1 Return. IVOTES: (i) If the amount at line (7) is positive, enter that amount at line (239) of the T1 Return. IVITED CALCULATION OF FEDERAL AND PROVINCIAL FORWARD AVERAGING TAX CREDITS FOR Enter amount at line (6) (if applicable) For deceased individuals only: Add amount (C) from line (3) on page 1 of form T541 (if applicable) For deceased individuals only: Add amount (C) from line (3) on page 1 of form T541 (if applicable) For deceased Forward Averaging Tax Credit: Amount at line (10) IVOTE: For Add Averaging Tax Credit: Enter on line (478) (on page 4) of T1 Return A deemed resident of Canada, who was not resident in a province or territory on December 31 of the taxation ye increase the amount at line (11) by 52 % thereof. IVOTE: The amount at line (11) must be deducted from the Basic Federal Tax line of the Federal Individual Surtax Calculation Schedule 1) FOR QUEBEC RESIDNTS ONLY	Accumulated Averaging Amount at the end of 1990 (line (3) X 1.048) NOTE: If, in the case of a person who died in 1991, no portion of the amount at line (4) is to be withdrawn from the person Accumulated Averaging Amount for the purpose of line (6) below, proceed directly to STEP III and enter NIL at line Obtain form T541 if an election to carryback the balance remaining in the Accumulated Averaging Amount at the enter NIL at line (236) on page 2 of T1 Return III — 1991 ACCUMULATED AVERAGING AMOUNT WITHDRAWAL Note: III, net income at line (236) on page 2 of T1 Return Note: III, net income is zero as a result of a "non-capital loss" and/or "farm loss" incurred in the year, enter the value of the "non-capital loss" and/or "farm loss" incurred in the year, enter the value of the "non-capital loss" and/or "farm loss" incurred in the year, enter the value of the "non-capital loss" and/or "farm loss" incurred in the year, enter the value of the "non-capital loss" and/or "farm loss" incurred in the year, enter the value of the "non-capital loss" and/or "farm loss" incurred in the year, enter the value of the "non-capital loss" and/or "farm loss" incurred in the year, enter the value of the "non-capital loss" and/or "farm loss" incurred in the year, enter the value of the "non-capital loss" and/or "farm loss" incurred in the year, enter the value of the "non-capital loss" and/or "farm loss" incurred in the year, enter the value of the "non-capital loss" incurred in the year, enter the value of the "farm loss" incurred in the year, enter the value of the T1 Return. IIII — CALCULATION OF FEDERAL AND PROVINCIAL FORWARD AVERAGING TAX CREDITS FOR 1991 (ii) If the amount at line (6) (ii applicable) (ii) If the amount at line (7) is negative, enter NIL at line (8) and (9)) (ii) (ii) If the provincial Forward Averaging Tax Credit: Amount at line (10) (iii) (Accumulated Averaging Amount at the end of 1990 (line (3) X 1.048) ACCITE If, in the case of a person who died in 1991, no portion of the amount at line (4) is to be withdrawn from the person's Accumulated Averaging Amount for the purpose of line (6) below, proceed directly to STEP III and enter NIL at line (8). Obtain form 1541 if an election to carryback the balance remaining in the Accumulated Averaging Amount at the end of the year of death has been made by the legal representative. III — 1991 ACCUMULATED AVERAGING AMOUNT WITHDRAWAL Net income at line (236) on page 2 of T1 Return IVIDITE: III, not income its zero as a result of a "non-capital loss" and/or "tarm loss" incurred in the year, enter the value of the "non-capital loss" and/or "tarm loss" at line (5). Use brackets to indicate the loss. IVIDITE: III not income its zero as a result of a "non-capital loss" and/or "tarm loss" incurred in the year, enter the value of the "non-capital loss" and/or "tarm loss" at line (4)) IVIDITE: III not income its zero as a result of a "non-capital loss" and/or "tarm loss" incurred in the year, enter the value of the "non-capital loss" and/or "tarm loss" incurred in the year, enter the value of the "non-capital loss" and/or "tarm loss" incurred in the year, enter the value of the "non-capital loss" and/or "tarm loss" incurred in the year, enter the value of the "non-capital loss" incurred in the year, enter the value of the "non-capital loss" incurred in the year, enter the value of the "non-capital loss" incurred in the year, enter the value of the "non-capital loss" incurred in the year, enter the value of the "non-capital loss" incurred in the year, enter the value of the "non-capital loss" incurred in the year, enter the value of the "non-capital loss" incurred in the year, enter the value of the "non-capital loss" incurred in the year, enter the value of the target of the target of the target of the year. III — CALCULATION OF FEDERAL AND PROVINCIAL FORWARD AVERAGING TAX CREDITS FOR 1991 Enter amount at li	ACCUMULated Averaging Amount at the end of 1990 (line (3) X 1.048) ACCUMULated Averaging Amount to the purpose of line (6) below, proceed directly to STEP III and enter NIL at line (8). Obtain form T541 if an election to carryback the balance remaining in the Accumulated Averaging Amount at the end of the year of death has been made by the legal representative. III — 1991 ACCUMULATED AVERAGING AMOUNT WITHDRAWAL Note: III. net income is zero as a result of a "non-capital loss" and/or "farm loss" incurred in the year, enter the value of the "non-capital loss" and/or "farm loss" at line (5). Use brackets to indicate the loss. Add: Accumulated Averaging Amount Withdrawal (all or any portion of line (4)) ACTE: Enter the amount at line (6) on line (237) on page 2 of T1 Return. Fotal lines (5) and (6) ACTES: (i) If the amount at line (7) is positive, enter that amount at line (239) of the T1 Return. (ii) If the amount at line (7) is negative, enter NIL at line (239) of the T1 Return. IIII — CALCULATION OF FEDERAL AND PROVINCIAL FORWARD AVERAGING TAX CREDITS FOR 1991 Enter amount at line (6) (if applicable) For deceased individuals only: Add amount (C) from line (3) on page 1 of form T541 (if applicable) For deceased individuals only: Add amount (C) from line (3) on page 1 of form T541 (if applicable) For deceased individuals only: Add amount (C) from line (3) on page 4) of T1 Return A deemed resident of Canada, who was not resident in a province or territory on December 31 of the taxation year, must increase the amount at line (11) by 52 % thereof. NOTE: The amount at line (11) must be deducted from the Basic Federal Tax line of the Federal Individual Surtax Calculation. (on Schedule 1)

STEP IV - CALCULATION OF PROVINCIAL FORWARD AVERAGING TAX CREDIT Newfoundland (14) Enter amount at line (11) (62%)(D) Prince Edward Island (58%)NOTE: a) Select your Province or Territory of residence on (3) (E) December 31, 1991 Nova Scotia (59.5%)b) Enter your provincial forward averaging tax credit 4 (F) New Brunswick (60 %) on line (12). (G) (5) c) Residents of Prince Edward Island, Nova Scotia, Ontario (53%)and New Brunswick may not use the provincial (6) Manitoba (52%)portion of Schedule 1. Compute provincial taxes (7)payable to these provinces below. Saskatchewan (50%)Residents of Ontario and British Columbia compute (8) Alberta (46.5%)provincial taxes below. **(e)** Compute the taxes payable to Prince Edward British Columbia (51.5%)Island, Nova Scotia, New Brunswick, Ontario, and Northwest Territories (44 %)British Columbia on form T541 if an election to carryback the balance remaining in the Yukon Territory (45%)Accumulated Averaging Amount at the end of the year of death has been made by the legal representative. PRINCE EDWARD ISLAND Basic Prince Edward Island Income Tax: 58 % of Basic Federal Tax Add: Prince Edward Island Surtax: 10 % of (amounts (I) - (D) in excess of \$12,500.00) Adjusted Prince Edward Island Income Tax Subtract: Provincial Foreign Tax Credit (form T2036) Prince Edward Island Tax (enter on line (428) on page 4 of the T1 Return) **NOVA SCOTIA** Basic Nova Scotia Income Tax: 59.5 % of Basic Federal Tax Add: Nova Scotia Surtax: 10 % of (amounts (J) - (E) in excess of \$10,000.00) Adjusted Nova Scotia Income Tax Subtract: Provincial Foreign Tax Credit (form T2036) Nova Scotia Tax (enter on line (428) on page 4 of the T1 Return) NEW BRUNSWICK Basic New Brunswick Income Tax: 60% of Basic Federal Tax Add: New Brunswick Surtax: 8% of (amounts (K) - (F) in excess of \$13,500.00) Adjusted New Brunswick Income Tax Subtract: Provincial Foreign Tax Credit (form T2036) New Brunswick Tax (enter on line (428) on page 4 of the T1 Return) ONTARIO Basic Ontario Income Tax: 53 % of Basic Federal Tax Add: Ontario Surtax: 12 % of (amounts (L) - (G) in excess of \$10,000.00) Adjusted Ontario Income Tax Subtract: Provincial Foreign Tax Credit (form T2036) Ontario Income Tax before the Ontario Tax reduction (enter amount (M) on line (A) of the T1C (ONT.) TC and complete SECTION II to calculate the Ontario Tax reduction and Ontario Tax.) **BRITISH COLUMBIA** Basic British Columbia Income Tax: 51.5% of Basic Federal Tax Subtract: Provincial Foreign Tax Credit (form T2036) (N)Adjusted British Columbia Income Tax British Columbia Surtax: 10% of (amounts (N) - (H) in excess of \$9,000.00) (Enter amount (N) above on line (A) and amount (O) above on line (B) of schedule 1 to calculate the British Columbia tax reduction and British Columbia Tax.) CERTIFICATION LHEREBY ELECT for 1991 under subsection 110.4(2) of the Income Tax Act in respect of the amount specified at line (6). I CERTIFY that, to the best of my knowledge, the information given in this form is true, complete and correct.

DATE

TELEPHONE NUMBER

SIGNATURE