

T2-FTC Schedule 1 – 1988 and subsequent years

ORIGINAL – ATTACH TO T2 CORPORATION INCOME TAX RETURN

(Rev. 88)

NAME OF CORPORATION	ACCOUNT NUMBER <table style="width:100%; border: none;"> <tr> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> </tr> </table>							FISCAL YEAR END <table style="width:100%; border: none;"> <tr> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> </tr> <tr> <td style="font-size: 8px; text-align: center;">Day</td> <td style="font-size: 8px; text-align: center;">Month</td> <td colspan="2" style="font-size: 8px; text-align: center;">Year</td> </tr> </table>					Day	Month	Year	
Day	Month	Year														

Part I Tax on Taxable Income – All corporations

Taxable Income from the front of the T2 return (A)

Tax at 46% of Amount (A)	X	number of days in taxation year before July 1987 number of days in taxation year	=	
Tax at 45% of Amount (A)	X	number of days in taxation year June 1987 and before July 1988 number of days in taxation year	=	
Tax at 38% of Amount (A)	X	number of days in taxation year after June 1988 number of days in taxation year	=	202

Add or deduct as applicable:

Adjustments to Part I Tax per T2-FTC Schedule 1 Supplementary (To be completed by CCPC's with Investment Income, Mutual Fund Corporations and Investment Corporations) 208

Sub-total

Tax at 5% of Taxable Income earned in the Nova Scotia offshore area 204

Deduct:

Small Business Deduction (see below)

Investment Corporation Deduction (section 130) 203

(Taxed Capital Gains 205)

Additional Deduction – Credit Unions (section 137) 206

Federal Tax Abatement (section 124) 207

Manufacturing and Processing Profits Deduction (see below)

Net amount

Add: Corporate Surtax per form T2215 209

Sub-total

Deduct:

Non-Business Foreign Tax Credit per T2S-TC Part II 211

Business Foreign Tax Credit per T2S-TC Part 213

Logging Tax Credit per T2S-TC Part III 215

Federal Political Contribution Tax Credit 217

(Federal Political Contributions (per receipts attached) 219)

Share-Purchase Tax Credit* 220

Scientific Research and Experimental Development Tax Credit* 216

Part VI Tax Credit 224

Investment Tax Credit per form T2038 (CORP.) 221

Employment Tax Credit per form T2208 222

Part I Tax Payable – (enter on front of T2 return)

* Attach slips.

Small Business Deduction – Canadian-controlled private corporations throughout the taxation year

Income from active business carried on in Canada per T2S(7) or T2S(7)(A) 223 (A)

Taxable Income* 225 (B)

Business Limit for the year * * 227 (C)

Small Business Deduction – Total of the following amounts:

(1) 21% of the least of Amounts (A), (B) and (C)	X	number of days in taxation year before July 1988 number of days in taxation year	=	
(2) 16% of the least of Amounts (A), (B) and (C)	X	number of days in taxation year after June 1988 number of days in taxation year	=	231

* To be reduced by: (i) for taxation years commencing before July 1988, 10/4 of the amount deductible under 126(1) if the amount determined under subparagraph 126(7)(d)(i) were determined without reference to subparagraph 123(1)(a)(iv); for taxation years commencing after June 1988, 10/3 of the amount deducted under 126(1). and (ii) for taxation years commencing before July 1988, 2 times the amount deducted under subsection 126(2); for taxation years commencing after June 1988, 10/4 of the amount deducted under 126(2).

* * Where the corporation is associated in the year with one or more other Canadian-controlled private corporations, that portion of the Business Limit allocated to it per form T2013.

Manufacturing and Processing Profits Deduction - All corporations that have such profits

Canadian manufacturing and processing profits per T2S(27) 233 (A)

Deduct: Least of Amounts (A), (B) and (C) per calculation of Small Business Deduction (B) (C)

Taxable Income

Deduct: (i) Least of Amounts (A), (B) and (C) per calculation of Small Business Deduction

(ii) Canadian Investment Income

Foreign Investment Income 449

Less: Net capital losses claimed on front of T2 return

(iii) Business Foreign Tax Credit x 235 (D)

5% of the lesser of Amounts (A) and (B)	X	number of days in taxation year before July 1987 number of days in taxation year	=	
6% of the lesser of Amounts (A) and (B)	X	number of days in taxation year after June 1987 and before July 1988 number of days in taxation year	=	
6% of the lesser of Amounts (C) and (D)	X	number of days in taxation year before July 1987 number of days in taxation year	=	
7% of the lesser of Amounts (C) and (D)	X	number of days in taxation year after June 1987 and before July 1988 number of days in taxation year	=	
2% of the lesser of Amounts (C) and (D)	X	number of days in taxation year after June 1988 and before July 1989 number of days in taxation year	=	

Manufacturing and Processing Profits Deduction – total of Amounts (E) and (F) 243

* For taxation years commencing before July 1988, "10/4" should be read as "2".

Refundable Portion of Part I Tax – Canadian-controlled private corporations throughout the taxation year

(1) Net Canadian Investment or Loss Per T2S(7).....	247			
Add: Net Foreign Investment Income or Loss per T2S(7).....	249			
Deduct: Net capital losses claimed on front of T2 return.....				
			(Note (1))	(A)
(2) Canadian Investment Income per T2S(7) (Note (1)).....				
Add: Foreign Investment Income per T2S(7) (Note (1)).....			X 30% (Note (2))	
Deduct: Non-Business Foreign Tax Credit.....				
			X 4	(Note (1))
			Sub-total	
Deduct: Net capital losses claimed on front of T2 return.....				
			(Note (1))	(B)
(3) Taxable Income.....				
Deduct: Least of Amounts (A), (B) and (C) per Federal Small Business				
Deduction calculation (Note (3)).....				
Non-Business Foreign				
Tax Credit.....			x 10/3 (Note	
Business Foreign Tax Credit.....			x 10/3 (Note	
25% of least of Amounts (A), (B) and (C).....				257
Part I Tax Payable (Note (6)).....			x 5/4	
Refundable Portion of Part I Tax – 4/5 of the lesser of Amounts (D) and (E) (Note (7)).....				261

Note (1) If negative, enter NIL.
 Note (2) For taxation years commencing before 1988 and ending after 1987, "30%" is to be read as "40%" for the number of days in taxation year that are before 1988 over total days in taxation year and 30% for the number of days in taxation year that are after 1987 over total days in taxation year.
 Note (3) For taxation years commencing before July 1988, the "least of (A), (B) and (C) per Federal Small Business Calculation" is to be read as "Small Business Deduction"
 Note (4) For taxation years commencing before July 1988, "10/3" is to be read as "10/4".
 Note (5) For taxation years commencing before July 1988, "10/4" is to be read as "2".
 Note (6) Excluding the corporate surtax determined under section 123.2 (amount (B) on T2215); for taxation years commencing before 1988, "5/4" is to be read as "4/4".
 Note (7) For taxation years commencing before 1988, "4/5 of the lesser of" is to be read as "the least of".

Part IV Tax on Taxable Dividends Received – Private corporations and subject corporations at any time in the taxation year

(1) Taxable Dividends subject to Part IV Tax per T2S(3) received before.....	404			
Deduct: Total Non-Capital and/or Farm Loss claimed for purposes of Part IV Tax per T2S(4).....	406			
Taxable Amount.....				*
(2) Taxable Dividends subject to Part IV Tax per T2S(3) received after 1987.....	405			
Deduct: Amount (b) above.....			minus Amount (a) above	
Taxable Amount.....				*
(3) Part IV Tax Payable –				
Amount (A).....			x 1/3 –	(C)
Amount (B).....			x 1/4 –	(D)
(4) Part IV Tax Payable, if any, on dividends subject to Part IV Tax.....	418			
Total Part IV Tax Payable – Amount (E) minus Amount (F) (enter on front of T2 return)				

* If negative, enter nil.

Refundable Dividend Tax on Hand – Private Corporations and subject corporations at the end of the taxation year

Refundable Dividend Tax on Hand at the end of the preceding taxation year.....	409			
Deduct: Dividend refund for the preceding taxation year.....	410			
Add: Refundable Portion of Part I Tax (line 261 above).....				
Total Part IV Tax Payable.....				
Addition at December 31, 1986 of Refundable Dividend Tax on Hand				
– from form T713 (To be completed for 1988 taxation years that commenced before 1987).....	408			
			Sub-total	
Deduct: Reduction at December 31, 1987 of Refundable Dividend Tax on Hand from form T763.....	412			
Refundable Dividend Tax on Hand at the End of the Taxation Year.....	411			

Dividend Refund – Private corporations and subject corporations at the end of the taxation year

Taxable Dividends Paid in the taxation year and after 1987 per T2S(3)*.....	414			
Taxable Dividends Paid in the taxation year and before 1988 per T2S(3)*.....	424		x 1/3	
			Total	(A)
Refundable Dividend Tax on Hand at the end of the taxation year (line 411 above).....				(B)
Dividend refund – Lesser of Amounts (A) and (B) (enter on front of T2 return)				

* Do not include capital gains dividends paid.