Canada Customs and Revenue Agency   Agence des douanes et du revenu du Canada

NEW BRUNSWICK CORPORATION TAX CALCULATION
(2002 and later taxation years)

Name of corporation	Business Number	Taxation year-end Year	Month	Day

- Use this schedule if your corporation had a permanent establishment (as defined in Regulation 400 of the federal *Income Tax Regulations*) in New Brunswick and had taxable income earned in the year in New Brunswick.

- This schedule is a worksheet only and does not have to be filed with your *T2 Corporation Income Tax Return*.

Part 1 — Calculation of income subject to New Brunswick lower and higher tax rate

First period – after December 31, 2000, and before July 1, 2002

If there are days in the taxation year in the first period, calculate the income subject to New Brunswick lower and higher tax rate as follows:

Taxable income for New Brunswick * **A1**

Income eligible for New Brunswick lower tax rate in the first period:

Amount at line 400 of the T2 return ** **B1**
Amount at line 405 of the T2 return **C1**
Amount at line 425 of the T2 return . . . . _____ × 1.5 = _____ **D1**

Amount B1, C1, or D1, whichever is less . . . . _____ × $\dfrac{\text{taxable income for New Brunswick *}}{\text{taxable income for all provinces ***}}$ _____ = _____ **E1**

Income subject to New Brunswick higher tax rate in the first period (amount A1 minus amount E1) **F1**

Second period – after June 30, 2002, and before January 1, 2003

If there are days in the taxation year in the second period, calculate the income subject to New Brunswick lower and higher tax rate as follows:

Taxable income for New Brunswick * **A2**

Income eligible for New Brunswick lower tax rate in the second period:

Amount at line 400 of the T2 return ** **B2**
Amount at line 405 of the T2 return **C2**
Amount at line 425 of the T2 return . . . . _____ × 1.75 = _____ **D2**

Amount B2, C2, or D2, whichever is less . . . . _____ × $\dfrac{\text{taxable income for New Brunswick *}}{\text{taxable income for all provinces ***}}$ _____ = _____ **E2**

Income subject to New Brunswick higher tax rate in the second period (amount A2 minus amount E2) **F2**

Third period – after December 31, 2002

If there are days in the taxation year in the third period, calculate the income subject to New Brunswick lower and higher tax rate as follows:

Taxable income for New Brunswick * **A3**

Income eligible for New Brunswick lower tax rate in the third period:

Amount at line 400 of the T2 return ** **B3**
Amount at line 405 of the T2 return **C3**
Amount at line 425 of the T2 return . . . . _____ × 2 = _____ **D3**

Amount B3, C3, or D3, whichever is less . . . . _____ × $\dfrac{\text{taxable income for New Brunswick *}}{\text{taxable income for all provinces ***}}$ _____ = _____ **E3**

Income subject to New Brunswick higher tax rate in the third period (amount A3 minus amount E3) **F3**

---

* If the corporation has a permanent establishment only in New Brunswick, enter the taxable income from line 360, or amount Z if applicable, on page 3 of the T2 return. Otherwise, enter the taxable income allocated to New Brunswick from column F in Part 1 of Schedule 5.

** If the corporation is a member of a partnership, complete Part 2 on pages 2 and 3 to calculate income from active business.

*** Enter the taxable income from line 360, or line Z if applicable, on page 3 of the T2 return.

Part 2 — Calculation of income from active business when there is partnership income

First period – after December 31, 2000, and before July 1, 2002

If there are days in the taxation year in the first period, calculate the income from active business as follows:

Net amount from Part 4 of Schedule 7 . . . . _____ G1

Deduct partnership income:

Amount K from Part 3 of Schedule 7 . . . . _____ H1

	I1	J1	K1	L1
	Amounts from column E in Part 2 of Schedule 7	Amounts from column G in Part 2 of Schedule 7 x 1.5	Column I1 **minus** column J1 (if negative, enter "0")	Lesser of columns I1 and J1 (if column I1 is negative, enter "0")
1.				
2.				
3.				
4.				
5.				
Totals			M1	N1

Amount on line 370 from Part 2 of Schedule 7 . . _____ O1

Amount on line 380 from Part 2 of Schedule 7 . . _____ P1

Subtotal (amount O1 plus amount P1) _____ Q1

Enter amount M1 or amount Q1, whichever is less . . . . _____ R1

Specified partnership income (amount N1 plus amount R1) . . . . _____ ▶ _____ S1

Partnership income (amount H1 minus amount S1) . . . . _____ ▶ _____ T1

Income from active business in the first period (amount G1 minus amount T1) . . . . _____ U1

(Enter the greater of amount from line U1 above or from line 400 of the T2 return, at line B1 on page 1 of this schedule.)

Second period – after June 30, 2002, and before January 1, 2003

If there are days in the taxation year in the second period, calculate the income from active business as follows:

Net amount from Part 4 of Schedule 7 . . . . _____ G2

Deduct partnership income:

Amount K from Part 3 of Schedule 7 . . . . _____ H2

	I2	J2	K2	L2
	Amounts from column E in Part 2 of Schedule 7	Amounts from column G in Part 2 of Schedule 7 x 1.75	Column I2 **minus** column J2 (if negative, enter "0")	Lesser of columns I2 and J2 (if column I2 is negative, enter "0")
1.				
2.				
3.				
4.				
5.				
Totals			M2	N2

Amount on line 370 from Part 2 of Schedule 7 . . _____ O2

Amount on line 380 from Part 2 of Schedule 7 . . _____ P2

Subtotal (amount O2 plus amount P2) _____ Q2

Enter amount M2 or amount Q2, whichever is less . . . . _____ R2

Specified partnership income (amount N2 plus amount R2) . . . . _____ ▶ _____ S2

Partnership income (amount H2 minus amount S2) . . . . _____ ▶ _____ T2

Income from active business in the second period (amount G2 minus amount T2) . . . . _____ U2

(Enter the greater of amount from line U2 above or from line 400 of the T2 return, at line B2 on page 1 of this schedule.)

Part 2 — Calculation of income from active business when there is partnership income (continued)

Third period – after December 31, 2002

If there are days in the taxation year in the third period, calculate the income from active business as follows:

Net amount from Part 4 of Schedule 7 .... _____ G3

Deduct partnership income:

Amount K from Part 3 of Schedule 7 .... _____ H3

	I3	J3	K3	L3
	Amounts from column E in Part 2 of Schedule 7	Amounts from column G in Part 2 of Schedule 7 x 2	Column I3 **minus** column J3 (if negative, enter "0")	Lesser of columns I3 and J3 (if column I3 is negative, enter "0")
1.				
2.				
3.				
4.				
5.				
Totals			M3	N3

Amount on line 370 from Part 2 of Schedule 7 . . _____ O3

Amount on line 380 from Part 2 of Schedule 7 . . _____ P3

Subtotal (amount O3 plus amount P3) _____ Q3

Enter amount M3 or amount Q3, whichever is less .... _____ R3

Specified partnership income (amount N3 plus amount R3) .... _____ ▶ _____ S3

Partnership income (amount H3 minus amount S3) .... _____ ▶ _____ T3

Income from active business in the third period (amount G3 minus amount T3) .... _____ U3

(Enter the greater of amount from line U3 above or from line 400 of the T2 return, at line B3 on page 1 of this schedule.)

Part 3 – Calculation of New Brunswick tax before credits

New Brunswick tax at the lower rate:

Amount E1 _____ x (Number of days in the taxation year after December 31, 2000, and before July 1, 2002) / (Number of days in the taxation year) _____ x 4% = _____ A

Amount E2 _____ x (Number of days in the taxation year after June 30, 2002, and before January 1, 2003) / (Number of days in the taxation year) _____ x 3.5% = _____ B

Amount E3 _____ x (Number of days in the taxation year after December 31, 2002) / (Number of days in the taxation year) _____ x 3% = _____ C

Total New Brunswick tax at the lower rate (total of amounts A, B, and C) .... _____ ▶ _____ D

New Brunswick tax at the higher rate:

Amount F1 _____ x (Number of days in the taxation year after December 31, 2000, and before July 1, 2002) / (Number of days in the taxation year) _____ x 16% = _____ E

Amount F2 _____ x (Number of days in the taxation year after June 30, 2002, and before January 1, 2003) / (Number of days in the taxation year) _____ x 14.5% = _____ F

Amount F3 _____ x (Number of days in the taxation year after December 31, 2002) / (Number of days in the taxation year) _____ x 13% = _____ G

Total New Brunswick tax at the higher rate (total of amounts E, F, and G)............................. _____ ▶ _____ H

New Brunswick tax before credits (amount D plus amount H) * · _____ I

* If the corporation has a permanent establishment in more than one jurisdiction or is claiming a New Brunswick tax credit, enter amount I at line 225 of Schedule 5. Otherwise, enter it at line 760 of the T2 return.