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

NEW BRUNSWICK CORPORATION TAX CALCULATION
(2004 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

Period after June 30, 2002, and before January 1, 2003

If there are days in the taxation year in the period mentioned above, 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 this 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 _____ × _____ 350,000 _____ = _____ D2
                                                        line 4 on page 4 of the T2 return

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 this period (amount A2 minus amount E2) F2

Period after December 31, 2002, and before July 1, 2004

If there are days in the taxation year in the period mentioned above, 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 this 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 _____ × _____ 400,000 _____ = _____ D3
                                                        line 4 on page 4 of the T2 return

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 this period (amount A3 minus amount E3) F3

Period after June 30, 2004

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

Taxable income for New Brunswick * A4

Income eligible for New Brunswick lower tax rate in this period:

Amount at line 400 of the T2 return ** B4
Amount at line 405 of the T2 return C4
Amount at line 425 of the T2 return _____ × _____ 425,000 _____ = _____ D4
                                                        line 4 on page 4 of the T2 return

Amount B4, C4, or D4, whichever is less .... _____ × $\dfrac{\text{taxable income for New Brunswick *}}{\text{taxable income for all provinces ***}}$ _____ = _____ E4

Income subject to New Brunswick higher tax rate in this period (amount A4 minus amount E4) F4

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* If the corporation has a permanent establishment only in New Brunswick, enter the taxable income from line 360 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 to calculate income from active business.

*** Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

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

Period after June 30, 2002, and before January 1, 2003

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

Net amount on line R from Part 4 of Schedule 7 . . . . [_____] G2

Deduct partnership income:

Amount M 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 times 350,000 / business limit*	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.			
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 this period (amount G2 minus amount T2) . . . . [_____] U2

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

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Period after December 31, 2002, and before July 1, 2004

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

Net amount on line R from Part 4 of Schedule 7 . . . . [_____] G3

Deduct partnership income:

Amount M 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 times 400,000 / business limit*	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.			
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 this period (amount G3 minus amount T3) . . . . [_____] U3

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

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* Use one of the following business limits to calculate columns J2 and J3 above, whichever applies:
  • $250,000 if the taxation year of the corporation ends in 2004; or
  • $300,000 if the taxation year of the corporation ends in 2005 or later.

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

Period after June 30, 2004

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

Net amount on line R from Part 4 of Schedule 7 .... _____ G4

Deduct partnership income:

Amount M from Part 3 of Schedule 7 .... _____ H4

	I4	J4	K4	L4
	Amounts from column E in Part 2 of Schedule 7	Amounts from column G in Part 2 of Schedule 7 times $\dfrac{425{,}000}{\text{business limit*}}$	Column I4 **minus** column J4 (if negative, enter "0")	Lesser of columns I4 and J4 (if column I4 is negative, enter "0")
1.				
2.				
3.				
Totals			M4	N4

Amount on line 370 from Part 2 of Schedule 7 .. _____ O4

Amount on line 380 from Part 2 of Schedule 7 .. _____ P4

Subtotal (amount O4 plus amount P4) _____ Q4

Enter amount M4 or amount Q4, whichever is less .... _____ R4

Specified partnership income (amount N4 plus amount R4) .... _____ ▶ _____ S4

Partnership income (amount H4 minus amount S4) .... _____ ▶ _____ T4

Income from active business in this period (amount G4 minus amount T4) .... _____ U4

(Enter the greater of the amount from line U4 above or from line 400 of the T2 return, at line B4 on page 1 of this schedule.)

* Use one of the following business limits to calculate column J4 above, whichever applies:
- $250,000 if the taxation year of the corporation ends in 2004; or
- $300,000 if the taxation year of the corporation ends in 2005 or later.

Part 3 – Calculation of New Brunswick tax before credits

New Brunswick tax at the lower rate:

Amount E2 _____ x $\dfrac{\text{Number of days in the taxation year after June 30, 2002, and before January 1, 2003}}{\text{Number of days in the taxation year}}$ _____ x 3.5% = _____ A

Amount E3 _____ x $\dfrac{\text{Number of days in the taxation year after December 31, 2002, and before July 1, 2004}}{\text{Number of days in the taxation year}}$ _____ x 3% = _____ B

Amount E4 _____ x $\dfrac{\text{Number of days in the taxation year after June 30, 2004}}{\text{Number of days in the taxation year}}$ _____ x 2.5% = _____ 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 F2 _____ x $\dfrac{\text{Number of days in the taxation year after June 30, 2002, and before January 1, 2003}}{\text{Number of days in the taxation year}}$ _____ x 14.5% = _____ E

Amount F3 _____ x $\dfrac{\text{Number of days in the taxation year after December 31, 2002, and before July 1, 2004}}{\text{Number of days in the taxation year}}$ _____ x 13% = _____ F

Amount F4 _____ x $\dfrac{\text{Number of days in the taxation year after June 30, 2004}}{\text{Number of days in the taxation year}}$ _____ 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.