

NEW BRUNSWICK TAX ON LARGE CORPORATIONS

Name of corporation	Account / business number	Taxation year end Day Month Year
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- This form is to be used by corporations with a permanent establishment (as defined in the federal *Income Tax Regulations*) in the province of New Brunswick that are liable to pay tax on their taxable capital for the year, for taxation years ending after March 31, 1997.
- The New Brunswick tax on large corporations will apply to most large corporations except financial institutions (including insurance corporations). The terms "financial institution", "long-term debt", and "reserves" have the same meanings as in subsection 181(1).
- Corporations exempt from the federal Part I.3 tax in accordance with subsection 181.1(3) are also exempt from the New Brunswick tax on large corporations. A list of the corporations is provided on page 1 of Form T2147, *Part I.3 Tax Return – Tax On Large Corporations*.
- You have to complete Form T2147 before you can complete this form. File completed copies of Form T1166 and Form T2147 with the *T2 Corporation Income Tax Return* within six months from the end of the taxation year.
- Except as otherwise stated, sections and subsections referred to on this form are those from the federal *Income Tax Act*.

Calculation of New Brunswick taxable capital

Taxable capital for the year (enter the amount from line 351 of Form T2147).....		A
Deduct: capital deduction claimed for the year	656	B
(Enter \$5,000,000 or, for related corporations, the amount allocated on reverse)		
Net Taxable Capital for the year (if negative, enter nil)		C
Corporations with a permanent establishment only in New Brunswick, enter amount C on line G, otherwise complete lines D, E, and F below.		
$\frac{\text{Total salaries and wages paid in New Brunswick (line 509 of Form T2S-TC)}}{\text{Total salaries and wages paid (line 529 of Form T2S-TC)}} = \text{ } \% \text{ D}$		
$\frac{\text{Gross revenue attributable to New Brunswick (line 539 of Form T2S-TC)}}{\text{Total gross revenue (line 559 of Form T2S-TC)}} = \text{ } \% \text{ E}$		
Add percentages D and E		$\text{ } \% \times 1/2 = \text{ } \% \text{ F}$
Amount C	$\times \text{ Percentage on line F } \% = \text{ } \text{ New Brunswick Taxable Capital}$	G

Calculation of New Brunswick tax on large corporations

Amount G	$\times \frac{\text{Number of days in the taxation year after March 31, 1997}}{\text{Number of days in the taxation year}}$				$\times 0.3\% = \text{ } \text{ H}$
For a taxation year less than 51 weeks:					
Amount H	$\times \frac{\text{Number of days in the taxation year}}{365}$				I
New Brunswick tax on large corporations – enter amount H or amount I, whichever applies					
J					
Include amount J on line 138 on page 7 of the T2 return. Amount J may be deducted in calculating net income for federal income tax purposes.					

NEW BRUNSWICK TAX ON LARGE CORPORATIONS – AGREEMENT AMONG RELATED CORPORATIONS

- For use by members of a related group of corporations to allocate the capital deduction of \$5,000,000 among the members of the related group.
- The terms "related", "related group", and "associated" are defined in sections 251 and 256 and, for purposes of the New Brunswick tax on large corporations, have the meaning assigned to those sections.
- If no agreement is filed, the Minister may request that one be filed. If the corporation does not file such an agreement within 30 days after receiving the request, the Minister may allocate an amount among the members of the related group.
- Subsections 181.5(4) to (7) apply for purposes of this allocation.
- Where a corporation has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year, the capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. This is in accordance with subsection 181.5(5).
- In accordance with subsection 181.5(7), a Canadian controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.
- Provide details below. If you need more space, continue on a separate schedule.

Is this an amended agreement? 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/> If yes, enclose a copy of the immediately previous agreement.

Allocation of capital deduction for related corporations

Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member which is exempt from New Brunswick tax on large corporations under section 27.5 of the provincial *Income Tax Act*, is not required to be included.

Names of all corporations which are members of the related group	Account / business number	Allocation of Capital Deduction for the year
		\$
Total		\$ 5,000,000

Certification

I, _____ hereby declare that the above allocation of the Capital Deduction has
(Name in block letters)
 been made with the concurrence of all corporations which are members of the related group, and that a copy of this agreement has been provided to each of these corporations.

_____ Date

_____ Signature of an authorized signing officer of the corporation

_____ Position, office, or rank