

SCHEDULE 12 - CALCULATION OF MINIMUM TAX

- Use this schedule to calculate a trust's minimum tax under Division E.1 of the *Income Tax Act* (ITA).
- See guide for trusts not subject to minimum tax in the taxation year.

Part I. Calculation of adjusted taxable income

- Complete C, D, and E only if the trust is claiming losses from these sources.

A. Calculation of non-taxable portion of capital gains reported in 1994 and retained in the trust
(If the trust is reporting reserves related to dispositions before 1986, see the chart for "adjusted line 1203" in the guide)

Taxable capital gains (from line 119 of Schedule 1)	_____	1201	
Taxable capital gains allocated or designated to beneficiaries (see guide, line 1202)	_____	1202	
Subtotal (line 1201 minus line 1202)	_____	x 1/3 =	_____ 1203
(Do not include a reserve from any year before 1986)			
			_____ 1204*

B. The elected portion of payments out of pension funds under ITAR 40

C. Multiple unit residential buildings (MURBs)

Capital cost allowance (CCA) claimed on MURBs and related furniture, fixtures, and equipment	_____	1205 •	
Net income reported from MURBs before CCA (if a loss, enter zero)	_____	1206 •	
Amount of loss, if any, created by or increased by CCA (line 1205 minus line 1206)	_____	▶	_____ 1207

D. Film property

CCA claimed on film property	_____	1208 •	
Net income reported from film property before CCA (if a loss, enter zero)	_____	1209 •	
Amount of loss, if any, created by or increased by CCA (line 1208 minus line 1209)	_____	▶	_____ 1210

E. Resource production and royalties

Total of all resource and depletion allowances claimed	_____	1211 •	
(a) Income reported from production of petroleum, gas, and minerals, including royalties before resource and depletion allowances (if a loss, enter zero)	_____	1212 •	
(b) Income from dispositions of foreign resource properties and recovery of exploration and development expenses (if a loss, enter zero)	_____	1213 •	
Total resource income (add lines 1212 and 1213)	_____	▶	_____ 1214
Amount of loss, if any, created by or increased by resource and depletion allowances (line 1211 minus line 1214)	_____	▶	_____ 1215
Total additions to taxable income for minimum tax purposes (add lines 1203, 1204, 1207, 1210, and 1215)	_____		_____ 1216

(a) Gross-up amount of dividends retained by trust (from line 824 of Schedule 8)	_____	1217	
(b) Allowable business investment loss (from line 25 on page 2 of the T3 return)	_____	x 1/3	_____ 1218
Total deductions from taxable income for minimum tax purposes (add lines 1217 and 1218)	_____	▶	_____ 1219

Net additions to taxable income for minimum tax purposes (line 1216 minus line 1219)	_____		_____ 1220
Taxable income (amount from line 56 on page 4 of the T3 return - this amount may be zero or negative)	_____		_____ 1221
Non-capital losses of other years used in current year *	_____		_____ 1222*
Subtotal (add lines 1220, 1221, and 1222)	_____		_____ 1223

Net capital losses of other years used in current year *	_____	• x 1/3 =	_____ 1224
* (If losses are claimed at line 51 or line 52 on page 4 of the T3 return, see guide, lines 1222 and 1224)			

Adjusted taxable income for minimum tax (line 1223 minus line 1224)	_____		_____ 1225
Basic exemption (see guide, line 1226)	_____		_____ 1226*
Net adjusted taxable income for minimum tax (line 1225 minus line 1226 - if negative, enter zero)	_____		_____ 1227*

If the amount at line 1227 is greater than zero, complete the other side of this schedule
If amount at line 1227 is zero, the trust is not subject to minimum tax. Attach Schedule 12 to T3 return, and:

- if the trust has taxable income at line 56 on page 4 of the T3 return, **resume calculations at line 1124 of Schedule 11**; or
- if the trust has no taxable income at line 56 on page 4 of the T3 return, **enter zero at line 81 on page 4 of the T3 return.**

Part II. Calculation of special foreign tax credit

(Complete only if the trust retained foreign income)

Table with 10 rows (a-j) for Part II calculations, including foreign non-business income, business income, limits, taxes paid, and special foreign tax credit.

Part III. Obligation to pay minimum tax

Table for Part III calculations, including net adjusted taxable income, charitable donations credit, minimum amount, special foreign tax credit, and federal tax payable before surtax.

Amount by which minimum amount is more than regular federal tax payable (line 1234 minus line 1237 - if negative, enter zero)
If amount at line 1238 is more than zero, complete the rest of this schedule.
If amount at line 1238 is zero, the trust is not subject to minimum tax. Attach Schedule 12 to the T3 return, and:
• if trust has taxable income at line 56 on page 4 of the T3 return, resume calculations at line 1124 of Schedule 11;
• if trust has no taxable income at line 56 on page 4 of the T3 return, enter zero at line 81 of page 4 of the T3 return.

Part IV. Basic federal tax for the year

(Use to calculate individual surtax payable in Part V and provincial or territorial tax payable on Schedules 13 and 14)

Table for Part IV calculations, including basic federal tax and minimum amount, resulting in basic federal tax for the year.

Part V. Calculation of federal tax payable (minimum tax)

Table for Part V calculations, including net minimum tax payable before surtax, surtax on income not subject to provincial or territorial income tax, individual surtax, and refundable Quebec abatement.

Part VI. Calculation of additional taxes paid for minimum tax carry-over

Table for Part VI calculations, including minimum amount, basic federal tax, special foreign tax credit, deductible amount of federal foreign tax credit, and additional taxes available for carry-over.