



SASKATCHEWAN CORPORATION TAX CALCULATION (2006 and later tax years)

Name of corporation, Business Number, Tax year-end (Year, Month, Day)

- Use this schedule if your corporation had a permanent establishment...
This schedule is a worksheet only and does not have to be filed with your T2 Corporation Income Tax Return.

Part 1 - Calculation of income subject to Saskatchewan lower and higher tax rates

Period before July 1, 2006

If there are days in the tax year in the period mentioned above, calculate the income subject to Saskatchewan lower and higher tax rates as follows:

Taxable income for Saskatchewan * A2

Income eligible for Saskatchewan lower tax rate:

Amount at line 400 of the T2 return ** B2

Amount at line 405 of the T2 return C2

Amount at line 425 of the T2 return x 300,000 = D2
line 4 on page 4 of the T2 return

Amount B2, C2, or D2, whichever is less E2

For credit unions - add the following amount:

Amount at line D from Schedule 17, Credit Union Deductions

Deduct: amount E2 above Excess (if negative, enter "0") F2

Total of amounts E2 and F2 G2

Amount G2 x taxable income for Saskatchewan * = H2
taxable income for all provinces ***

Income subject to Saskatchewan higher tax rate (amount A2 minus amount H2) I2

Period after June 30, 2006, and before July 1, 2007

If there are days in the tax year in the period mentioned above, calculate the income subject to Saskatchewan lower and higher tax rates as follows:

Taxable income for Saskatchewan * A3

Income eligible for Saskatchewan lower tax rate:

Amount at line 400 of the T2 return ** B3

Amount at line 405 of the T2 return C3

Amount at line 425 of the T2 return x 400,000 = D3
line 4 on page 4 of the T2 return

Amount B3, C3, or D3, whichever is less E3

For credit unions - add the following amount:

Amount at line D from Schedule 17, Credit Union Deductions

Deduct: amount E3 above Excess (if negative, enter "0") F3

Total of amounts E3 and F3 G3

Amount G3 x taxable income for Saskatchewan * = H3
taxable income for all provinces ***

Income subject to Saskatchewan higher tax rate (amount A3 minus amount H3) I3

* If the corporation has a permanent establishment only in Saskatchewan, enter the taxable income from line 360 on page 3 of the T2 return. Otherwise, enter the taxable income allocated to Saskatchewan from column F in Part 1 of Schedule 5.

** If the corporation is a member of a partnership, complete Part 2 to calculate income from active business.

*** Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 1 – Calculation of income subject to Saskatchewan lower and higher tax rates (continued)

Period after June 30, 2007, and before July 1, 2008

If there are days in the tax year in the period mentioned above, calculate the income subject to Saskatchewan lower and higher tax rates as follows:

Taxable income for Saskatchewan * A4

Income eligible for Saskatchewan lower tax rate:

Amount at line 400 of the T2 return ** B4

Amount at line 405 of the T2 return C4

Amount at line 425 of the T2 return $\times \frac{450,000}{\text{line 4 on page 4 of the T2 return}} =$ D4

Amount B4, C4, or D4, whichever is less E4

For credit unions – add the following amount:

Amount at line D from Schedule 17, *Credit Union Deductions*

Deduct: amount E4 above

Excess (if negative, enter "0") F4

Total of amounts E4 and F4 G4

Amount G4 $\times \frac{\text{taxable income for Saskatchewan}^*}{\text{taxable income for all provinces}^{***}} =$ H4

Income subject to Saskatchewan higher tax rate (amount A4 minus amount H4) I4

Period after June 30, 2008

If there are days in the tax year in the period mentioned above, calculate the income subject to Saskatchewan lower and higher tax rates as follows:

Taxable income for Saskatchewan * A5

Income eligible for Saskatchewan lower tax rate:

Amount at line 400 of the T2 return ** B5

Amount at line 405 of the T2 return C5

Amount at line 425 of the T2 return $\times \frac{500,000}{\text{line 4 on page 4 of the T2 return}} =$ D5

Amount B5, C5, or D5, whichever is less E5

For credit unions – add the following amount:

Amount at line D from Schedule 17, *Credit Union Deductions*

Deduct: amount E5 above

Excess (if negative, enter "0") F5

Total of amounts E5 and F5 G5

Amount G5 $\times \frac{\text{taxable income for Saskatchewan}^*}{\text{taxable income for all provinces}^{***}} =$ H5

Income subject to Saskatchewan higher tax rate (amount A5 minus amount H5) I5

* If the corporation has a permanent establishment only in Saskatchewan, enter the taxable income from line 360 on page 3 of the T2 return. Otherwise, enter the taxable income allocated to Saskatchewan from column F in Part 1 of Schedule 5.

** If the corporation is a member of a partnership, complete Part 2 to calculate income from active business.

*** Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 2 – Calculation of income from active business when there is partnership income

Period before July 1, 2006

If there are days in the tax year in this period, calculate the income from active business as follows:

Net amount on line R from Part 5 of Schedule 7, *Calculation of Aggregate Investment Income and Active Business Income* J2

Deduct partnership income:

Amount M from Part 4 of Schedule 7 K2

L2	M2	N2	O2
Amounts from column E in Part 3 of Schedule 7	Amounts from column G in Part 3 of Schedule 7 multiplied by $\frac{300,000}{\text{Business limit}^*}$	Column L2 minus column M2 (if negative, enter "0")	Lesser of columns L2 and M2 (if column L2 is negative, enter "0")
1.			
2.			
3.			
Totals		P2	Q2

Amount on line 370 from Part 3 of Schedule 7 ... R2

Amount on line 380 from Part 3 of Schedule 7 ... S2

Subtotal (amount R2 plus amount S2) T2

Enter amount P2 or amount T2, whichever is less U2

Specified partnership income (amount Q2 **plus** amount U2) V2

Partnership income (amount K2 **minus** amount V2) W2

Income from active business in this period (amount J2 **minus** amount W2) X2

(Enter on line B2 on page 1 of this schedule the greater of the amount from line X2 above or from line 400 of the T2 return.)

* If the corporation's tax year ends in 2006, the federal business limit is \$300,000. If the tax year ends in 2007 or later, the federal business limit is \$400,000.

Period after June 30, 2006, and before July 1, 2007

If there are days in the tax year in this period, calculate the income from active business as follows:

Net amount on line R from Part 5 of Schedule 7, *Calculation of Aggregate Investment Income and Active Business Income* J3

Deduct partnership income:

Amount M from Part 4 of Schedule 7 K3

L3	M3	N3	O3
Amounts from column E in Part 3 of Schedule 7	Amounts from column G in Part 3 of Schedule 7 multiplied by $\frac{400,000}{\text{Business limit}^*}$	Column L3 minus column M3 (if negative, enter "0")	Lesser of columns L3 and M3 (if column L3 is negative, enter "0")
1.			
2.			
3.			
Totals		P3	Q3

Amount on line 370 from Part 3 of Schedule 7 ... R3

Amount on line 380 from Part 3 of Schedule 7 ... S3

Subtotal (amount R3 plus amount S3) T3

Enter amount P3 or amount T3, whichever is less U3

Specified partnership income (amount Q3 **plus** amount U3) V3

Partnership income (amount K3 **minus** amount V3) W3

Income from active business in this period (amount J3 **minus** amount W3) X3

(Enter on line B3 on page 1 of this schedule the greater of the amount from line X3 above or from line 400 of the T2 return.)

* If the corporation's tax year ends in 2006, the federal business limit is \$300,000. If the tax year ends in 2007 or later, the federal business limit is \$400,000.

Part 2 – Calculation of income from active business when there is partnership income (continued)

Period after June 30, 2007, and before July 1, 2008

If there are days in the tax year in this period, calculate the income from active business as follows:

Net amount on line R from Part 5 of Schedule 7, *Calculation of Aggregate Investment Income and Active Business Income* J4

Deduct partnership income:

Amount M from Part 4 of Schedule 7 K4

L4	M4	N4	O4
Amounts from column E in Part 3 of Schedule 7	Amounts from column G in Part 3 of Schedule 7 multiplied by <u>450,000</u> 400,000	Column L4 minus column M4 (if negative, enter "0")	Lesser of columns L4 and M4 (if column L4 is negative, enter "0")
1.			
2.			
3.			
Totals		P4	Q4

Amount on line 370 from Part 3 of Schedule 7 ... R4

Amount on line 380 from Part 3 of Schedule 7 ... S4

Subtotal (amount R4 plus amount S4) T4

Enter amount P4 or amount T4, whichever is less U4

Specified partnership income (amount Q4 **plus** amount U4) V4

Partnership income (amount K4 **minus** amount V4) W4

Income from active business in this period (amount J4 **minus** amount W4) X4

(Enter on line B4 on page 2 of this schedule the greater of the amount from line X4 above or from line 400 of the T2 return.)

Period after June 30, 2008

If there are days in the tax year in this period, calculate the income from active business as follows:

Net amount on line R from Part 5 of Schedule 7, *Calculation of Aggregate Investment Income and Active Business Income* J5

Deduct partnership income:

Amount M from Part 4 of Schedule 7 K5

L5	M5	N5	O5
Amounts from column E in Part 3 of Schedule 7	Amounts from column G in Part 3 of Schedule 7 multiplied by <u>500,000</u> 400,000	Column L5 minus column M5 (if negative, enter "0")	Lesser of columns L5 and M5 (if column L5 is negative, enter "0")
1.			
2.			
3.			
Totals		P5	Q5

Amount on line 370 from Part 3 of Schedule 7 ... R5

Amount on line 380 from Part 3 of Schedule 7 ... S5

Subtotal (amount R5 plus amount S5) T5

Enter amount P5 or amount T5, whichever is less U5

Specified partnership income (amount Q5 **plus** amount U5) V5

Partnership income (amount K5 **minus** amount V5) W5

Income from active business in this period (amount J5 **minus** amount W5) X5

(Enter on line B5 on page 2 of this schedule the greater of the amount from line X5 above or from line 400 of the T2 return.)

Part 3 – Calculation of Saskatchewan tax before credits

Saskatchewan tax at the lower rate:

Amount H2 _____	x	$\frac{\text{Number of days in the tax year in 2004}}{\text{Number of days in the tax year}}$	_____	x 5.5% =	.....	_____	B
Amount H2 _____	x	$\frac{\text{Number of days in the tax year after December 31, 2004, and before July 1, 2006}}{\text{Number of days in the tax year}}$	_____	x 5% =	.....	_____	C
Amount H3 _____	x	$\frac{\text{Number of days in the tax year after June 30, 2006, and before July 1, 2007}}{\text{Number of days in the tax year}}$	_____	x 5% =	.....	_____	D
Amount H4 _____	x	$\frac{\text{Number of days in the tax year after June 30, 2007, and before July 1, 2008}}{\text{Number of days in the tax year}}$	_____	x 5% =	.....	_____	E
Amount H5 _____	x	$\frac{\text{Number of days in the tax year after June 30, 2008}}{\text{Number of days in the tax year}}$	_____	x 5% =	.....	_____	F
Total Saskatchewan tax at the lower rate (total of amounts B, C, D, E, and F)						=====	G

Saskatchewan tax at the higher rate:

Amount I2 _____	x	$\frac{\text{Number of days in the tax year before July 1, 2006}}{\text{Number of days in the tax year}}$	_____	x 17% =	.....	_____	H
Amount I3 _____	x	$\frac{\text{Number of days in the tax year after June 30, 2006, and before July 1, 2007}}{\text{Number of days in the tax year}}$	_____	x 14% =	.....	_____	I
Amount I4 _____	x	$\frac{\text{Number of days in the tax year after June 30, 2007, and before July 1, 2008}}{\text{Number of days in the tax year}}$	_____	x 13% =	.....	_____	J
Amount I5 _____	x	$\frac{\text{Number of days in the tax year after June 30, 2008}}{\text{Number of days in the tax year}}$	_____	x 12% =	.....	_____	K
Total Saskatchewan tax at the higher rate (total of amounts H, I, J, and K)						=====	L

Saskatchewan tax before credits (amount G plus amount L) * ===== M

* If the corporation has a permanent establishment in more than one jurisdiction or is claiming a Saskatchewan tax credit, enter amount M at line 235 of Schedule 5. Otherwise, enter it at line 760 of the T2 return.