



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	_____	=	_____	(B)
			Taxable income earned in Newfoundland Taxable income earned in all provinces			
Amount B	_____	X	_____	X 10%	_____	(C)
			Number of days in the taxation year before January 1, 1993 Number of days in the taxation year			
Amount B	_____	X	_____	X 5%	_____	(D)
			Number of days in the taxation year after December 31, 1992 Number of days in the taxation year			
Newfoundland corporate tax reduction Total of amounts C and D					_____	(E)

Enter amount E on line 669 of Schedule T2S-TC.

Certification

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

I, _____, certify that the information given on this form is, to the best of my knowledge, correct and complete.
(Please print)

Date	Signature of authorized person	Position or office
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