



- 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 1988 T1 Income Tax Return.
- Where an allocation of 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 236, page 2 of T1 Return) | \$ _____ |
| 2. Net Income from Self-Employment including partnership income at line 122 of T1 Return (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				
Totals				100%

2. PART II - Calculation of Net Federal Tax

- 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 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.

PART III – Calculation of Provincial Tax

1. Newfoundland	60% of the BASIC FEDERAL TAX allocated to Newfoundland	\$ _____	
2. Prince Edward Island	56% of the BASIC FEDERAL TAX allocated to Prince Edward Island	\$ _____	(A)
	Add: 5% of amount (A) in excess of \$12,500.00	\$ _____	
	Adjusted Prince Edward Island Income Tax	\$ _____	
	Subtract: Provincial Foreign Tax Credit (from line 13)	\$ _____	
	Prince Edward Island Income Tax	\$ _____	
	Note: If a Forward Averaging Election was made, the Prince Edward Island Income Tax is calculated on form T2203A.		
3. Nova Scotia	56.5% of the BASIC FEDERAL TAX allocated to Nova Scotia	\$ _____	
4. New Brunswick	60% of the BASIC FEDERAL TAX allocated to New Brunswick	\$ _____	
5. Ontario	51% of the BASIC FEDERAL TAX allocated to Ontario	(a) \$ _____	
	Add: 10% of amount (a) in excess of \$10,000	\$ _____	
	Adjusted Ontario Income Tax	\$ _____	
	Subtract: Provincial Foreign Tax Credit (from line 13)	\$ _____	
	Ontario Income Tax	\$ _____	
	Subtract: Ontario Tax Reduction	\$ _____	
	If your "Ontario Income Tax" is \$150.00 or less, the reduction is equal to the "Ontario Income Tax". If the "Ontario Income Tax" is \$225.00 or over the reduction is zero. If your "Ontario Income Tax" is between \$150.00 and \$225.00, the reduction is calculated as: $\$450.00 \text{ minus } (2 \times \text{"Ontario Income Tax"})$		
	Ontario Income Tax	\$ _____	\$ _____
	Note: If a Forward Averaging Election was made, the Ontario Income Tax 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 Net Income Tax – 2% of Net Income Allocated to Manitoba	(b) \$ _____	
	Total	\$ _____	\$ _____
	Use form T1C(MAN)TC to complete the calculation of Manitoba tax and enter computed amount here.		
	Note: Amounts (a) and (b) above are to be used as Amounts (A) and (B) in completing Section 1 of form T1C (MAN) TC. The reference to "Net Income" in the opening line of Section II of form T1C(MAN)TC should be read as "Net Income allocated to Manitoba".		
7. Saskatchewan	50% of the BASIC FEDERAL TAX allocated to Saskatchewan	(a) \$ _____	
	Add: Saskatchewan Flat Tax – 2% of Net Income Allocated to Saskatchewan	(b) \$ _____	
	Total	\$ _____	\$ _____
	For Residents of Saskatchewan, use form T1C(SASK) to complete the calculation of Saskatchewan Tax and enter computed amount here.		
	Note: Total of Amounts (a) and (b) above should be used as "Basic Saskatchewan Tax" on form T1C(SASK).		
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 – .5% 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	\$ 430 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 Income Tax	\$ _____	\$ _____
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 ††	\$ _____	
	$\left[\frac{\$ \text{ Net Foreign Income } \times \text{ Provincial Tax before Foreign Tax Credit. }}{\text{Net Income } \dagger\dagger\dagger} \right] = (b) \$ \text{ _____}$		
	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 13) less Additional Non-Business Foreign Tax Credit (line 21).		
	†† 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 and Employee Home Relocation 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 (Enter this amount on page 4 of the T1 Return)		\$ _____	

2. PART II – Calculation of Net Federal Tax

1. Taxable Income	\$ _____	(from line 260 of the T1 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: Total Non-refundable Tax Credits (from line 350, page 2 of the T1 Return)	.....	\$ _____	\$ _____
7. Subtract: Overseas Employment Tax Credit (from form T626)	.....	\$ _____
8. Subtract: Dividend Tax Credit – 13½% of taxable amount of Dividends from Taxable Canadian Corporations	.....	\$ _____
9. Subtract: Minimum Tax Carry-over (from form T691)	.....	\$ _____	\$ _____
10. _____			Basic Federal Tax \$ _____

Allocation of Basic Federal Tax to Provinces, Northwest Territories, Yukon and Other					
____ % to Newfoundland	\$ _____	____ % to Québec	\$ _____	____ % to Alberta	\$ _____
____ % 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	\$ _____
				____ % to Other	\$ _____

The Total Allocated MUST equal the Total of line 10. BASIC FEDERAL TAX

11. Add: Surtax – 47% of the BASIC FEDERAL TAX allocated to 'Other' above	.....	\$ _____
12. Federal Tax before Federal Foreign Tax Credit	.....	\$ _____ (1)
13. 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 **	\$ _____
\$ _____ × Amount (1) above (line 12 + line 7 + line 8 – line 20)	\$ _____ (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	\$ _____
\$ _____ × Amount (1) above (line 12 + line 7 + line 8 – line 11)	\$ _____ (a)
Net Income ***	\$ _____
Surtax (line 11)	\$ _____ (b)
Total (a) plus (b)	\$ _____ (D)
3. Amount (1) above (line 12 + line 7 + line 8)	\$ _____
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	.....	\$ _____
14. _____	Federal Tax	\$ _____
15. Subtract: Federal Political Contribution Tax Credit (from line 410 page 4 of the T1 Income Tax Return)	.....	\$ _____
16. Investment Tax Credit (from form T2038-IND.) – line 412 of the T1 Return	.....	\$ _____
17. Labour-Sponsored Funds Tax Credit (attach receipts) – line 414 of the T1 Return	.....	\$ _____
18. _____	Total of Above Credits	\$ _____
19. Federal Tax before Federal Individual Surtax (Enter this amount on line 417 on page 4 of the T1 Return)	.....	\$ _____
20. Refundable Quebec Abatement – 16.5% of the Basic Federal Tax allocated to Quebec (Line 10 above – enter this amount on line 440 on page 4 of the T1 Return for residents of Quebec; for all other returns, enter above line 444.)	.....	\$ _____
Note: Where a T2203A is required, transfer the above amount to line 3(a) of form T2203A. (Do not enter this amount on line 440 on page 4 of the T1 Return).		
21. Federal Individual Surtax		
Total of Basic Federal Tax and Overseas Employment Tax Credit (line 10 + line 7)	.....	\$ _____
Less Federal Forward Averaging Tax Credit (line (e) of area 4 on page 3 of form T2203A)	.....	\$ _____
Individual Surtax – Amount (A) × 3%	.....	\$ _____ (A)
Subtract: Additional Federal Foreign Tax Credit	.....	\$ _____

Non-Business Foreign Income	
Non-Business Income Tax paid to a Foreign Country *	\$ _____ (A)
Net Foreign Non-Business Income **	\$ _____
\$ _____ × Amount (1) above (line 12 + line 7 + line 8 – line 20 + Individual Surtax above)	\$ _____ (B)
Net Income ***	\$ _____
ADJUSTED 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	\$ _____
\$ _____ × Amount (1) above (line 12 + line 7 + line 8 – line 11 + Individual Surtax above)	\$ _____ (a)
Net Income ***	\$ _____
Surtax (line 11)	\$ _____ (b)
Total (a) plus (b)	\$ _____ (D)
3. Amount (1) above (line 12 + line 7 + line 8 + Individual Surtax above)	\$ _____
Less any adjusted Federal Non-Business Foreign Tax Credit	\$ _____ (E)
ADJUSTED FEDERAL BUSINESS FOREIGN TAX CREDIT IS THE LEAST OF (C), (D) and (E)	

Total Adjusted Federal Foreign Tax Credit – Total of lines (F) and (G)	.....	\$ _____
Subtract: Federal Foreign Tax Credit from line 13	.....	\$ _____
Additional Federal Foreign Tax Credit	.....	\$ _____
Total	.....	\$ _____
Subtract: Additional Investment Tax Credit from Section II of form T2038	.....	\$ _____
Federal Individual Surtax (Enter this amount on line 419 on page 4 of the T1 Return)	.....	\$ _____