



PART I.3 TAX RETURN - TAX ON LARGE FINANCIAL INSTITUTIONS

Name of corporation	Account Number	Taxation year-end Day Month Year
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- This return is to be used for 1992 and subsequent taxation years by financial institutions (other than insurance corporations) that have Part I.3 tax payable before the deduction for surtax credits.
- Form T2148 Rev. 91 continues to apply to taxation years ending after June, 1989 but before 1992.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 in respect of its capital, investment allowance, taxable capital or taxable capital employed in Canada or in respect of a partnership in which it has an interest.
- Subsection 181(1) defines the terms "financial institution", "long-term debt" and "reserves".
- No Part I.3 tax is payable for a taxation year by a corporation that was:
 - 1) a non-resident owned investment corporation throughout the year, or
 - 2) a bankrupt (as defined by subsection 128(3)) at the end of the year, or
 - 3) throughout the year a deposit insurance corporation as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1), or
 - 4) throughout the year exempt from tax under section 149 on all of its taxable income, or
 - 5) neither resident in Canada nor carried on business through a permanent establishment in Canada at any time in the year, or
 - 6) throughout the year a corporation described in subsection 136(2) the principal business of which was marketing (including processing incidental to or connected therewith) natural products belonging to or acquired from its members or customers.
- Parts, sections, subsections and paragraphs referred to in this return are those of the *Income Tax Act*.
- **File the completed T2148 with the T2 Corporation Income Tax Return - Form T2 - within six months from the end of the taxation year.**

CALCULATION OF PART I.3 TAX

Complete the following calculation, using the amounts determined on the next pages of this return:

Taxable Capital Employed in Canada for the year (Amount 965)	900	\$ _____
Deduct: Capital Deduction claimed for the year (Enter \$10,000,000 or, for related corporations, the amount allocated on form T2150)	901	\$ _____
Excess (See Note)	913	\$ _____
PART I.3 TAX:		
(.002) X Amount 913 \$ _____	A	\$ _____

Note: If there is no excess, do not file this return.

OR

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

Amount **A** \$ _____ x $\frac{\text{Number of days in the year ()}}{365}$ = **B** \$ _____

Gross Part I.3 Tax (Amount A or B, whichever is applicable)	375	\$ _____
Deduct:		
Surtax Credits Applied:		
Current Year Surtax credit (amount D from page 3) _____		\$ _____
Unused Surtax credit carried forward from Form T962 _____		\$ _____
Total (cannot exceed amount K on page 3)	905	\$ _____
Net Part I.3 Tax Payable (Enter this amount at line 130 on page 6 of your T2 return)		\$ _____

Complete all areas below to determine the amounts for the Calculation of Part I.3 Tax on page 1.

CAPITAL

Reserves that were not deducted in computing income under Part I for the year \$ _____

Add the following amounts as at the end of the year:

 Long-term debt _____

 Capital stock (see Note below) _____

 Retained earnings _____

 Contributed surplus _____

 Any other surpluses _____

 Total \$ _____ ▶ \$ _____

Deduct:

 Any amount deducted under subsection 130.1(1) or 137(2) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of the amounts determined above \$ _____

 Deferred tax debit balance at the end of the year _____

 Any deficit deducted in computing shareholders' equity at the end of the year _____

 Total deductions \$ _____ ▶ _____

Capital for the year **931** \$ _____

Note: In the case of an institution incorporated without share capital, enter the amount of its members' contributions.

INVESTMENT ALLOWANCE

To be completed by a financial institution that was resident in Canada throughout the year or at any time in the year.

Add the carrying value at the end of the year of the following assets of the financial institution:

 All shares of the capital stock of related financial institutions \$ _____

 All long-term debts of related financial institutions _____

Investment allowance for the year **942** \$ _____

In any other case the Investment Allowance is NIL.

- Notes:
- (1) A share of the capital stock or long-term debt of another financial institution that is exempt from Part I.3 tax is to be excluded from the carrying value of any asset determined above.
 - (2) Where a credit union is a shareholder or member of another credit union, the two credit unions shall be deemed to be related to each other.

TAXABLE CAPITAL

Capital for the year (Amount **931**) **902** \$ _____

Deduct: Investment Allowance for the year (Amount **942**) **903** _____

Taxable Capital for the taxation year **351** \$ _____

TAXABLE CAPITAL EMPLOYED IN CANADA

The total of all amounts each of which is the carrying value at the end of the year of an asset of the financial institution (other than property held by the institution primarily for the purpose of resale that was acquired by the financial institution, in the year or the preceding year, as a consequence of another person's default in respect of a debt owed to the institution) that is tangible property used in Canada. **904** _____

Add:

Where the financial institution has an interest in a partnership at the end of the year, the proportion of the total of all amounts each of which is the carrying value of an asset of the partnership, that is tangible property used in Canada, at the end of its fiscal period ending at or before the end of the year, that the financial institution's share of the partnership's income or loss is of the partnership's income or loss for that period _____

Taxable capital for the year (Amount **351**) \$ _____ x Canadian assets at year end \$ _____ = Total assets at year end \$ _____ **350** _____

Taxable Capital Employed in Canada **965** \$ _____

(Enter on Page 1)

CALCULATION OF CURRENT YEAR SURTAX CREDITS

- For 1992 and subsequent taxation years, corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable. This is called Surtax credit.
- Financial Institutions can also apply the Surtax credit against their Part VI tax but only after applying the maximum amount against Part I.3 tax.
- Any Unused Surtax credit can be carried back three years or carried forward seven years but never to a taxation year ending before 1992. The Unused Surtax credits must be applied in order of the oldest first.

Current Year Surtax Credit equals Current Year Canadian Surtax Payable

Canadian Surtax Payable:

For a financial institution that was throughout the year not resident in Canada, line 209 from the T2 Return D

In any other case,

Line 209 from your T2 Return $\times \frac{\text{Line 350 (from page 2)}}{\text{Line 351 (from page 2)}} =$ D

Please note, amount D cannot exceed the corporation's tax payable under Part I for the year as calculated without reference to subsections 125.3(1) and 125.2(1) (amount N from page 5 on form T2044(E)).

CALCULATION OF PART I.3 TAX CREDIT AVAILABLE FOR CARRY-FORWARD OR CARRY-BACK

Amount D _____

Less Part I.3 tax before deducting surtax credits (from Line 375 on page 1) E

Net Amount F

If amount F is positive: This excess may be used to reduce Part VI tax payable to the extent that the Part VI tax payable exceeds Part I tax credits on page 1 of form T2044(E) G

If amount F is negative: Amount of Part I.3 tax credits from the current year that can be carried back to taxation years prior to 1992 to reduce Canadian Surtax payable in that year.

Note: This also represents the amount of unused surtax credit, for 1992 and subsequent taxation years, that may be carried forward (from prior years) to reduce Part I.3 tax payable in the current year. If an amount is carried forward, complete box 2 on form T962 H

Part I tax before deducting Part VI tax credits and Part I.3 tax credits (Amount N from page 5 on form T2044) _____

Less the total of:

Amount E above _____

Part VI tax before deducting tax credits (Amount M from page 1 of form T2044) I

Net Amount J

Lesser of Amounts G and I. This represents the maximum amount of Part I.3 tax credit that may be carried forward from tax years prior to 1992 and applied this year to reduce Canadian Surtax Payable (Refer to box 1 on form T962 for Unused Part I.3 tax credit Balance) J

Note: The portion of Amount J carried forward should be entered at line 226 of the T2 return.

MAXIMUM SURTAX CREDITS THAT MAY BE CLAIMED

Amount E _____

Less: Part I.3 tax credits carried back (cannot exceed amount H above) **377** _____

Maximum Claim K

CALCULATION OF CURRENT YEAR UNUSED SURTAX CREDIT

Amount F (if positive) \$ _____

Less: Part I.3 tax credits claimed (carried forward from taxation years prior to 1992, see amount J above) _____

Net amount L

Amount WW from page 5 of form T2044 _____

Less the total of: Amount M from page 1 of form T2044(E) _____

Amount E above _____

Net Amount M

Current Year Unused Surtax Credit, the lesser of amounts L and M. Enter on form T962 N

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