



MANITOBA CORPORATE TAX REDUCTION FOR NEW SMALL BUSINESSES

Name of corporation	Account / business number	Taxation year-end		
		Day	Month	Year

- The Manitoba corporate tax reduction for new small businesses applies to a newly formed Canadian-controlled private corporation, cooperative corporation or credit union incorporated in Manitoba after August 8, 1988 and before 1993.
- In this form the word "corporation" refers to Canadian-controlled private corporations, cooperative corporations and credit unions.
- The reduction is only available to a corporation that qualifies for the federal small business deduction or a credit union that qualifies for the additional deduction under subsection 137(3) of the federal *Income Tax Act*.
- The tax reduction generally applies to the first five taxation years of an eligible corporation. Corporations incorporated after April 17, 1991 and before January 1, 1993, ineligible for the five year reduction may be eligible for a four year reduction if certain conditions are met. These conditions are governed by provincial legislation. Inquiries relating to these conditions and to the eligibility requirements should be directed to the Manitoba Tax Assistance Office in Winnipeg.
- The Manitoba Department of Finance administers the eligibility requirements. The Manitoba Minister of Finance will issue a *Confirmation Notice* to a corporation meeting the eligibility requirements. The *Confirmation Notice* will contain the reduction rate that applies and that should be used for line (B) in the calculation area of this form.
- Corporations claiming the reduction have to apply annually to the Manitoba Minister of Finance for the *Confirmation Notice*.
- The tax reduction is based upon the portion of an eligible corporation's taxable income earned in the year in Manitoba.
- File one completed copy of this form and the *Confirmation Notice* issued by the province with the *T2 Corporation Income Tax Return*.

Calculation of Manitoba corporate tax reduction for new small businesses

The least of amounts on lines 223, 225, and 227 (or F, if it applies) of the small business deduction calculation on page 3 of the T2 return plus the amount used in the calculation of a credit union's additional deduction under subsection 137(3) (A)

$$\text{Amount (A)} \times \frac{\text{Taxable income earned in Manitoba}}{\text{Taxable income earned in all provinces}} \times \text{(B)*} = \text{(C)}$$

Enter amount B on line 610 of Schedule T2S-TC.
Enter amount C on line 611 of Schedule T2S-TC.

* Enter the reduction rate shown on the *Confirmation Notice* issued by the Manitoba Department of Finance.

Certification

Signature only required if this form is filed separately from signed T2 return.

I, _____, certify that the information given on this form is, to the best of my knowledge, correct and complete.
Please print

_____ Date _____ Signature of authorized person _____ Position or office