



NET INCOME (LOSS) FOR INCOME TAX PURPOSES (1998 and later taxation years)

Name of corporation, Business Number, Taxation year end (Year, Month, Day)

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with Generally Accepted Accounting Principles (GAAP).
Sections, subsections and paragraphs referred to on this schedule are from the Income Tax Act.
For more information, see the T2 Corporation Income Tax Guide.

Net income (loss) after taxes and extraordinary items per financial statements
Add: Provision for income taxes - current, deferred, interest and penalties on taxes, amortization of tangible and natural resource assets, etc.
Deduct: Gain on disposal of assets, dividends not taxable, capital cost allowance, terminal loss, etc.
Net income (loss) for income tax purposes (enter on line 300 on the T2 return)

**Add:**

Accounts payable and accruals for cash basis – closing .....	201	_____
Accounts receivable and prepaid for cash basis – opening .....	202	_____
Accrual inventory – opening .....	203	_____
Accrued dividends – prior year .....	204	_____
Book loss on joint ventures/partnerships .....	205	_____
Capital items expensed .....	206	_____
All crown charges, royalties, rentals, etc. ....	207	_____
Debt issue expense .....	208	_____
Deemed dividend income .....	209	_____
Deemed interest on loans to non-residents .....	210	_____
Deemed interest received .....	211	_____
Development expenses claimed in current year .....	212	_____
Dividend stop-loss adjustment .....	213	_____
Dividends credited to the investment account .....	214	_____
Exploration expenses claimed in current year .....	215	_____
Financing fees deducted in books .....	216	_____
Foreign accrual property income .....	217	_____
Foreign affiliate property income .....	218	_____
Foreign exchange included in retained earnings .....	219	_____
Gain on settlement of debt .....	220	_____
Interest paid on income debentures .....	221	_____
Limited partnership losses – Schedule 4 .....	222	_____
Loss from international banking centres .....	223	_____
Mandatory inventory adjustment – included in current year .....	224	_____
Mining royalties (provincial mining taxes) .....	225	_____
Non-deductible advertising .....	226	_____
Non-deductible interest .....	227	_____
Non-deductible legal and accounting fees .....	228	_____
Optional value of inventory – included in current year .....	229	_____
Other expenses from financial statements .....	230	_____
Recapture of SR&ED expenditures – Form T661 .....	231	_____
Resource amounts deducted .....	232	_____
Restricted farm losses – current year – Schedule 4 .....	233	_____
Sales tax assessments .....	234	_____
Share issue expense .....	235	_____
Write-down of capital property .....	236	_____
Amounts received in respect of qualifying environmental trust per paragraphs 12(1)(z.1) and 12(1)(z.2) .....	237	_____

**Other additions:**

600 _____	290 _____
601 _____	291 _____
602 _____	292 _____
603 _____	293 _____
604 _____	294 _____

Enter the total at line 199 on page 1 of this schedule

**Deduct:**

Accounts payable and accruals for cash basis – opening .....	300	_____
Accounts receivable and prepaid for cash basis – closing .....	301	_____
Accrual inventory – closing .....	302	_____
Accrued dividends – current year .....	303	_____
Bad debt .....	304	_____
Book income of joint venture/partnership .....	305	_____
Equity in income from subsidiaries/affiliates .....	306	_____
Exempt income under section 81 .....	307	_____
Income from international banking centres .....	308	_____
Mandatory inventory adjustment – included in prior year .....	309	_____
Contributions to a qualifying environmental trust .....	310	_____
Non-Canadian advertising expenses – broadcasting .....	311	_____
Non-Canadian advertising expenses – printed materials .....	312	_____
Optional value of inventory – included in prior year .....	313	_____
Other income from financial statements .....	314	_____
Payments made pursuant to allocations in proportion to borrowing and bonus interest payment – Schedule 17 .....	315	_____

**Resource deductions:**

Canadian development expenses – Schedule 12 .....	340	_____
Canadian exploration expenses – Schedule 12 .....	341	_____
Canadian oil and gas property expenses – Schedule 12 .....	342	_____
Deductible crown charges .....	343	_____
Depletion – Schedule 12 .....	344	_____
Foreign exploration and development expenses – Schedule 12 .....	345	_____
Resource allowance .....	346	_____

**Other deductions:**

700 _____	390	_____
701 _____	391	_____
702 _____	392	_____
703 _____	393	_____
704 _____	394	_____

Enter the total at line 499 on page 1 of this schedule

=====