



**ONTARIO CORPORATE MINIMUM TAX
(2009 and later tax years)**

Name of corporation	Business Number	Tax year-end Year Month Day
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- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 56 of the *Taxation Act, 2007* (Ontario).
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the year is still required to file this schedule if it is deducting a CMT credit or it has a CMT credit carryforward, a CMT loss carryforward, or a current year CMT loss.
- A corporation that has special additional tax on life insurance corporations (SAT) payable in the year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
 - 1) a corporation exempt from income tax as per section 149 of the federal *Income Tax Act*;
 - 2) a mortgage investment corporation as per section 130.1 of the federal Act;
 - 3) a deposit insurance corporation as per section 137.1 of the federal Act;
 - 4) a congregation or business agency as per section 143 of the federal Act;
 - 5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
 - 6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

The corporation is subject to CMT if the total assets exceed \$5,000,000 or the total revenue exceeds \$10,000,000.

Total assets of the corporation *	112	_____
Share of total assets from partnership(s) and joint venture(s) **	114	_____
Total assets of associated corporations (amount from line 450 on Schedule 511, <i>Ontario Corporate Minimum Tax – Total Assets and Revenue for Associated Corporations</i>)	116	_____
Total assets (total of lines 112 to 116)		=====
Total revenue of the corporation ***	142	_____
Share of total revenue from partnership(s) and joint venture(s) ***	144	_____
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	_____
Total revenue (total of lines 142 to 146)		=====

- * Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- ** Add the proportionate share of the assets of the partnership(s) and joint venture(s) and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- *** **Rules for total revenue**
- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
 - If the tax year is less than 51 weeks, **multiply** the total revenue by 365 and **divide** by the number of days in the tax year.
 - If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

Part 2 – Calculation of adjusted net income/loss for CMT purposes

Net income/loss per financial statements * **210** _____

Add (to the extent reflected in income/loss):

Provision for current income taxes/cost of current income taxes **220** _____
 Provision for deferred income taxes (debits)/cost of future income taxes **222** _____
 Equity losses from corporations **224** _____
 Financial statement loss from partnerships and joint ventures **226** _____
 Dividends paid/payable to shareholders (other than dividends paid by credit unions) **230** _____

Other additions:

Share of adjusted net income of partnerships and joint ventures **228** _____
 Total patronage dividends received, not already included in net income/loss **232** _____

281 _____ **282** _____
283 _____ **284** _____

Subtotal **▶** _____ **A**

Deduct (to the extent reflected in income/loss):

Provision for recovery of current income taxes/benefit of current income taxes **320** _____
 Provision for deferred income taxes (credits)/benefit of future income taxes **322** _____
 Equity income from corporations **324** _____
 Financial statement income from partnerships and joint ventures **326** _____
 Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act **330** _____

Dividends not taxable under section 83 of the federal Act (from Schedule 3, *Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation*) **332** _____

Gain on donation of listed security or ecological gift **340** _____

Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ** **342** _____

Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act *** **344** _____

Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act **** **346** _____

Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act **348** _____

Other deductions:

Share of adjusted net loss of partnerships and joint ventures **328** _____
 Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3 **334** _____

Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss **336** _____

Patronage dividends paid (from Schedule 16, *Patronage Dividend Deduction*) not already included in net income/loss **338** _____

381 _____ **382** _____
383 _____ **384** _____

385 _____ **386** _____

387 _____ **388** _____

389 _____ **390** _____

Subtotal **▶** _____ **B**

Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B) **490** _____

If the amount on line 490 is positive, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

* **Rules for net income/loss**

- Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.
- Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.
- Other corporations must report net income/loss in accordance with generally accepted accounting principles, adjusted so consolidation and equity methods are not used.
- Corporations, other than insurance corporations, should report net income from line 9999 of the GIF (Schedule 125) on line 210.
- Corporations that have included the equity method of accounting in net income/loss on line 210 should remove equity losses from corporations on line 224 and equity income from corporations on line 324.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

– A corporation's share in a partnership is determined under paragraph 54(5)(b) of the *Taxation Act, 2007*(Ontario) and, if the partnership had no income or loss, is calculated as if the partnership's income were \$1 million. For a corporation with an indirect interest in a partnership, determine the corporation's share according to paragraph 54(5)(c) of the *Taxation Act, 2007*(Ontario).

- ** A joint election will be considered made under subsection 60(1) of the *Taxation Act, 2007* (Ontario) if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.
- *** A joint election will be considered made under subsection 60(2) of the *Taxation Act, 2007* (Ontario) if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.
- **** A joint election will be considered made under subsection 61(1) of the *Taxation Act, 2007* (Ontario) if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – Calculation of CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2)	515	
Deduct:		
CMT loss available (amount R from Part 7)		
Minus: Adjustment for an acquisition of control *	518	
Adjusted CMT loss available	▶	C
Net income subject to CMT calculation (if negative, enter "0")	520	
Gross CMT: line 520 × OAF ** × 4%		540 _____
Deduct:		
Foreign tax credit for CMT purposes ***		550 _____
CMT after foreign tax credit deduction (line 540 minus line 550) (if negative, enter "0")		D _____
Deduct:		
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5, <i>Tax Calculation Supplementary – Corporations</i>)		E _____
Net CMT payable (if negative, enter "0")		E _____
Enter amount E on line 278 of Schedule 5 and complete Part 4.		

- * Portion of CMT loss available that exceeds the adjusted net income for the tax year from business(es) continued from before the acquisition of control. See subsection 58(3) of the *Taxation Act, 2007* (Ontario).
- *** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21, *Federal and Provincial or Territorial Foreign Income Tax Credits and Federal Logging Tax Credit*, on line 550.

**** Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income ****		=	
Taxable income *****			
Ontario allocation factor			F _____

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were \$1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000."

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year * G

Deduct:

CMT credit expired * **600** _____

CMT credit carryforward at the beginning of the current tax year * (see note below) **620** _____

Add:

CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below) **650** _____

CMT credit available for the tax year (amount on line 620 **plus** amount on line 650) H

Deduct:

CMT credit deducted in the current tax year (amount P from Part 5) I

Subtotal (amount H **minus** amount I) J

Add:

Net CMT payable (amount E from Part 3) _____

SAT payable (amount O from Part 6 of Schedule 512, *Ontario Special Additional Tax on Life Insurance Corporations (SAT)*) _____

Subtotal K

CMT credit carryforward at the end of the tax year (amount J **plus** amount K) **670** _____ L

* For the first tax year that includes days in 2009:

- do not enter an amount on line G or line 600.
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)* for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4) M

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) _____

CMT after foreign tax credit deduction (amount D from Part 3) 1 _____

Gross SAT (line 460 from Part 6 of Schedule 512) 2 _____

Deduct: The greater of amounts 1 and 2: _____

Subtotal (if negative, enter "0") N

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) _____

Deduct:

Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5) _____

Subtotal (if negative, enter "0") O

CMT credit deducted in the current tax year (least of amounts M, N, and O) P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? **675** 1 Yes 2 No

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the *Taxation Act, 2007* (Ontario).

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if you are reporting a CMT credit carryforward at the beginning of the tax year on line 620, or a CMT credit carryforward transferred on an amalgamation or the windup of a subsidiary on line 650. For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * Q

Deduct:

CMT loss expired * 700

CMT loss carryforward at the beginning of the tax year * (see note below) 720

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) 750

CMT loss available (line 720 plus line 750) R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 515 and line C in Part 3) S

Subtotal (if negative, enter "0")

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if negative) 760

CMT loss carryforward balance at the end of the tax year (amount S plus line 760) 770 T

* For the first tax year that includes days in 2009:
 – do not enter an amount on line Q or line 700.
 – for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)* for the last tax year that ended in 2008.
 For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not transfer a loss on a vertical amalgamation under subsection 87(2.11) of the federal Act or other amalgamation of a parent and its subsidiary.
Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if you are reporting a CMT loss carryforward at the beginning of the tax year on line 720 or a CMT loss transferred on an amalgamation on line 750. For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Year of origin	Balance earned in a tax year ending before March 24, 2007 *	Balance earned in a tax year ending after March 23, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 24, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 10 tax years that ended after March 23, 2007, and has not been deducted.

*** The total of these 2 columns must equal the total of the amounts entered on lines 720 and 750.