

**NOVA SCOTIA TAX ON LARGE CORPORATIONS (2004 and later taxation years)**

Name of corporation	Business Number	Taxation year-end
		Year      Month      Day

- For use by corporations with a permanent establishment (as defined in the federal *Income Tax Regulations*) in the province of Nova Scotia that are liable to pay tax on their taxable capital, for taxation years ending after March 31, 1997, and starting before April 1, 2006.
- The Nova Scotia tax on large corporations will apply to most large corporations including insurance companies, except financial institutions as defined in Part III of the Nova Scotia *Income Tax Act*. Financial institutions include banks, trust companies, and credit unions.
- Corporations exempt from federal Part I.3 tax, in accordance with subsection 181.1(3), are also exempt from Nova Scotia tax on large corporations.
- You have to complete Schedule 33, 34, or 35, whichever applies, in order to complete this schedule. File completed copies of these two schedules with the *T2 Corporation Income Tax Return* within six months of the end of the taxation year.

**Part 1 – Calculation of Nova Scotia taxable capital**

Taxable capital employed in Canada (enter the amount from line 590, 690, or 790, whichever is applicable, of Schedule 33, 34, or 35) ..... **A**

**Deduct:** capital deduction claimed for the year ..... **120** ..... **B**  
(Enter \$5,000,000 or, for related corporations, the amount allocated on Schedule 343. Enter "0" if the amount at line A above, for the corporation and any related corporations, is \$10,000,000 or more.)

**Net taxable capital for the year** (if negative, enter "0") ..... **C**

If the corporation has a permanent establishment only in Nova Scotia, enter amount from line C on line G. Otherwise, complete the following:

Line 107 plus line 108 of Schedule 5 ..... = ..... % **D**  
Line 129 minus line 127 of Schedule 5

Line 147 plus line 148 of Schedule 5 ..... = ..... % **E \***  
Line 169 minus line 167 of Schedule 5

Add percentages D and E ..... % x 1/2 \*\* = ..... % **F**

Amount C ..... x Percentage on line F ..... % = **Nova Scotia taxable capital for the year** **130** ..... **G**

\* For an airline corporation, multiply the percentage E by 3.

\*\* If either line 129 or 169 of schedule 5 is blank or zero, do not multiply by 1/2. For ship operators, do not multiply by 1/2. For airlines, multiply by 1/4.

**Part 2 – Calculation of Nova Scotia tax on large corporations**

Is amount A plus the taxable capital for the year for all related corporations less than \$10,000,000? ..... **135** 1 Yes  2 No

If the answer is Yes at line 135, complete the following:

Amount G ..... x  $\frac{\text{Number of days in the taxation year before April 1, 2004}}{\text{Number of days in the taxation year}}$  ..... x 0.5% = ..... **H**

Amount G ..... x  $\frac{\text{Number of days in the taxation year after March 31, 2004}}{\text{Number of days in the taxation year}}$  ..... x 0.6% = ..... **I**

Subtotal (amount H plus amount I) ..... **J**

If the answer is No at line 135, complete the following:

Amount G ..... x  $\frac{\text{Number of days in the taxation year before April 1, 2004}}{\text{Number of days in the taxation year}}$  ..... x 0.25% = ..... **K**

Amount G ..... x  $\frac{\text{Number of days in the taxation year after March 31, 2004}}{\text{Number of days in the taxation year}}$  ..... x 0.3% = ..... **L**

Subtotal (amount K plus amount L) ..... **M**

**For a taxation year that straddles April 1, 2006:**

Amount J or M, whichever applies ..... x  $\frac{\text{Number of days in the taxation year before April 1, 2006}}{\text{Number of days in the taxation year}}$  = ..... **N**

**Nova Scotia tax on large corporations** – enter amount J, M, or N, whichever applies ..... x  $\frac{\text{Number of days in the taxation year}^*}{365}$  = **150** ..... **O**

Enter amount O on line 765 on page 8 of the T2 return. Amount O may be deducted in calculating net income for federal income tax purposes.

\* Only complete the proration if the taxation year is less than 51 weeks.