



PRINCE EDWARD ISLAND SMALL BUSINESS DEDUCTION

Name of Corporation, Account Number, Taxation Year End (Day, Month, Year)

- For corporations which were a) Canadian - controlled private corporations throughout the taxation year and had income from an active business carried on in Canada of which a portion thereof was earned in Prince Edward Island and a Small Business Deduction under subsection 125(1) of the federal Income Tax Act was allowed or b) credit unions throughout the taxation year and an additional deduction under subsection 137(3) of the federal Income Tax Act was allowed.
One completed copy of this form is to be filed with the T2 Return.

CALCULATION OF PRINCE EDWARD ISLAND SMALL BUSINESS DEDUCTION

Least of amounts in lines 223, 225 and 227 per federal Small Business Deduction Calculation of the T2 Return

Plus: Amount on which a Credit Union is claiming an additional deduction under subsection 137(3) = (A)

Amount (A) X Taxable Income Earned in Prince Edward Island / Taxable Income Earned in all Provinces X 5% = (B)

ALLOWABLE DEDUCTION

1987 Taxation Year: Amount (B) X Number of Days in Taxation Year After 1986 / Number of Days in Taxation year = (C)

1988 and Subsequent Taxation Years: Amount (B) = (C)

Enter Amount (C) on Line 680 of form T2S-TC.

Certification

I hereby certify that the information given in this form is true, correct and complete in every respect.

Date, Signature of Authorized Person, Position or Office