



**NEW BRUNSWICK CORPORATION TAX CALCULATION
(2005 and later taxation years)**

Name of corporation	Business Number	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Taxation year-end</td> </tr> <tr> <td style="text-align: center;">Year Month Day</td> </tr> <tr> <td style="border-bottom: 1px solid black; height: 20px;"></td> </tr> </table>	Taxation year-end	Year Month Day	
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 that province.
- 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 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 on line 400 of the T2 return **	_____	B3	
Amount on line 405 of the T2 return	_____	C3	
Amount on line 425 of the T2 return	_____ × $\frac{400,000}{\text{line 4 on page 4 of the T2 return}}$	= _____	D3
Amount B3, C3, or D3, whichever is less	_____ × $\frac{\text{taxable income for New Brunswick}^*}{\text{taxable income for all provinces}^{***}}$	= _____	E3
Income subject to New Brunswick higher tax rate in this period (amount A3 minus amount E3)			_____

Period after June 30, 2004, and before July 1, 2005

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 on line 400 of the T2 return **	_____	B4	
Amount on line 405 of the T2 return	_____	C4	
Amount on line 425 of the T2 return	_____ × $\frac{425,000}{\text{line 4 on page 4 of the T2 return}}$	= _____	D4
Amount B4, C4, or D4, whichever is less	_____ × $\frac{\text{taxable income for New Brunswick}^*}{\text{taxable income for all provinces}^{***}}$	= _____	E4
Income subject to New Brunswick higher tax rate in this period (amount A4 minus amount E4)			_____

Period after June 30, 2005, and before July 1, 2006

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 *	_____		A5
Income eligible for New Brunswick lower tax rate in this period:			
Amount on line 400 of the T2 return **	_____	B5	
Amount on line 405 of the T2 return	_____	C5	
Amount on line 425 of the T2 return	_____ × $\frac{450,000}{\text{line 4 on page 4 of the T2 return}}$	= _____	D5
Amount B5, C5, or D5, whichever is less	_____ × $\frac{\text{taxable income for New Brunswick}^*}{\text{taxable income for all provinces}^{***}}$	= _____	E5
Income subject to New Brunswick higher tax rate in this period (amount A5 minus amount E5)			_____

* 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.

Part 1 – Calculation of income subject to New Brunswick lower and higher tax rate (continued)

Period after June 30, 2006, and before July 1, 2007

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 * A6

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

Amount on line 400 of the T2 return ** B6

Amount on line 405 of the T2 return C6

Amount on line 425 of the T2 return × $\frac{475,000}{\text{line 4 on page 4 of the T2 return}}$ = D6

Amount B6, C6, or D6, whichever is less × $\frac{\text{taxable income for New Brunswick}^*}{\text{taxable income for all provinces}^{***}}$ = E6

Income subject to New Brunswick higher tax rate in this period (amount A6 minus amount E6) F6

Period after June 30, 2007

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 * A7

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

Amount on line 400 of the T2 return ** B7

Amount on line 405 of the T2 return C7

Amount on line 425 of the T2 return × $\frac{500,000}{\text{line 4 on page 4 of the T2 return}}$ = D7

Amount B7, C7, or D7, whichever is less × $\frac{\text{taxable income for New Brunswick}^*}{\text{taxable income for all provinces}^{***}}$ = E7

Income subject to New Brunswick higher tax rate in this period (amount A7 minus amount E7) F7

* 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.

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

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, *Calculation of Aggregate Investment Income and Active Business Income* 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 multiplied by $\frac{400,000}{300,000}$	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 on line B3 on page 1 of this schedule the greater of the amount from line U3 above or from line 400 of the T2 return.)

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

Period after June 30, 2004, and before July 1, 2005

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, *Calculation of Aggregate Investment Income and Active Business Income* 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 multiplied by <u>425,000</u> 300,000	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 on line B4 on page 1 of this schedule the greater of the amount from line U4 above or from line 400 of the T2 return.)

Period after June 30, 2005, and before July 1, 2006

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, *Calculation of Aggregate Investment Income and Active Business Income* G5

Deduct partnership income:

Amount M from Part 3 of Schedule 7 H5

	I5	J5	K5	L5
	Amounts from column E in Part 2 of Schedule 7	Amounts from column G in Part 2 of Schedule 7 multiplied by <u>450,000</u> 300,000	Column I5 minus column J5 (if negative, enter "0")	Lesser of columns I5 and J5 (if column I5 is negative, enter "0")
1.				
2.				
3.				
	Totals		M5	N5

Amount on line 370 from Part 2 of Schedule 7 ... O5

Amount on line 380 from Part 2 of Schedule 7 ... P5

Subtotal (amount O5 plus amount P5) Q5

Enter amount M5 or amount Q5, whichever is less R5

Specified partnership income (amount N5 plus amount R5) S5

Partnership income (amount H5 minus amount S5) T5

Income from active business in this period (amount G5 minus amount T5) U5

(Enter on line B5 on page 1 of this schedule the greater of the amount from line U5 above or from line 400 of the T2 return.)

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

Period after June 30, 2006, and before July 1, 2007

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, *Calculation of Aggregate Investment Income and Active Business Income* G6

Deduct partnership income:

Amount M from Part 3 of Schedule 7 H6

I6	J6	K6	L6
Amounts from column E in Part 2 of Schedule 7	Amounts from column G in Part 2 of Schedule 7 multiplied by <u>475,000</u> 300,000	Column I6 minus column J6 (if negative, enter "0")	Lesser of columns I6 and J6 (if column I6 is negative, enter "0")
1.			
2.			
3.			
Totals		M6	N6

Amount on line 370 from Part 2 of Schedule 7 ... O6

Amount on line 380 from Part 2 of Schedule 7 ... P6

Subtotal (amount O6 plus amount P6) Q6

Enter amount M6 or amount Q6, whichever is less R6

Specified partnership income (amount N6 plus amount R6) S6

Partnership income (amount H6 minus amount S6) T6

Income from active business in this period (amount G6 minus amount T6) U6

(Enter on line B6 on page 2 of this schedule the greater of the amount from line U6 above or from line 400 of the T2 return.)

Period after June 30, 2007

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, *Calculation of Aggregate Investment Income and Active Business Income* G7

Deduct partnership income:

Amount M from Part 3 of Schedule 7 H7

I7	J7	K7	L7
Amounts from column E in Part 2 of Schedule 7	Amounts from column G in Part 2 of Schedule 7 multiplied by <u>500,000</u> 300,000	Column I7 minus column J7 (if negative, enter "0")	Lesser of columns I7 and J7 (if column I7 is negative, enter "0")
1.			
2.			
3.			
Totals		M7	N7

Amount on line 370 from Part 2 of Schedule 7 ... O7

Amount on line 380 from Part 2 of Schedule 7 ... P7

Subtotal (amount O7 plus amount P7) Q7

Enter amount M7 or amount Q7, whichever is less R7

Specified partnership income (amount N7 plus amount R7) S7

Partnership income (amount H7 minus amount S7) T7

Income from active business in this period (amount G7 minus amount T7) U7

(Enter on line B7 on page 2 of this schedule the greater of the amount from line U7 above or from line 400 of the T2 return.)

Part 3 – Calculation of New Brunswick tax before credits

New Brunswick tax at the lower rate:

Amount E3 _____	x	$\frac{\text{Number of days in the taxation year after December 31, 2002, and before July 1, 2004}}{\text{Number of days in the taxation year}}$	_____	x 3% = _____	A
Amount E4 _____	x	$\frac{\text{Number of days in the taxation year after June 30, 2004 and before July 1, 2005}}{\text{Number of days in the taxation year}}$	_____	x 2.5% = _____	B
Amount E5 _____	x	$\frac{\text{Number of days in the taxation year after June 30, 2005, and before July 1, 2006}}{\text{Number of days in the taxation year}}$	_____	x 2% = _____	C
Amount E6 _____	x	$\frac{\text{Number of days in the taxation year after June 30, 2006, and before July 1, 2007}}{\text{Number of days in the taxation year}}$	_____	x 1.5% = _____	D
Amount E7 _____	x	$\frac{\text{Number of days in the taxation year after June 30, 2007}}{\text{Number of days in the taxation year}}$	_____	x 1% = _____	E
Total New Brunswick tax at the lower rate (total of amounts A, B, C, D, and E)					<u> </u> ▶ <u> </u> F

New Brunswick tax at the higher rate:

Amount F3 _____	x	$\frac{\text{Number of days in the taxation year after December 31, 2002, and before July 1, 2004}}{\text{Number of days in the taxation year}}$	_____	x 13% = _____	G
Amount F4 _____	x	$\frac{\text{Number of days in the taxation year after June 30, 2004, and before July 1, 2005}}{\text{Number of days in the taxation year}}$	_____	x 13% = _____	H
Amount F5 _____	x	$\frac{\text{Number of days in the taxation year after June 30, 2005, and before July 1, 2006}}{\text{Number of days in the taxation year}}$	_____	x 13% = _____	I
Amount F6 _____	x	$\frac{\text{Number of days in the taxation year after June 30, 2006, and before July 1, 2007}}{\text{Number of days in the taxation year}}$	_____	x 13% = _____	J
Amount F7 _____	x	$\frac{\text{Number of days in the taxation year after June 30, 2007}}{\text{Number of days in the taxation year}}$	_____	x 13% = _____	K
Total New Brunswick tax at the higher rate (total of amounts G, H, I, J, and K)					<u> </u> ▶ <u> </u> L

New Brunswick tax before credits (amount F plus amount L) *

 M

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