

- Enter the applicable taxation year in the box above. **Attach a completed copy of this schedule to the trust's return.**
- All references to "the guide" are to the *T3 Trust Guide*.

**Part A – Calculating Part XII.2 tax and the refundable Part XII.2 tax credit**

- Part XII.2 tax does not apply to testamentary trusts, mutual fund trusts, or most trusts exempt from tax under Part I. For a complete list of trusts to which Part XII.2 tax does not apply, and for more information on completing this schedule, see Chapter 3 in the guide.
- Part XII.2 tax is calculated on income allocated by trusts to designated beneficiaries where the trust has specified income.
- We define **designated beneficiary** and **specified income** in the guide, under "Schedule 10 – Part XII.2 Tax and Part XIII Non-Resident Withholding Tax."
- Part XII.2 tax is due no later than 90 days after the trust's taxation year-end. Trustees are personally liable for any Part XII.2 tax not paid by the due date.
- Eligible beneficiaries will receive a refundable tax credit for Part XII.2 tax that the trust paid.

**Specified income**

Net business income (loss) from businesses carried on in Canada (lines 06 to 08 of the return)	10010 ●			1
Net income (loss) from real properties (land and buildings) located in Canada (line 09 of the return)	10020 ●	+		2
Net income (loss) from timber resource properties	10030 ●	+		3
Net income (loss) from Canadian resource properties the trust acquired after 1971	10040 ●	+		4
Taxable capital gains and allowable capital losses from the disposition of certain properties	10050 ●	+		5
<b>Total specified income</b> (add lines 1 to 5)		=		6

**Calculating Part XII.2 tax**

Amounts allocated and designated to beneficiaries other than by preferred beneficiary election

Resident beneficiaries (line 928, column 1 of Schedule 9)			7	
Non-resident beneficiaries (line 928, column 2 of Schedule 9)	+		8	
<b>Subtotal</b> (line 7 plus line 8)	=		▶	9
Taxable benefits (line 44 of the return)	-		▶	10
Adjusted amounts allocated and designated to beneficiaries (line 9 minus line 10)	=		▶	11
<b>Part XII.2 tax payable</b> (Line 6 or line 11, whichever is less, <input type="text"/> × 36%) =				12

Enter the amount from line 12 on line 83 of the return.

**Calculating Part XII.2 refundable tax credit for eligible beneficiaries**

Income allocated to designated beneficiaries	<input type="text"/>	×	Amount from	<input type="text"/>	=	<input type="text"/>	13
Divide by amount from line 11	<input type="text"/>		line 12				
<b>Part XII.2 refundable tax credit for eligible beneficiaries</b> (line 12 minus line 13)					=	<input type="text"/>	14

Enter the amount from line 14 on line 938 of Schedule 9, *Income Allocations and Designations to Beneficiaries*. If there is only one eligible beneficiary, enter the amount from line 14 in box 38 of that beneficiary's T3 slip (Part XII.2 tax credit). If there is more than one eligible beneficiary, see Schedule 10, Line 14, of the guide for instructions on how to calculate the box 38 amount for each eligible beneficiary.

Complete Part B on the other side if the trust is required to submit Part XIII non-resident withholding tax.

**Part B – Calculating Part XIII non-resident withholding tax**

Payer's remittance no.

NR									
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Total income paid or payable to non-resident beneficiaries (line 928, column 2 of Schedule 9)		15	
Adjustment for non-cash items included above (provide reconciliation) (if negative, enter in brackets) 10210 ● +		16	
Amounts paid or payable (line 15 plus line 16)	=		▶ 17
<b>Amounts not subject to Part XIII tax:</b>			
Total capital gains distributions of mutual fund trust (see Note below) 10230 ●		18	
Distributions by certain trusts established before 1949 10240 ● +		19	
Other (specify) 10250 ● +		20	
Amount from line 13 in Part A	+	21	
<b>Subtotal (add lines 18 to 21)</b>	=		▶ 22
Taxable Canadian property gains distributions for non-resident beneficiaries (see Note below)		+	22A
<b>Amount subject to non-resident tax</b> (subtract lines 17 and 22, then add line 22A)		=	23
<b>Non-resident tax payable</b> (Multiply the amount on line 23 by the appropriate rate of tax. This amount has to be the same as the amount reported on the NR4 Summary and the related NR4 slip(s))			
Amounts already remitted on Form NR-76, <i>Non-Resident Tax Statement of Account</i>		-	25
<b>Part XIII tax due</b> (line 24 minus line 25)		=	26

**Note:** Under proposed legislation, after March 22, 2004, if more than 5% of a mutual fund trust's capital gains distributions are designated to non-resident beneficiaries, the trust must do an additional calculation for line 18 and for line 22A. Enter the amount from line o on line 18 and the amount from line n on line 22A. To determine the trust's opening TCP gains balance at the beginning of the following year, complete lines p to s.

**Taxable Canadian property (TCP) gains balance for the mutual fund trust**

Trust's capital gains from dispositions of taxable Canadian property after March 22, 2004		a	
TCP gains distributions <b>received</b> by the trust after March 22, 2004	+		b
Line a plus line b	=		▶ c
Trust's capital losses from taxable Canadian property after March 22, 2004		-	d
<b>Mutual fund trust's TCP gains balance for the year</b> (line c minus line d). If negative, indicate the negative balance.		=	e

**Pro rata portion for non-resident beneficiaries**

Trust's TCP gains balance for the year (line e above). If negative, enter "0".			f
Taxable capital gains designated to non-resident beneficiaries for the taxation year		÷	g
Total taxable capital gains designated by the trust to <b>all</b> beneficiaries for the taxation year		=	h
Line g divided by line h		=	▶ x i
<b>Non-resident beneficiaries' pro rata portion</b> (line f multiplied by line i)		=	j

**Non-resident beneficiaries TCP gains distribution**

Amount from line g		x 2 =		▶ k
<b>Non-resident beneficiaries TCP gains distribution.</b> Enter the <b>lesser</b> of lines j and k.				l

**Capital gains distributions not subject to Part XIII tax**

Amount from line g			m
Amount from line l		x 1/2 =	
Enter the amount from line n on line 22A above.		-	n
<b>Capital gains distributions not subject to Part XIII tax</b> (line m minus line n)		=	▶ o

**Mutual fund trust's TCP gains balance at the end of the taxation year**

Trust's TCP gains balance for the year (line e above). If negative, indicate the negative balance.			p	
Amount from line h		x 2 =		▶ q
Total TCP gains distributions to all beneficiaries. Enter the <b>lesser</b> of lines p and q. If negative, enter "0".		-	r	
<b>Trust's TCP gains balance at the end of the taxation year</b> (line p minus line r). If negative, indicate the negative balance.		=	s	

Use this balance when determining the trust's TCP gains balance at the beginning of next year.