



# SASKATCHEWAN ROYALTY TAX REBATE CALCULATION (CORPORATIONS)

Name of corporation	Account number	Day	Taxation year-end Month	Year
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- For use by all corporations which, in the taxation year, maintained a permanent establishment in Saskatchewan and had "attributed Canadian royalties and taxes".
- One completed copy of this form is to be attached to each T2 return filed and one completed copy is to be mailed to the Government of Saskatchewan, Department of Finance, 9th Floor, 2350 Albert Street, Regina, Saskatchewan S4P 4A6.
- Sections and paragraphs referred to on this form are sections and paragraphs of the federal *Income Tax Act*, unless otherwise specified.

	Balance before current year deduction	Current year deduction
Drilling and exploration expenses (ITAR 29) . . . . .	_____	_____
Canadian exploration and development expenses (section 66) . . . . .	_____	_____
Cumulative Canadian exploration expense (section 66.1) . . . . .	_____	_____
Cumulative Canadian development expense (section 66.2) . . . . .	_____	_____

Taxable income per T2 return	▶	Net earnings per financial statements	▶	Earned depletion base *	▶
* At the end of the taxation year and prior to any deductions for the year.					

### "Attributed Canadian royalties and taxes" calculation

Attributed Canadian royalties and taxes as a result of transactions with Saskatchewan. . . . .	_____	(A)
Attributed Canadian royalties and taxes as a result of transactions other than those with Saskatchewan . . . . .	_____	(B)
Attributed Canadian royalties and taxes per section 2(a) of the Saskatchewan Royalty Tax Rebate Regulations (amount A plus amount B) . . . . .	_____	(C)

### "Depletion adjustment factor" calculation (For 1976 and later taxation years)

Resource profits per Part XII of the <i>Income Tax Regulations</i> . . . . .	_____	
Less: Attributed Canadian royalties and taxes (amount C) . . . . .	_____	
<b>Subtotal</b>	_____	
Add: Resource allowance deducted under paragraph 20(1)(v.1) . . . . .	_____	(D)
<b>Total</b>	_____	(E)
Depletion allowance deducted under section 65 . . . . .	_____	(F)
Amount E X 25%: <i>If negative, enter zero</i> . . . . .	_____	(G)
Depletion adjustment factor (amount F minus amount G: <i>Can be a positive or a negative amount</i> ) . . . . .	_____	(H)
Saskatchewan depletion adjustment carryforward at the end of the preceding taxation year . . . . .	_____	(I)
Saskatchewan depletion adjustment carryforward for the taxation year (amount H plus amount I: <i>If negative, enter zero</i> ) . . . . .	_____	(J)

### Tax rebate calculation

Attributed Canadian royalties and taxes (amount C) . . . . .	_____	
Less: Resource allowance deducted under paragraph 20(1)(v.1) (amount D) . . . . .	_____	
<b>Subtotal</b>	_____	
Depletion adjustment**: <i>If amount H is positive or zero subtract amount H. If amount H is negative, add the lesser of amount H X (-1.0) and amount I</i> . . . . .	_____	
Adjusted attributed Canadian royalties and taxes: <i>If negative, enter zero. Enter on line 615 of Schedule T2S-TC.</i> . . . . .	_____	(K)
Adjusted attributed Canadian royalties and taxes allocated to Saskatchewan $\left( \text{Amount K} \times \frac{\text{Taxable income earned in Saskatchewan}^*}{\text{Taxable income}} \right)$ . . . . .	_____	(L)
Available credit for the taxation year $\left( \text{Amount L} \times \frac{\text{Saskatchewan income tax payable before rebate}}{\text{Taxable income earned in Saskatchewan}} \right)$ . . . . .	_____	(M)
Add: Royalty tax rebate carryforward at the end of the preceding taxation year ** . Enter on line 614 of Schedule T2S-TC . . . . .	_____	(N)
Royalty tax credit (amount M plus amount N) . . . . .	_____	(O)
Saskatchewan provincial income tax payable . . . . .	_____	(P)
Less: Saskatchewan provincial foreign tax credits, if applicable, . . . . .	_____	(Q)
Saskatchewan provincial income tax payable before rebate (amount P minus amount Q) . . . . .	_____	(R)
Less: Saskatchewan royalty tax rebate (lesser of amount O and amount R): Enter on line 605 of Schedule T2S-TC . . . . .	_____	(S)
Saskatchewan provincial income tax payable after rebate (amount R minus amount S) . . . . .	_____	(T)
Royalty tax rebate carryforward at end of taxation year (amount O minus amount S)** . . . . .	_____	

\* When a corporation has no taxable income, refer to subsection 7(b) of the Saskatchewan Royalty Tax Rebate Regulations to determine the available credit for the taxation year.

\*\* Where a corporation has acquired by amalgamation, purchase or otherwise, Saskatchewan resource properties, refer to section 10 of the Saskatchewan Royalty Tax Rebate Regulations to determine the royalty tax rebate carry-forward.