

SASKATCHEWAN FARM AND SMALL BUSINESS CAPITAL GAINS TAX CREDIT (TRUSTS)

- This tax credit applies only to spousal or common-law partner trusts that are resident in Saskatchewan in the 2001 taxation year. It can only be claimed in the year the beneficiary spouse died. The credit does not apply to joint spousal or alter ego trusts.
- **Do not** complete this form if:
 - the taxable income on line 56 of the T3 return of the trust is \$30,000 or less; **or**
 - the total of lines 1 and 2 on T3 Schedule 1, and lines 1 and 2 on T3 Schedule 2, is zero or negative.
- On this form, "qualified taxable capital gains" are the net taxable capital **gains** from the disposition of (or reserves from) qualified farm property and qualified small business corporation shares.
- Attach a copy of this form to the *T3 Trust Income Tax and Information Return*.

Step 1 – Eligible taxable capital gains

Qualified taxable capital gains

Qualified taxable capital gains included on line 01 of the T3 return			1	
Line 930-1 plus line 930-2 of T3 Schedule 9	-		2	
Subtotal (line 1 minus line 2) If the amount is zero, no credit is allowed – do not continue.	=		▶	

Capital gains deduction and capital loss adjustment

Capital gains deduction (line 10 of T3 Schedule 5)			4	
Net capital losses of other years (amount of loss on line 52 of the T3 return)	+		5	
Subtotal (line 4 plus line 5)	=		▶	

Eligible taxable capital gains (line 3 minus line 6) If the amount is negative or zero, no credit is allowed – do not continue.			=	
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Step 2 – Adjusted Saskatchewan tax

Taxable income from line 56 of the T3 return			8	
Eligible taxable capital gains (line 7)	-		9	
Adjusted taxable income (line 8 minus line 9)	=		▶	

Testamentary trusts or grandfathered inter vivos trusts

Complete **one** of the following charts, depending on the adjusted taxable income of the trust.

	Adjusted taxable income of \$30,000 or less	Adjusted taxable income more than \$30,000, but not more than \$60,000	Adjusted taxable income of more than \$60,000	
Enter the amount from line 10 above				11
Income base	0 00	30,000 00	60,000 00	12
Line 11 minus line 12	=			13
Tax rate	x 11.5%	x 13.5%	x 16%	14
Multiply line 13 by line 14	=			15
Tax on income base	+ 0 00	+ 3,450 00	+ 7,500 00	16
Saskatchewan tax on adjusted taxable income (line 15 plus line 16)	=			17

Inter vivos trusts (other than grandfathered)

Saskatchewan tax on adjusted taxable income			x 16% =		18
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Tax on adjusted taxable income (line 17 or line 18, whichever applies)			19	
Tax on eligible taxable capital gains	line 7	x 11.5% =	20	
Adjusted Saskatchewan tax (line 19 plus line 20)	=		▶	

Step 3 – Tax credit

Saskatchewan tax on taxable income from line 8 or 9 of Form T3SK, whichever applies			22	
Adjusted Saskatchewan tax (line 21, above)	-		23	
Saskatchewan farm and small business capital gains tax credit (line 22 minus line 23)	=		▶	

Enter this amount on line 14 of Form T3SK.