



- For use by an individual carrying on business, part of whose income for the year was earned and is allocable to a permanent establishment outside the Province or Territory of Residence at the end of the year and by a non-resident individual carrying on business in a particular Province or Territory.
- For the purpose of determining an individual's Province or Territory of Residence for the relevant taxation year, where the individual ceased to reside in Canada during a taxation year, the last day on which the individual ceased to reside in the country is deemed to be the "last day of a taxation year" under subsection 2601(5) of the Income Tax Regulations.
- Attach one completed copy to your 1987 T1 Income Tax Return.
- Where an allocation of Federal Forward Averaging Tax or Federal Forward Averaging Tax Credit is required, complete and attach one copy of form T2203A along with this form.
- Where minimum tax is applicable, use form T691A.

NAME	SOCIAL INSURANCE NUMBER
ADDRESS	

**PART I - Calculation of Income Allocable to Various Jurisdictions**

- |   |          |
|---|----------|
| 1. Net Income (from line 224, page 2 of T1 Income Tax Return)             | \$ _____ |
| 2. Net Income from Self-Employment (excluding losses)                     | \$ _____ |
| 3. Excess (if any) of "Net Income" over "Net Income from Self-Employment" | \$ _____ |

Note: If there is an "Excess", enter the excess in column 3 below and allocate that amount to the Province of Residence. The percentages in column 5 are to be computed for each jurisdiction on the basis of the incomes in column 4.

If there is no "Excess", the percentages in column 5 are to be computed on the basis of the incomes allocated to the jurisdictions (including the province of residence) in column 2, which percentages are applied to the Net Income at line 1 above to compute the allocations in column 4.

1	2	3	4	5
Jurisdiction	Allocation of Net Income from Self-Employment (line 2 above)	Excess Income (line 3 above)	Income Allocable to Jurisdiction (Column 2 plus column 3)	% of Income Allocable to Jurisdiction
Newfoundland				
Prince Edward Island				
Nova Scotia				
New Brunswick				
Quebec				
Ontario				
Manitoba				
Saskatchewan				
Alberta				
British Columbia				
N.W. Territories				
Yukon Territory				
Other				
<b>Totals</b>				100%

**2. PART II - Calculation of Net Federal Tax Payable**

- \* Foreign Tax for the year not included in Business-Income Tax, minus any amount deductible under subsection 20(11) or deducted under subsection 20(12) of the Income Tax Act, but does not include a tax, or a portion of a tax: (a) that would not have been payable had the taxpayer not been a citizen of the foreign country, and that cannot reasonably be regarded as attributable to income from a source outside Canada, (b) that may reasonably be regarded as relating to an amount that any other person or partnership received or is entitled to receive from the foreign country, (c) that may reasonably be regarded as attributable to the taxpayer's income from employment to the extent of the lesser of the amounts determined in respect thereof under paragraphs 122.3(1)(c) and (d) for the year, or (d) that may reasonably be attributed to a taxable capital gain or a portion thereof in respect of which the taxpayer has claimed a deduction for the year under section 110.6.
- \*\* Net foreign non-business income less any capital gains deduction claimed attributable to capital gains from the foreign country and any portion thereof that was deductible under subparagraph 110(1)(f)(i).
- \*\*\* Net income less any capital losses of other years allowed, capital gains deduction claimed, stock option and shares deductions, employee home relocation loan deduction, interest and dividend income deduction and any portion thereof that was deductible under paragraph 110(1)(f).
- \*\*\*\* NOTE: If an election was made on form T581 for the year, use line (9) of that form. If negative, the "Net Income" is Nil.
- \*\*\*\*\* Does not include a tax, or the portion of a tax, that may reasonably be regarded as relating to an amount that any other person or partnership received or is entitled to receive from the foreign country.

**2. PART II - Calculation of Net Federal Tax Payable**

1. Taxable Income \$ \_\_\_\_\_ (from line 260 of the T1 Income Tax Return)

2. On the first \$ \_\_\_\_\_ tax is \$ \_\_\_\_\_

3. On remaining \$ \_\_\_\_\_ tax at % is \$ \_\_\_\_\_

4. TOTAL FEDERAL INCOME TAX ON TAXABLE INCOME \$ \_\_\_\_\_

5. Add: Tax Adjustments ..... \$ \_\_\_\_\_

6. Subtract: Overseas Employment Tax Credit (from form T626) ..... \$ \_\_\_\_\_

7. Subtract: Dividend Tax Credit - 16% of Dividends from Taxable Canadian Corporations ..... \$ \_\_\_\_\_

Note: If you are reporting 1986 Taxable Dividends from Taxable Canadian Corporations (as identified on form T3 Supplementary below box (R)) the multiplier for the Dividend Tax Credit for these particular Dividends is 22%.

8. Subtract: Minimum Tax Carry-over (from form T691) ..... \$ \_\_\_\_\_

9. **Basic Federal Tax** \$ \_\_\_\_\_

**Allocation of Basic Federal Tax to Provinces, Northwest Territories, Yukon and Other**

_____ % to Newfoundland \$ _____	_____ % to Québec \$ _____	_____ % to Alberta \$ _____	_____ % to Other \$ _____
_____ % to P.E.I. \$ _____	_____ % to Ontario \$ _____	_____ % to B.C. \$ _____	
_____ % to Nova Scotia \$ _____	_____ % to Manitoba \$ _____	_____ % to N.W.T. \$ _____	
_____ % to New Brunswick \$ _____	_____ % to Saskatchewan \$ _____	_____ % to Yukon \$ _____	

The Total Allocated MUST equal the Total of line 9. BASIC FEDERAL TAX

10. Add: Surtax - 47% of the BASIC FEDERAL TAX allocated to 'Other' above ..... \$ \_\_\_\_\_

11. **Federal Tax** \$ \_\_\_\_\_

12. Subtract: Federal Foreign Tax Credit - Make separate calculation for each foreign country

**Non-Business Foreign Income**

Non-Business Income Tax paid to a Foreign Country \* ..... \$ \_\_\_\_\_ (A)

Net Foreign Non-Business Income \*\*

\$ \_\_\_\_\_ X Federal Tax (line 11 + line 6 + line 7 - line 21) \$ \_\_\_\_\_ = \$ \_\_\_\_\_ (B)

Net Income \*\*\* \$ \_\_\_\_\_

FEDERAL NON-BUSINESS FOREIGN TAX CREDIT IS THE LESSER OF (A) AND (B) ..... \$ \_\_\_\_\_

**Business Foreign Income**

1. Business Income Tax paid to a foreign country plus any unused foreign tax credit for that country \*\*\*\* ..... \$ \_\_\_\_\_ (C)

2. Net Foreign Business Income

\$ \_\_\_\_\_ X Federal Tax (line 11 + line 6 + line 7 - line 10) \$ \_\_\_\_\_ = \$ \_\_\_\_\_ (a)

Net Income \*\*\* \$ \_\_\_\_\_

Surtax (line 10) ..... \$ \_\_\_\_\_ (b)

Total (a) plus (b) ..... \$ \_\_\_\_\_ (D)

3. Federal Tax (line 11 + line 6 + line 7) \$ \_\_\_\_\_

Less any Federal Non-Business Foreign Tax Cr \$ \_\_\_\_\_ = \$ \_\_\_\_\_ (E)

FEDERAL BUSINESS FOREIGN TAX CREDIT IS THE LEAST OF (C), (D) and (E) ..... \$ \_\_\_\_\_

Enter the Amount of the Non-Business and/or Business Foreign Tax Credit ..... \$ \_\_\_\_\_

13. **Federal Tax Payable** \$ \_\_\_\_\_

14. Subtract: Federal Political Contribution Tax Credit (from line 410 page 4 of the T1 Income Tax Return) ..... \$ \_\_\_\_\_

15. Share Purchase Tax Credit (from form T2111) ..... \$ \_\_\_\_\_

16. Investment Tax Credit (from form T2038-IND.) ..... \$ \_\_\_\_\_

17. Employment Tax Credit Claimed (from form T2208) ..... \$ \_\_\_\_\_

18. Labour-Sponsored Funds Tax Credit (attach receipts) ..... \$ \_\_\_\_\_

19. **Total of Above Credits** ..... \$ \_\_\_\_\_

20. Federal Tax Payable before Federal Forward Averaging Tax and Individual Surtax Payable (Enter this amount on line 417 on page 4 of the T1 Income Tax Return) ..... \$ \_\_\_\_\_

21. Refundable Quebec Abatement - 16.5% of the Basic Federal Tax allocated to Quebec (Line 9 above - enter this amount on line 444 on page 4 of the T1 Income Tax Return for residents of Quebec; for all other returns, enter above line 440.) ..... \$ \_\_\_\_\_

Note: Where a T2203A is required, transfer the above amount to line 6(a) of form T2203A. (Do not enter this amount on line 444 on page 4 of the T1 Return).

22. Individual Surtax Payable

Total of Basic Federal Tax, Overseas Employment Tax Credit (line 9 + line 6) and Federal Forward Averaging Tax (from line 5 on page 1 of form T2203A) ..... \$ \_\_\_\_\_ (A)

Less Federal Forward Averaging Tax Credit (line (e) of area 3 on page 3 of form T2203A) ..... \$ \_\_\_\_\_

Individual Surtax - Amount (A) X 3% ..... \$ \_\_\_\_\_

Subtract: Additional Federal Foreign Tax Deduction

**Non-Business Foreign Income**

Non-Business Income Tax paid to a Foreign Country \* ..... \$ \_\_\_\_\_ (A)

Net Foreign Non-Business Income \*\*

\$ \_\_\_\_\_ X Federal Tax (line 11 + line 6 + line 7 - line 21 + Individual Surtax above) \$ \_\_\_\_\_ = \$ \_\_\_\_\_ (B)

Net Income \*\*\* \$ \_\_\_\_\_

ADJUSTED FEDERAL NON-BUSINESS FOREIGN TAX DEDUCTION IS THE LESSER OF (A) AND (B) ..... \$ \_\_\_\_\_ (F)

**Business Foreign Income**

1. Business Income Tax paid to a foreign country plus any unused foreign tax credit for that country \*\*\*\* ..... \$ \_\_\_\_\_ (C)

2. Net Foreign Business Income

\$ \_\_\_\_\_ X Federal Tax (line 11 + line 6 + line 7 - line 10 + Individual Surtax above) \$ \_\_\_\_\_ = \$ \_\_\_\_\_ (a)

Net Income \*\*\* \$ \_\_\_\_\_

Surtax (line 10) ..... \$ \_\_\_\_\_ (b)

Total (a) plus (b) ..... \$ \_\_\_\_\_ (D)

3. Federal Tax (line 11 + line 6 + line 7 + Individual Surtax above) \$ \_\_\_\_\_

Less any adjusted Federal Non-Business Foreign Tax Deduction \$ \_\_\_\_\_ = \$ \_\_\_\_\_ (E)

ADJUSTED FEDERAL BUSINESS FOREIGN TAX CREDIT IS THE LEAST OF (C), (D) and (E) ..... \$ \_\_\_\_\_ (G)

Total Adjusted Federal Foreign Tax Deduction - Total of lines (F) and (G) ..... \$ \_\_\_\_\_

Subtract: Federal Foreign Tax Credit from line 12 ..... \$ \_\_\_\_\_

Additional Federal Foreign Tax Deduction ..... \$ \_\_\_\_\_

Individual Surtax Payable (Enter this amount on line 419 on page 4 of the T1 Income Tax Return) ..... \$ \_\_\_\_\_

**PART III – Calculation of Provincial Tax Payable**

1. Newfoundland	60% of the BASIC FEDERAL TAX allocated to Newfoundland	\$	
2. Prince Edward Island	55% of the BASIC FEDERAL TAX allocated to Prince Edward Island	\$	
3. Nova Scotia	56.5% of the BASIC FEDERAL TAX allocated to Nova Scotia	\$	
4. New Brunswick	58% of the BASIC FEDERAL TAX allocated to New Brunswick	\$	
5. Ontario	50% of the BASIC FEDERAL TAX allocated to Ontario	(a) \$	
	Add: 3% of amount (a) in excess of \$5,000	\$	
	Adjusted Ontario Income Tax	\$	
	Subtract: Provincial Foreign Tax Credit (from line 13)	\$	
	Ontario Tax	\$	
	Subtract: Ontario Tax Reduction		
	If the taxable income (line 1, page 2 from form T2203) is \$2,075 or less, the reduction is equal to the Ontario Tax. If the taxable income is over \$2,275, the reduction is zero. If the taxable income is between \$2,075 and \$2,275, the reduction is calculated as:  $\frac{\$2,275 \text{ minus taxable income}}{\text{divided by } 2}$		
	Net Ontario Tax Payable	\$	
	Note: If a Forward Averaging Election was made, the Ontario Tax Payable is calculated on form T2203A. *If you are subject to Minimum Tax (from form T691) you are not entitled to claim an Ontario Tax Reduction.		
6. Manitoba	54% of the BASIC FEDERAL TAX allocated to Manitoba	(a) \$	
	Add: Manitoba surtax – (20% of line (a) above in excess of \$2,590)	\$	
	Add: 10.8% of any Federal Forward Averaging Tax Allocated to Manitoba (from line 6, page 2 of form T2203A)	\$	
	Add: Manitoba Net Income Tax 1% of Net Income allocated to Manitoba	(b) \$	
	Adjusted Manitoba Income Tax	\$	
	Subtract: Provincial Foreign Tax Credit (from line 13)	\$	
	Manitoba Tax	(c) \$	
	Subtract: Manitoba Tax Reduction: 5% of total claimed at lines 235, 245, 246 and 247 of your return (if less than \$200.00, enter \$200.00)	\$	
	Subtract: Amount (b) above	\$	
	Total (if negative, there is no reduction, enter zero)	(d) \$	
	Subtract amount (c) or amount (d), whichever is less as the reduction	\$	
	Net Manitoba Tax Payable	\$	
7. Saskatchewan	50% of the BASIC FEDERAL TAX allocated to Saskatchewan	\$	
	For non-residents of Saskatchewan only: 1.5% of Net income allocated to Saskatchewan	\$	
	Total	\$	
	(For residents of Saskatchewan, use form T1C (Sask.) to complete the calculation of Saskatchewan tax and enter computed amount here.)		
8. Alberta	46.5% of the BASIC FEDERAL TAX allocated to Alberta	(a) \$	
	Add: Alberta Surtax – 8% of (Amount (a) in excess of \$3,500)	\$	
	Add: Alberta Flat Rate Tax – 1% of Taxable Income allocated to Alberta	\$	
	Adjusted Alberta Income Tax	\$	
	Subtract: Royalty Tax Rebate applied (from form T79)	\$	
	Alberta Income Tax after Rebate	(b) \$	
	Subtract: Alberta Selective Tax Reduction		
	Basic Claim	\$ 450.00	
	Subtract: 1/2 of Amount (b)	\$	
	Total (if negative, enter zero)	(c) \$	
	Claim the lesser of (b) or (c)	\$	
	Reduced Alberta Income Tax	\$	
9. British Columbia	51.5% of the BASIC FEDERAL TAX allocated to British Columbia	(a) \$	
	Subtract: Provincial Foreign Tax Credit (from line 13)	\$	
	Subtotal	\$	
	Subtract: Royalty and Deemed Income Rebate (from form T81)	\$	
	British Columbia Tax Payable	\$	
10. Northwest Territories	43% of the BASIC FEDERAL TAX allocated to Northwest Territories	\$	
11. Yukon Territory	45% of the BASIC FEDERAL TAX allocated to Yukon Territory	\$	
12. Total lines 1 to 11		\$	
13. Subtract: Provincial Foreign Tax Credit			
	(a) Balance of Non-Business Tax †	(a) \$	
	(b) Net Foreign Income ††	\$	
	$\left[ \frac{\$ \text{ (a)} \times \text{Provincial Tax before Foreign Tax Credit}}{\$ \text{ (b)}} \right] = (b) \$$	\$	
	Claim the Lesser of (a) or (b) and apply to the Province of Residence ( _____ ) as of December 31st	\$	
	† Balance of Non-Business Tax from Federal Foreign Tax Credit Calculation (line 12) less Additional Non-Business Foreign Tax Deduction (line 22).		
	†† Business Income allocable to a permanent establishment outside Canada is not subject to provincial tax. Such Income must not be included in "Net Foreign Income" in this calculation.		
	††† Net Income less any Capital losses of other years allowed, Capital Gains Deduction claimed, stock and shares deductions, Employee Home Relocation Deduction and Interest and Dividend Income Deduction. Business Income allocable to a permanent establishment outside Canada or outside the province of residence on the last day of the year is not included in "Net Income" in this calculation. If an election was made on form T581 for the year, use line (9) of that form. If Negative, the "Net Income" is Nil.		
14. PROVINCIAL TAX PAYABLE (Enter this amount on page 4 of the T1 Income Tax Return)		\$	
	Note: Where a T2203A is required, transfer the above amount to line 2(a) on page 3 of form T2203A. (Do not enter this amount on page 4 of the return.)		