

SCHEDULE 10 - CALCULATION OF PART XII.2 TAX AND PART XIII NON-RESIDENT WITHHOLDING TAX

Part A. Calculation of Part XII.2 tax and 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.
- Part XII.2 tax is calculated on income distributions by trusts to **designated beneficiaries** (including non-residents) where a trust has **specified income**.
- Designated beneficiaries and specified income are discussed in the T3 guide, in the section called "Schedule 10, Calculation of 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 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 paid by the trust.

Specified income

Net business income (loss) from businesses carried on in Canada (from lines 06 to 08 on page 2 of the T3 return)		1001 •
Net income (loss) from real properties (land and buildings) located in Canada (from line 09 on page 2 of the T3 return)		1002 •
Net income (loss) from timber resource properties		1003 •
Net income (loss) from Canadian resource properties the trust acquired after 1971		1004 •
Taxable capital gains and allowable capital losses from the disposition of taxable Canadian property		1005 •
Total specified income (add lines 1001 to 1005)		1006

Calculation of Part XII.2 tax

Amount allocated or designated to beneficiaries other than under preferred beneficiary elections			
Resident beneficiaries (from line 928, column I of Schedule 9)		A	
Non-resident beneficiaries (from line 928, column II of Schedule 9)		B	
Subtotal (add lines A and B)			C
Taxable benefit amount from line 44 on page 2 of the T3 return			D
Adjusted amount allocated or designated to beneficiaries (line C minus line D)			1007

Part XII.2 tax (line 1006 or 1007, whichever amount is less) _____ X 36% = _____ 1008

Transfer the amount from line 1008 to line 83 on page 4 of the T3 return.

Calculation of Part XII.2 refundable tax credit for eligible beneficiaries

Income allocated to designated beneficiaries (from line 928, column II of Schedule 9)			
X Part XII.2 tax (from line 1008)			
Amount from line 1007 above			1009

Transfer the amount from line 1009 to line 1026 of Part B below.

Part XII.2 refundable tax credit for eligible beneficiaries (line 1008 minus line 1009) _____ 1010

Enter the appropriate line 1010 amount for each eligible beneficiary in box 38 of the T3 slip (Part XII.2 tax credit).

If there is more than one eligible beneficiary, the line 1010 amount has to be divided following the terms of the trust agreement (see T3 guide, line 1010).

Part B. Part XIII non-resident withholding tax

Payer's remittance no.

Total income paid or payable to non-resident beneficiaries (from line 928, column II of Schedule 9)		1020
Adjustment for non-cash items included above (provide reconciliation)		1021 •
Amounts paid or payable (add lines 1020 and 1021)		1022
Amounts not subject to Part XIII tax:		
Capital gains distributions of mutual fund trusts		1023 •
Distributions by certain trusts established before 1949		1024 •
Other (specify)		1025 •
Part XII.2 tax amount (from line 1009 above)		1026
Subtotal (add lines 1023 to 1026)		
Amount subject to non-resident tax (line 1022 minus line 1027)		1027
Non-resident tax payable		1028

Non-resident tax payable (Multiply the amount at line 1028 by the appropriate rate of tax. This amount has to be the same as the amount reported on the NR4B Summary and the related NR4B Supplementary forms)

Amounts previously remitted on Form NR-76, *Non-Resident Tax Remittance* _____ 1029

Balance owing for Part XIII tax (line 1029 minus line 1030 - remit with Form NR-76, and NR4B Summary and Supp.) _____ 1030

_____ 1031