



PART I.3 TAX RETURN – TAX ON LARGE INSURANCE CORPORATIONS

For Departmental Use Only

- This return is to be used for taxation years ending after June, 1989, by an insurance corporation with taxable capital employed in Canada in excess of \$10 million that is liable to pay tax under Part I.3.
- The basis for determining 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, is provided in subsection 181(3).
- The terms "financial institution", "long-term debt" and "reserves" are defined in subsection 181(1).

Name of Corporation (Print)					
Address	Corporation Account Number <table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> </tr> </table>				
Taxation Year of the Corporation for the Period From _____ 19 ____ To _____ 19 ____	District Taxation Office				
Person to Contact for Additional Information	Area Code Telephone Number				

- No tax is payable under this Part for a taxation year by a corporation that was a non-resident-owned investment corporation throughout the year, or was a bankrupt (as defined by subsection 128(3)) at the end of the year, or was throughout the year a deposit insurance corporation as defined by subsection 137.1(5) or deemed to be such a corporation by subsection 137.1(5.1), or was throughout the year exempt from tax under section 149 on all of its taxable income, or was neither resident in Canada nor carried on business through a permanent establishment in Canada at any time in the year.
- Parts, sections, subsections, paragraphs and subparagraphs referred to in this return are those of the Income Tax Act.
- The completed return is to be filed at the Taxation Centre where the Corporation Income Tax Return (Form T2) is filed, within six months from the end of its taxation year, SEPARATELY FROM ANY OTHER RETURN (you may put it in the same envelope with another return, but do not insert in nor attach to the return).

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CALCULATION OF PART I.3 TAX

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

Taxable capital employed in Canada for the year (Amount 980 or 984 or 985 whichever is applicable)	900	\$	
Deduct: Capital Deduction claimed for the year (Amount 990)	901		
Excess (see Note)	902	\$	
Part I.3 Tax: (.00175) * X Amount 902 \$ _____ =	903	\$	
*((.002) for 1991 and subsequent taxation years)			

Note: If there is no excess, this return is not required to be filed.

OR

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

Amount 903 \$ _____ X $\frac{\text{Number of days in the year}}{365}$ **904** = **905** \$ _____

OR

Where the taxation year of a corporation commences before July, 1989, the amount of tax is calculated as follows:

Amount 903* \$ _____ X $\frac{\text{Number of days after June, 1989}}{\text{Number of days in the year}}$ **906** = **908** \$ _____

* or amount 905, if applicable.

OR

Where the taxation year of a corporation commences before 1991 and ends after 1990, the tax payable is calculated as follows:

Amount 903* \$ _____

Deduct:

Amount 903* \$ _____ X $\frac{1}{8}$ X $\frac{\text{Number of days before 1991}}{\text{Number of days in the year}}$ **909** = **911** _____

910

Difference **912** \$ _____

* or amount 905, if applicable.

Tax payable for the year (Amount 903, 905, 908 or 912, whichever is applicable)	913	\$	
Deduct: Instalments paid	914		

_____ Balance Unpaid Refund Balance \$ _____

Payment on filing

CAPITAL

CANADIAN RESIDENT CORPORATION THAT CARRIED ON A LIFE INSURANCE BUSINESS

To be completed by an insurance corporation that was resident in Canada and carried on a life insurance business at any time in the year.

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

Long-term debt	915	\$ _____
Capital stock (see Note below)	916	_____
Retained earnings	917	_____
Contributed surplus	918	_____
Any other surpluses	919	_____
Total	920	\$ _____ ▶ \$ _____

Deduct:

Deferred tax debit balance at the end of the year	921	\$ _____
Any deficit deducted in computing the shareholders' equity at the end of the year	922	_____
Total deductions	923	\$ _____ ▶ _____

Capital for the year **924** \$ _____

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

OR

CANADIAN RESIDENT CORPORATION THAT DID NOT CARRY ON A LIFE INSURANCE BUSINESS

To be completed by an insurance corporation that was resident in Canada at any time in the year and throughout the year did not carry on a life insurance business.

Reserves that were not deducted in computing income under Part I for the year **930** \$ _____

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

Long-term debt	931	_____
Capital stock (see Note below)	932	_____
Retained earnings	933	_____
Contributed surplus	934	_____
Any other surpluses	935	_____
Total	936	\$ _____ ▶ \$ _____

Deduct:

Deferred tax debit balance at the end of the year	937	\$ _____
Any deficit deducted in computing the shareholders' equity at the end of the year	938	_____
Total deductions	939	\$ _____ ▶ _____

Capital for the year **940** \$ _____

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

OR

NON-RESIDENT CORPORATION THAT CARRIED ON AN INSURANCE BUSINESS

To be completed by an insurance corporation that was throughout the year not resident in Canada and carried on an insurance business in Canada at any time in the year.

The total of the following amounts at the end of the year:

The greater of surplus funds derived from operations (within the meaning assigned by paragraph 138(12)(o)) and the attributed surplus for the year	945	\$ _____
Any other surpluses relating to insurance businesses carried on in Canada	946	_____
Long-term debt that may reasonably be regarded as relating to insurance businesses carried on in Canada	947	_____
Subtotal	948	\$ _____ ▶ \$ _____

Add the difference, if any, between the following:

Reserves for the year (other than reserves for amounts payable out of segregated funds) that may reasonably be regarded as having been established in respect of insurance businesses carried on in Canada **949** \$ _____

Deduct:

The total of each reserve (other than a reserve described in subparagraph 138(3)(a)(i)) that was included in the amount determined in **949** above and was deducted in computing income under Part I for the year **950** \$ _____

The total of each reserve described in subparagraph 138(3)(a)(i) that was included in the amount determined in **949** above and was deductible under subparagraph 138(3)(a)(i) in computing income under Part I for the year **951** _____

The total of each amount outstanding (including any accrued interest) as at the end of the year in respect of a policy loan (within the meaning of paragraph 138(12)(k.1)) made by the corporation that was deducted in computing the amount determined in **951** above **952** _____

Total deductions **953** \$ _____ ▶ _____

Difference (**949** - **953**) (if negative, enter zero) **954** \$ _____ ▶ _____

Capital for the year (**948** + **954**) **955** \$ _____

INVESTMENT ALLOWANCE

Add the carrying value at the end of the year of the following assets of the insurance corporation that are non-segregated properties within the meaning assigned by paragraph 138(12)(j):

All shares of the capital stock of related financial institutions (including related insurance corporations)	960	\$ _____
All long-term debts of related financial institutions (including related insurance corporations)	961	\$ _____
Investment allowance for the year	962	\$ _____

Notes: (1) A share of the capital stock or long-term debt of another financial institution (including another insurance corporation) that is exempt from Part I.3 Tax is to be excluded from the value of any asset determined above.
 (2) In the case of a non-resident corporation, include only those assets used or held by it in the year in the course of carrying on an insurance business in Canada.

TAXABLE CAPITAL

Capital for the year (Amount 924 or 940 or 955 , whichever is applicable)	\$ _____
Deduct: Investment Allowance for the year (Amount 962)	_____
Taxable Capital for the taxation year	965 \$ _____

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 that is tangible property used in Canada and that is non-segregated property within the meaning assigned by paragraph 138(12)(j)	966	\$ _____
Add: Where the insurance corporation 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 insurance corporation's share of the partnership's income or loss is of the partnership's income or loss for that period	967	_____
Subtotal	968	\$ _____

CANADIAN RESIDENT CORPORATION THAT CARRIED ON A LIFE INSURANCE BUSINESS

To be completed by an insurance corporation that was resident in Canada and carried on a life insurance business, at any time in the year.
 Amount **968** from above

Taxable capital for the year (Amount 965) \$ _____	X	$\frac{\text{Canadian reserve liabilities at year end}}{\text{Total reserve liabilities at year end}}$	971 \$ _____	=	973 _____
			972 \$ _____		

Add the difference, if any, between the following:

Reserves for the year (other than reserves for amounts payable out of segregated funds) that may reasonably be regarded as having been established in respect of insurance businesses carried on in Canada

974 \$ _____

Deduct:

The total of each reserve (other than a reserve described in subparagraph 138(3)(a)(i)) that was included in the amount determined in **974** above and was deducted in computing income under Part I for the year

975 \$ _____

The total of each reserve described in subparagraph 138(3)(a)(i) that was included in the amount determined in **974** above and was deductible under subparagraph 138(3)(a)(i) in computing income under Part I for the year

976 _____

The total of each amount outstanding (including any accrued interest) as at the end of the year in respect of a policy loan (within the meaning of paragraph 138(12)(k.1)) made by the corporation that was deducted in computing the amount determined in **976** above

977 _____

Total Deductions (Amounts **975** + **976** + **977**)

978 \$ _____

Difference (Amount **974** less Amount **978**) (if negative, enter zero)

979 \$ _____

Taxable Capital Employed in Canada (Amounts **970** + **973** + **979**)

980 \$ _____

(Enter on page 1)

OR

CANADIAN RESIDENT CORPORATION THAT DID NOT CARRY ON A LIFE INSURANCE BUSINESS

To be completed by an insurance corporation that was resident in Canada at any time in the year and throughout the year did not carry on a life insurance business.
 Amount **968** from above

Add:

Taxable capital for the year (Amount 965) \$ _____	X	$\frac{\text{Canadian premiums for the year}}{\text{Total premiums for the year}}$	981 \$ _____	=	983 _____
			982 \$ _____		

Taxable Capital Employed in Canada

984 \$ _____

(Enter on page 1)

OR

NON-RESIDENT CORPORATION THAT CARRIED ON AN INSURANCE BUSINESS

To be completed by an insurance corporation that was throughout the year not resident in Canada and carried on an insurance business in Canada at any time in the year.
 Amount **968** from above

Add:

Taxable Capital for the year (Amount **965**)

Taxable Capital Employed in Canada

985 \$ _____

(Enter on page 1)

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

CAPITAL DEDUCTION

Was the corporation related to any other corporation at any time during the year? No Yes

If yes, has an agreement to allocate the capital deduction been made among the related corporations? No Yes

If such an agreement has been made and there is an excess at line 902 on page 1, Form T2150 (Agreement among related corporations – Part I.3 Tax) is required to be filed with this return.

CAPITAL DEDUCTION claimed by this corporation (maximum \$10,000,000) 990 \$ _____

Note: A Canadian-controlled private corporation is deemed to be related only to another corporation with which it is also associated, pursuant to subsection 181.5(7). (Enter on page 1)

INSTALMENTS

• Instalments on account of Part I.3 Tax are payable on or before the last day of each month in the year and any remainder on or before the day the corporation is required or would be required to pay the remainder of its tax payable under Part I, pursuant to paragraph 157(1)(b), as amended by paragraph 181.7(1)(b).

• The determination of instalments for a taxation year is to be based on the Part I.3 Tax that was payable (or that would have been payable had this tax been in force) in the preceding two taxation years. Instalment bases are defined in subsection 181.7(2).

Note: Where the immediately and/or second preceding taxation year ends before July 1989, the tax payable under Part I.3 is deemed to be the amount that would have been its tax payable if Part I.3 had applied in respect of that year and its capital deduction for that year were the same amount as its capital deduction for the first taxation year ending after June 1989.

• Please provide the amounts of this tax payable (or that would have been payable) as follows:

For the immediately preceding taxation year commencing on

_____ 19 _____ and ending on _____ 19 _____ \$ _____

For the second preceding taxation year commencing on

_____ 19 _____ and ending on _____ 19 _____ \$ _____

Documentation relating to the calculation of tax payable declared above need not be filed with the return but must be retained as it may be requested for examination at a later date.

• Attach a cheque or money order payable to the Receiver General. Specify "T2149(E)" on the remittance and indicate the name, account number and taxation year of the corporation whose account is to be credited.

CERTIFICATION

IT IS HEREBY CERTIFIED THAT the information given in this return is true, correct and complete in every respect.

_____ Date

_____ Signature of Authorized Officer

_____ Position