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NOVA SCOTIA CORPORATE TAX REDUCTION FOR NEW SMALL BUSINESSES (1998 and later taxation years)

Name of corporation	Business Number	Taxation year end		
		Year	Month	Day
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- . The Nova Scotia corporate tax reduction for a new small business applies to the first three taxation years of a qualifying Canadian-controlled private corporation (CCPC) incorporated in Nova Scotia. A CCPC not incorporated in Nova Scotia may also be eligible for the reduction provided the head office of the corporation is located in Nova Scotia and at least 25% of the wages and salaries paid by the corporation in the taxation year are paid to employees who are resident in Nova Scotia.
- The Nova Scotia Department of Finance administers the eligibility requirements. Corporations claiming the reduction have to apply annually to the Nova Scotia Minister of Finance for a certificate of eligibility.
- The reduction is not available for the taxation year if, before incorporation, the same or substantially the same business was carried on as a sole proprietorship, partnership, or corporation, whether registered or not. However, when a sole proprietorship or partnership carried on the same or substantially the same business for 90 days or less before incorporation, the corporation may apply to the Minister for a certificate of eligibility.
- This reduction is only available to a corporation that qualifies for the federal small business deduction for the year, and maintained a permanent establishment in Nova Scotia at any time during the year.
- . The reduction is not available to any corporation that was associated with another corporation at any time since the date of incorporation. However, associated corporations may have their ineligibility waived by the Nova Scotia Minister of Finance.
- The tax reduction is based on the portion of an eligible corporation's taxable income earned in the year in Nova Scotia.
- This schedule is a worksheet only and is not required to be filed with your T2 Corporation Income Tax Return. Enter amount C from this schedule, and the certificate number issued by the province, on Schedule 5.

	Calculation of the Nova Scotia corporate tax reduction for new small businesses	
	lines 400, 405, 410, and 425 of the small business page 3 of the T2 return	Α
Amount A	X Taxable income earned in Nova Scotia =	В
Nova Scotia corporate t	tax reduction – 5% of amount B	C
	Enter amount C on line 556 in Part 2 of Schedule 5.	
* Includes the territories, I	Nova Scotia and Newfoundland offshore.	
T2 SCH 341 E (99)	(Vous pouvez obtenir ce formulaire en francais à www.arc.oc.ca ou au 1-800-959-3376 .)	Canadä

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