



PART XII TAX RETURN – TAX ON PAYMENTS TO THE CROWN BY A TAX-EXEMPT PERSON

For use by a person (other than a prescribed person) who is exempt from tax under Part I of the *Income Tax Act* and is subject to Part XII tax. Part XII tax is in respect of certain Crown royalties, taxes, and lease rentals paid by that person and a royalty paid or distributed by that person to any other person out of income attributable to production from a Canadian resource property.

Do not use this area

Name of person (print)						Business Number or Social insurance number											
Address						Postal code											
Taxation year for the period from		Year		Month		Day		to		Year		Month		Day		Tax services office	
Name of person to contact for more information						Area code			Telephone number								

File one completed return with remittance not later than 3 months after the end of the taxation year, at the tax centre serving the area in which the person resides.

If this return is filed after the due date, penalties will apply.

Part XII tax payable from page 2 (1)

Make cheque or money order payable to the Receiver General. Specify on the remittance form the following: "T2026" and indicate the name, social insurance number or if a corporation, the Business Number, and the taxation year of the person or corporation whose account is to be credited.

Amount enclosed

Do not use this area

Daily compound interest at a prescribed rate will apply to unpaid taxes including late-filing penalties.

Certification

I, _____ certify that the information given in this return and in any attached documents is, to the best of my knowledge, true, correct, and complete.

Signature of trustee, authorized officer, or individual

Position or office

Date

Calculation of Part XII tax payable

1. Amounts for the property, each of which is:
- an amount that became receivable in the year* and was required by paragraph 12(1)(o) to be included in computing income _____
 - an amount that was paid or became payable in the year* and was not deductible under paragraph 18(1)(l.1) or (m) _____
 - an amount by which proceeds of disposition were increased under subsection 69(6) in the year* _____
 - an amount by which cost of acquisition was decreased under subsection 69(7) in the year* _____
- Total** **A**

2. Amounts, other than paragraph 18(1)(l.1) or (m) amounts, that were paid, payable, distributed, or distributable by the person to another person whose taxable income is not exempt from tax under Part I or to another person whose taxable income is exempt from tax under Part I where the amounts were paid, payable, distributed, or distributable as part of a transaction or event or series of transactions or events to which any person whose taxable income is not exempt from tax under Part I was a party, in respect of any production from a Canadian resource property of petroleum, natural gas, or other related hydrocarbons or of metals or minerals to any stage that is not beyond the specified stage** or in respect of any revenue or income that may reasonably be regarded as attributable to such production. **C**

3. The income of the person from the property for the year from the production of petroleum, natural gas, or other related hydrocarbons or of metals or minerals to any stage that is not beyond the specified stage** computed in accordance with Part I on the assumption that the property was the person's only source of income and that the person was allowed only those deductions in computing the income from the property (other than a deduction under section 65 or paragraph 20(1)(v.1) that may reasonably be regarded as applicable to the income from the property. **D**

4. Calculation of amount B using the amounts entered for A, C and D above, complete the following formula:

$$A \times \frac{C}{D + C - A} = B$$

 B

5. Part XII tax payable – 33 1/3%*** of the lesser of amounts A and B above (enter this amount on line 1 of page 1)

* "In the year " shall be read as a reference to "after December 31, 1989 and in the year" (with respect to a property acquired before December 12, 1979.)

** "Specified stage" (applicable to 1997 and subsequent years) is defined as:

- for petroleum or related hydrocarbons (other than natural gas) crude oil stage or its equivalent
- for natural gas the stage of natural gas that is acceptable to a common carrier of natural gas
- for metal or minerals (other than iron, sulphur or petroleum or related hydrocarbons) the prime metal stage or its equivalent
- for iron the pellet stage or its equivalent
- for sulphur the marketable sulphur stage

*** 33 1/3% shall be read as 25% with respect to property acquired before December 12, 1979.