

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

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

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

Net amount on line R from Part 5 of Schedule 7, *Calculation of Aggregate Investment Income and Active Business Income* G5

Deduct partnership income:

Amount on line M from Part 4 of Schedule 7 H5

I5	J5	K5	L5
Amounts from column E in Part 3 of Schedule 7	Amounts from column G in Part 3 of Schedule 7 multiplied by <u>450,000</u> 400,000	Column I5 minus column J5 (if negative, enter "0")	Amounts from column I5 or J5, whichever is less (if column I5 is negative, enter "0")
1.			
2.			
3.			
Totals		M5	N5

Amount on line 370 from Part 3 of Schedule 7 . . . O5

Amount on line 380 from Part 3 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 amount from line U5 above or line 400 of the T2 return, whichever is greater.)

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

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

Net amount on line R from Part 5 of Schedule 7, *Calculation of Aggregate Investment Income and Active Business Income* G6

Deduct partnership income:

Amount on line M from Part 4 of Schedule 7 H6

I6	J6	K6	L6
Amounts from column E in Part 3 of Schedule 7	Amounts from column G in Part 3 of Schedule 7 multiplied by <u>475,000</u> 400,000	Column I6 minus column J6 (if negative, enter "0")	Amounts from column I6 or J6, whichever is less (if column I6 is negative, enter "0")
1.			
2.			
3.			
Totals		M6	N6

Amount on line 370 from Part 3 of Schedule 7 . . . O6

Amount on line 380 from Part 3 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 1 of this schedule the amount from line U6 above or line 400 of the T2 return, whichever is greater.)

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

Period after December 31, 2006

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

Net amount on line R from Part 5 of Schedule 7, *Calculation of Aggregate Investment Income and Active Business Income* G7

Deduct partnership income:

Amount on line M from Part 4 of Schedule 7 H7

I7	J7	K7	L7
Amounts from column E in Part 3 of Schedule 7	Amounts from column G in Part 3 of Schedule 7	Column I7 minus column J7 (if negative, enter "0")	Amounts from column I7 or J7, whichever is less (if column I7 is negative, enter "0")
1.			
2.			
3.			
Totals		M7	N7

Amount on line 370 from Part 3 of Schedule 7 . . . O7

Amount on line 380 from Part 3 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 1 of this schedule the amount from line U7 above or line 400 of the T2 return, whichever is greater.)

Part 3 – Calculation of New Brunswick tax before credits

New Brunswick tax at the lower rate:

Amount E5 _____ x $\frac{\text{Number of days in the tax year after June 30, 2005, and before July 1, 2006}}{\text{Number of days in the tax year}}$ x 2% = _____ A

Amount E6 _____ x $\frac{\text{Number of days in the tax year after June 30, 2006, and before January 1, 2007}}{\text{Number of days in the tax year}}$ x 1.5% = _____ B

Amount E7 _____ x $\frac{\text{Number of days in the tax year after December 31, 2006}}{\text{Number of days in the tax year}}$ x 5% = _____ C

Total New Brunswick tax at the lower rate (add amounts A, B, and C) D

New Brunswick tax at the higher rate:

Amount F5 _____ x $\frac{\text{Number of days in the tax year after June 30, 2005, and before July 1, 2006}}{\text{Number of days in the tax year}}$ x 13% = _____ E

Amount F6 _____ x $\frac{\text{Number of days in the tax year after June 30, 2006, and before January 1, 2007}}{\text{Number of days in the tax year}}$ x 13% = _____ F

Amount F7 _____ x $\frac{\text{Number of days in the tax year after December 31, 2006}}{\text{Number of days in the tax year}}$ x 13% = _____ G

Total New Brunswick tax at the higher rate (add 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 on line 225 of Schedule 5. Otherwise, enter it on line 760 of the T2 return.