

CALCULATION OF TAX FOR 1996 – MULTIPLE JURISDICTIONS

Use this form to calculate your 1996 tax if:

- you resided in a province or territory on December 31, 1996 (if you ceased to reside in Canada during 1996, use the last day you resided in Canada), and all or part of your business income for the year was earned and is allocable to a permanent establishment outside that province or territory, or outside Canada; **or**
- you were a non-resident throughout 1996 carrying on business in any province or territory.

Attach a completed copy of this form to your 1996 income tax return. If you need to allocate your federal forward-averaging tax credit, also attach a completed Form T2203A, *Forward-Averaging Supplement for 1996 – Multiple Jurisdictions*. If minimum tax applies, attach a completed Form T691, *Calculation of Minimum Tax*, and Form T691A, *Minimum Tax Supplement – Multiple Jurisdictions*.

Part 1 – Income allocated to various jurisdictions

| | | |
|---|---|---|
| Net income from line 236 of your return | | 1 |
| Business income earned in the year: Add self-employment income from lines 135 to 143 of your return, and business income from a partnership from line 122 of your return (exclude losses) | – | 2 |
| Excess income: Line 1 minus line 2 (if negative, enter "0") | = | 3 |

In column 2, allocate the amount from line 2 to each province and territory where you had a permanent establishment in 1996. Refer to Part XXVI of the *Income Tax Regulations* if you need instructions. If you are a resident of Quebec, you must allocate to Quebec any business income you earned outside Canada in the year.

In column 3, allocate to your province or territory of residence the amount from line 3, if any.

In column 4, add columns 2 and 3. If the amount from line 1 is less than the amount from line 2, determine the percentage of income allocation in column 2, apply it to the amount from line 1, and enter the result in column 4.

In column 5, determine the percentage for each jurisdiction based on of the income you allocated in column 4.

| Column 1 | Column 2 | Column 3 | Column 4 | Column 5 |
|------------------------|--|------------------------|---|---------------------------------------|
| Jurisdiction | Allocating business income earned in the year (line 2) | Excess income (line 3) | Income allocated to jurisdiction (column 2 plus column 3) | % of income allocated to jurisdiction |
| Newfoundland | | | | |
| Prince Edward Island | | | | |
| Nova Scotia | | | | |
| New Brunswick | | | | |
| Quebec | | | | |
| Ontario | | | | |
| Manitoba | | | | |
| Saskatchewan | | | | |
| Alberta | | | | |
| British Columbia | | | | |
| Yukon Territory | | | | |
| Northwest Territories | | | | |
| Other (outside Canada) | | | | |
| Totals | | | | 100% |

Part 2 – Net federal tax

Enter your taxable income from line 260 of your return

Complete Part 2 of Schedule 1 of your return.

Enter the amount from line 2, 7, or 12, whichever applies

Tax adjustments from line 500 of Schedule 1

Add line 4 and line 5

| | | | |
|---|--|---|---|
| | | | |
| | | 4 | |
| + | | 5 | |
| = | | | 6 |

Total non-refundable tax credits from line 350 of your return

Overseas employment tax credit from Form T626

Federal dividend tax credit: Calculate 13.33% of the amount on line 120 of your return

Minimum tax carryover from Form T691

Add lines 7 to 10

Line 6 minus line 11

Federal surtax on income you earned outside Canada: 52% of the basic federal tax you allocated to "other" in the chart below

Federal tax before the federal foreign tax credit: Add line 12 and line 13

Federal foreign tax credit from Part I of Form T2209

Federal tax: Line 14 minus line 15

| | | | |
|---|--|----|----|
| | | 7 | |
| + | | 8 | |
| + | | 9 | |
| + | | 10 | |
| = | | | 11 |
| | | | 12 |
| + | | | 13 |
| = | | | 14 |
| - | | | 15 |
| = | | | 16 |

Federal political contribution tax credit from line 410 of your return

Investment tax credit from line 412 of your return

Labour-sponsored funds tax credit from line 414 of your return

Add lines 17 to 19

Line 16 minus line 20. Enter the result on line 417 of your return

| | | | |
|---|--|----|----|
| | | 17 | |
| + | | 18 | |
| + | | 19 | |
| = | | | 20 |
| | | | 21 |

Federal individual surtax

Basic federal tax from line 12

Overseas employment tax credit from line 8

For deceased persons only: Net federal tax from line 9 of Form T541

Add lines 22 to 24

Enter any adjusted federal forward-averaging tax credit from line 4 of Form T2203A

Line 25 minus line 26

Line 27 _____ x 3%

(Line 27 _____ minus \$12,500) x 5%

Individual surtax: Add line 28 and line 29

Additional foreign tax credit from Part II of Form T2209

Line 30 minus line 31

Additional investment tax credit from Section II of Form T2038 (IND)

Line 32 minus line 33. Enter the result on line 419 of your return

| | | | |
|---|--|----|----|
| | | 22 | |
| + | | 23 | |
| + | | 24 | |
| = | | 25 | |
| - | | 26 | |
| = | | 27 | |
| | | 28 | |
| + | | 29 | |
| = | | | 30 |
| - | | | 31 |
| = | | | 32 |
| - | | | 33 |
| = | | | 34 |

Allocating basic federal tax to jurisdictions

Allocate "Basic federal tax" (line 12) to each jurisdiction using the percentage you determined in column 5 in the table on the previous page.

| | | | |
|---------|-------------------------------|---------|------------------------------------|
| _____ % | to Newfoundland | _____ % | to Saskatchewan |
| _____ % | to Prince Edward Island | _____ % | to Alberta |
| _____ % | to Nova Scotia | _____ % | to British Columbia |
| _____ % | to New Brunswick | _____ % | to the Yukon Territory |
| _____ % | to Quebec | _____ % | to the Northwest Territories |
| _____ % | to Ontario | _____ % | to other (outside Canada) |
| _____ % | to Manitoba | | |

Refundable Quebec abatement

16.5% of the basic federal tax you allocated to Quebec from the chart above. Enter this amount on line 440 of your return.

If you have to complete Form T2203A, enter this amount on line 9 of the T2203A, and do not enter it on line 440 of your return.

Part 3 – Provincial tax

Newfoundland

If you made a forward-averaging election, calculate your Newfoundland tax on Form T2203A and enter the result on line 36 below. Otherwise, complete the following calculation.

| | | | |
|---|-------|-------|------|
| Calculate 69% of the basic federal tax you allocated to Newfoundland from the chart in Part 2 | _____ | _____ | A |
| Newfoundland surtax: (line A _____ minus \$7,900) x 10% | + | _____ | |
| Adjusted Newfoundland income tax | = | _____ | |
| Residents of Newfoundland: Provincial foreign tax credit from Form T2036 | - | _____ | |
| Newfoundland tax | = | _____ | ▶ 36 |

Prince Edward Island

If you made a forward-averaging election, calculate your Prince Edward Island tax on Form T2203A and enter the result on line 37 below. Otherwise, complete the following calculation.

| | | | |
|---|-------|-------|------|
| Calculate 59.5% of the basic federal tax you allocated to P.E.I. from the chart in Part 2 | _____ | _____ | B |
| P.E.I. surtax: (line B _____ minus \$12,500) x 10% | + | _____ | |
| Adjusted Prince Edward Island income tax | = | _____ | |
| Residents of Prince Edward Island: Provincial foreign tax credit from Form T2036 | - | _____ | |
| Prince Edward Island tax | = | _____ | ▶ 37 |

Nova Scotia

If you made a forward-averaging election, calculate your adjusted Nova Scotia income tax on Form T2203A and enter the result on line 38 below. Otherwise, complete the following calculation.

| | | | |
|--|-------|-------|------|
| Calculate 59.5% of the basic federal tax you allocated to Nova Scotia from the chart in Part 2 | _____ | _____ | C |
| Nova Scotia surtax: (line C _____ minus \$10,000) x 10% | + | _____ | |
| Adjusted Nova Scotia income tax * | = | _____ | ▶ 38 |

* **Residents of Nova Scotia:** Enter this amount on line 4 of Form T1C(N.S.)TC. Use that form to complete the calculation of Nova Scotia income tax, and enter the result on line 38 above.

New Brunswick

If you made a forward-averaging election, calculate your New Brunswick tax on Form T2203A and enter the result on line 39 below. Otherwise, complete the following calculation.

| | | | |
|--|-------|-------|------|
| Calculate 64% of the basic federal tax you allocated to New Brunswick from the chart in Part 2 | _____ | _____ | D |
| New Brunswick surtax: (line D _____ minus \$13,500) x 8% | + | _____ | |
| Adjusted New Brunswick income tax | = | _____ | |
| Residents of New Brunswick: Provincial foreign tax credit from Form T2036 | - | _____ | |
| New Brunswick tax | = | _____ | ▶ 39 |

Ontario

If you made a forward-averaging election, calculate your adjusted Ontario tax on Form T2203A and enter the result on line 40 below. Otherwise, complete the following calculation.

| | | | |
|--|-------|-------|------|
| Calculate 56% of the basic federal tax you allocated to Ontario from the chart in Part 2 | _____ | _____ | E |
| Ontario Fair Share Health Care Levy: | | | |
| (line E _____ minus \$5,310) x 20% | + | _____ | |
| (line E _____ minus \$7,635) x 13% | + | _____ | |
| Adjusted Ontario tax * | = | _____ | ▶ 40 |

* **Residents of Ontario:** Enter this amount on line 6 of Form T1C(ONT.)TC. Use that form to complete the calculation of Ontario tax, and enter the result on line 40 above.

Manitoba

| | | | |
|---|-------|-------|------|
| Calculate 52% of the basic federal tax you allocated to Manitoba from the chart in Part 2 | _____ | _____ | |
| Manitoba net income tax: 2% of net income allocated to Manitoba from Part 1, column 4 * | + | _____ | |
| Enter this amount on line 9 on Form T1C(MAN.)TC | = | _____ | |
| Complete the calculation of Manitoba tax on Form T1C(MAN.)TC ** and enter the result here | | | ▶ 41 |

* **Residents of Manitoba:** Reduce net income allocated to Manitoba by any amount you deducted on line 250 of your return and by any foreign income exempt under a tax treaty that you included on line 256 of your return.

** **Residents of Manitoba:** Adjusted net income for the Manitoba surtax calculation on Form T1C(MAN.)TC is net income allocated to Manitoba minus any amount you deducted on line 250 of your return and any foreign income exempt under a tax treaty that you included on line 256 of your return.

All others: Adjusted net income for the Manitoba surtax calculation on Form T1C(MAN.)TC is net income you allocated to Manitoba. When calculating Manitoba tax, do not claim the provincial foreign tax credit. Prorate the Manitoba tax reduction based on the percentage of net income you allocated to Manitoba.

Part 3 – Provincial tax (continued)

Saskatchewan

| | | | |
|---|---|--------|----|
| Calculate 50% of the basic federal tax you allocated to Saskatchewan from the chart in Part 2 | | | |
| Saskatchewan flat tax: 2% of net income allocated to Saskatchewan from Part 1, column 4 * | + | | |
| Basic Saskatchewan tax | = | | F |
| Multiply line F by 10% | | | |
| Reduction amount | - | 150 00 | |
| Debt reduction surtax | = | | |
| High income surtax: (Line F _____ minus \$4,000) x 15% | + | | |
| Adjusted Saskatchewan tax ** | = | | 42 |

* **Residents of Saskatchewan:** Reduce net income allocated to Saskatchewan by any amount you deducted on line 250 of your return and by any foreign income exempt under a tax treaty that you included on line 256 of your return.

** **Residents of Saskatchewan:** Enter this amount on line 14 of Form T1C(SASK.). Use that form to complete the calculation of net Saskatchewan tax, and enter the result on line 42 above.

Alberta

| | | | |
|--|---|--|----|
| Calculate 45.5% of the basic federal tax you allocated to Alberta from the chart in Part 2 | | | |
| Alberta surtax: (Line G _____ minus \$3,500) x 8% | + | | |
| Alberta flat rate tax: 0.5% of taxable income allocated to Alberta * | + | | |
| Add the above three lines. Enter this amount on line 6 of Form T1C(ALTA.) | = | | |
| Complete the calculation of Alberta tax on Form T1C(ALTA.) ** and enter the result here | | | 43 |

* **Taxable income allocated to Alberta:** Multiply your taxable income on line 260 of your return by the percentage you allocated to Alberta in Part 1, column 5.

** **Other than residents of Alberta:** When calculating Alberta tax, do not claim the provincial foreign tax credit.

British Columbia

If you made a forward-averaging election, calculate your British Columbia tax on Form T2203A and enter the result on line 44 below. Otherwise, complete the following calculation.

| | | | |
|---|---|--|----|
| Calculate 52% of the basic federal tax you allocated to British Columbia from the chart in Part 2 | | | |
| Residents of British Columbia: Provincial foreign tax credit from Form T2036 | - | | |
| Adjusted British Columbia income tax: Enter this amount on line 4 of Form T1C(B.C.) TC | = | | |
| Complete the calculation of British Columbia tax on Form T1C(B.C.) TC and enter the result here | | | 44 |

Yukon Territory

If you made a forward-averaging election, calculate your Yukon Territory tax on Form T2203A and enter the result on line 45 below. Otherwise, complete the following calculation.

| | | | |
|--|---|--|----|
| Calculate 50% of the basic federal tax you allocated to Yukon Territory from the chart in Part 2 | | | |
| Yukon Territory surtax: (Line H _____ minus \$6,000) x 5% | + | | |
| Adjusted Yukon Territory tax | = | | |
| Residents of the Yukon Territory: Territorial foreign tax credit from Form T2036 | - | | |
| Yukon Territory tax | = | | 45 |

Northwest Territories

| | | | |
|--|---|--|----|
| Calculate 45% of the basic federal tax you allocated to Northwest Territories from the chart in Part 2 | | | |
| Residents of the Northwest Territories: Territorial foreign tax credit from Form T2036 | - | | |
| Northwest Territories tax | = | | 46 |

Provincial tax

| | | | |
|--|---|--|----|
| Add lines 36 to 46. Enter this amount on line 428 of your return | = | | 47 |
|--|---|--|----|