



NEWFOUNDLAND CORPORATE TAX REDUCTION FOR NEW SMALL BUSINESSES

Name of corporation	Account number				Taxation year-end		
	Day	Month	Year				

- The Newfoundland corporate tax reduction for new small businesses applies to the first three taxation years of a newly incorporated Canadian-controlled private corporation incorporated in Newfoundland after April 2, 1987 and before April 3, 1991.
- The corporation has to be a Canadian-controlled private corporation throughout the year and maintain a permanent establishment in Newfoundland at any time during the year.
- The corporation can never have been associated with any other corporation since its date of incorporation. However, associated corporations may have their ineligibility waived by the provincial Minister of Finance.
- Corporations can only claim this reduction if they are, for this taxation year, eligible to claim a federal small business deduction under subsection 125(1) of the federal *Income Tax Act*.
- Corporations have to file one completed copy of this form and the certified application form issued by the province with the T2 *Corporation Income Tax Return*.

Calculation of Newfoundland corporate tax reduction for new small businesses

Least of amounts from lines 223, 225, and 227 of the small business deduction calculation on page 3 of the T2 return _____ (A)

Amount A _____ X $\frac{\text{Taxable income earned in Newfoundland}^*}{\text{Taxable income earned in all provinces}^*}$ X 10% = _____ (B)

Enter amount B on line 669 of Schedule T2S-TC

* Calculate taxable income in accordance with paragraph 124(4)(a) of the federal *Income Tax Act* and Part IV of the *Income Tax Regulations*.

Certification

Signature only required if this form is filed separately from signed T2 return.

I, _____, hereby certify that the information given on this form is true, correct and complete in every respect.
(Please print)

Date

Signature of authorized person

Position or office