

TAX ON SPLIT INCOME – 2005

Use this form to calculate your tax on split income if you meet **all** of the following conditions:

- you were born in 1988 or later;
- you were a non-resident at no time in 2005;
- you have a parent who was resident in Canada at any time in 2005; and
- you reported on your 2005 return, split income as described below.

Split income **includes** the following amounts:

- **taxable amount of dividends** from ownership of shares of a corporation (other than from shares of a class listed on a prescribed stock exchange and those of a mutual fund corporation), whether received directly or through a partnership or trust (other than a mutual fund trust);
- **shareholder benefits** (other than from ownership of shares of a class listed on a prescribed stock exchange) conferred on you, whether directly or through a partnership or trust (other than a mutual fund trust); and
- **other income** you received from a partnership or trust (other than a mutual fund trust) that came from income that a partnership or trust earned from providing goods or services to or in support of a business carried on by:
 - a person related to you at any time in 2005;
 - a corporation of which one of your relatives was a specified shareholder at any time in 2005; or
 - a professional corporation of which one of your relatives was a shareholder at any time in 2005.

Split income **does not include** the income described above from property you inherited from your parent. It also does not include the income described above from property you inherited from anyone else provided you were either enrolled as a full-time student at a post-secondary educational institution in 2005, or you were eligible to claim the disability amount for 2005.

Complete Part 1 to calculate your federal tax on split income. Complete Part 2 to calculate your provincial or territorial tax.

Attach a completed copy of this form to your return.

Part 1 – Federal tax on split income

The part of the taxable amount of dividends described above received from taxable

| | | | |
|--|--------|--|---|
| Canadian corporations | 6835 | | 1 |
| All other split income | + | | 2 |
| Total split income: Add lines 1 and 2. | | | |
| Enter this amount on line 232 of your return. | 6836 = | | 3 |
| Federal tax on split income: Multiply the amount on line 3 by 29%. | | | |
| Enter this amount on line 424 of Schedule 1. | | | 4 |

Note: To determine the amount to enter on line 417 of Schedule 1, continue.

| | | | |
|--|---|--|---|
| Federal dividend tax credit on split income: Multiply the amount on line 1 by 13.3333%. | - | | 5 |
| Line 4 minus line 5 | = | | 6 |

Note: If the amount on line 6 is greater than the amount on line 13 of Schedule 1, use the amount on line 6, instead of the amount on line 13 of Schedule 1, when you calculate the refundable Quebec abatement and the federal surtax on income earned outside Canada.

Federal foreign tax credit on split income:

| | | | | | | | |
|---|------|---|-----------------------------------|--|---|--|---|
| The part of the amount on line 2 that is from foreign sources | 6837 | X | Amount from line 14 of Schedule 1 | | = | | 7 |
| Total income from foreign sources | 6838 | | | | | | |
| Line 6 minus line 7 (if negative, enter "0") | | | | | = | | 8 |

| | | | |
|--|---|--|----|
| Enter the amount from line 406 of Schedule 1. | 9 | | |
| Enter the amount from line 416 of Schedule 1. | - | | 10 |
| Line 9 minus line 10 (if negative, enter "0") | = | | 11 |
| Enter the amount from line 8 or line 11, whichever is greater . | | | |
| Also, enter this amount on line 417 of Schedule 1. | | | 12 |

To calculate your provincial or territorial tax, continue on the back. ➔

