



**PRINCE EDWARD ISLAND MANUFACTURING AND PROCESSING PROFITS TAX CREDIT
(1998 and later taxation years)**

Name of corporation	Business Number	<table style="width:100%; border-collapse: collapse;"> <tr> <td colspan="3" style="text-align: center; border-bottom: 1px solid black;">Taxation year end</td> </tr> <tr> <td style="border-bottom: 1px solid black; width: 33%; text-align: center;">Year</td> <td style="border-bottom: 1px solid black; width: 33%; text-align: center;">Month</td> <td style="border-bottom: 1px solid black; width: 33%; text-align: center;">Day</td> </tr> </table>	Taxation year end			Year	Month	Day
Taxation year end								
Year	Month	Day						

- For use by corporations that maintained a permanent establishment (as defined in Regulation 400 of the federal *Income Tax Regulations*) in Prince Edward Island at any time in the taxation year, and had:
 - taxable income earned in the taxation year in Prince Edward Island; and
 - Canadian manufacturing and processing profits, as defined in subsection 125.1(3) of the federal *Income Tax Act*, earned in the taxation year in Prince Edward Island.

- This schedule is a worksheet only and is not required to be filed with the *T2 Corporation Income Tax Return*.

Calculation of Prince Edward Island manufacturing and processing profits tax credit

Canadian manufacturing and processing profits for the year from line 200 in Part 9 of Schedule 27	_____		A
Deduct:			
The least of amounts on lines 400, 405, 410, and 425 of the small business deduction calculation on page 3 of the T2 return	_____		B
	=====	▶	===== C
Amount from line Y in Part 9 of Schedule 27	_____		D
Lesser of C and D _____ x $\frac{\text{Taxable income earned in Prince Edward Island}}{\text{Taxable income earned in all provinces *}}$	_____	=	===== E
Amount E _____ x $\frac{\text{Number of days in the taxation yearbefore July 1, 1997}}{\text{Number of days in the taxation year}}$	_____	x 7.5% =	_____ F
Amount E _____ x $\frac{\text{Number of days in the taxation yearafter June 30, 1997}}{\text{Number of days in the taxation year}}$	_____	x 8.5% =	_____ G
Prince Edward Island manufacturing and processing profits tax credit – Amount F plus amount G	_____		===== H

Enter amount H on line 529 of Schedule 5.

* Includes the territories, Nova Scotia and Newfoundland offshore.