



Alternative Minimum Tax

- Use this form to calculate your 2016 federal tax payable under alternative minimum tax. If you are completing a return for a trust, use Schedule 12 of the T3 package.
- Complete parts 1, 2, and 8 if you do not have to pay minimum tax in 2016 and you are applying a minimum tax carryover from previous years against your 2016 tax payable.
- Alternative minimum tax does not apply to a person who died in 2016 or to returns filed under subsections 70(2) or 150(4), or under paragraphs 104(23)(d) or 128(2)(e) of the *Income Tax Act* (the Act).
- If you had business income in 2016 from a province or territory other than the one in which you lived at the end of the year, or from another country, you may also have to complete and attach a copy of Form T2203, *Provincial and Territorial Taxes for 2016 – Multiple Jurisdictions*.
- Attach a completed copy of this form to your 2016 return.

Part 1 – Adjusted taxable income and minimum amount

Taxable income from line 260 of your return, or the amount you would have entered on line 260 if the instruction "if negative, enter "0" on lines 236 and 260 were replaced with the instruction "if negative, enter the result in brackets".		1
Film property (1)		
Capital cost allowance (CCA) and carrying charges claimed on certified film property acquired before March 1996 (usually included on lines 221 and 232 of your return)	2	
Net income from film property before CCA and carrying charges (if negative, enter "0") (2)	-	3
Line 2 minus line 3 (if negative, enter "0")	6782 =	▶ + 4
Rental and leasing property (1)		
Capital cost allowance (CCA) and carrying charges claimed on rental and leasing property (included on line 126 of your return)	5	
Net income from rental and leasing property before CCA and carrying charges (if negative, enter "0") (2)	-	6
Line 5 minus line 6 (if negative, enter "0")	6783 =	▶ + 7
Tax shelters, limited partnerships, and non-active partners		
Losses from partnerships that are tax shelters (3)	8	
Amounts deductible for properties that are tax shelters (4)	+	9
Carrying charges for acquiring an interest in a partnership of which you are a limited or non-active partner, or which owns a rental or leasing property or a film property (included on line 221 of your return) (5)	+	10
Add lines 8 to 10.	6784 =	▶ + 11
Resource property and flow-through shares		
Total of all resource expenditures, depletion allowances, and carrying charges for resource property and flow-through shares (included on lines 221, 224, and 232 of your return)	12	
Income (including royalties) from production of petroleum, natural gas, and minerals, before carrying charges, resource expenditures, and depletion allowances included on line 12 (if negative, enter "0")	13	
Income from dispositions of foreign resource properties, and recovery of exploration and development expenses (if negative, enter "0")	+	14A
Income from property, or from a business of selling the product of property, described in Class 43.1 or 43.2 in Schedule II to the <i>Income Tax Regulations</i> (if negative, enter "0")	+	14B
Add lines 13, 14A, and 14B.	=	▶ - 15
Line 12 minus line 15 (if negative, enter "0")	6786 =	▶ + 16
Add lines 1, 4, 7, 11, and 16.	=	17
Do not use this area		6790

- (1) If you are a member of a partnership, include your share of the income and deductions for the partnership's fiscal period ending in 2016. Do not include any amounts that you have to include on lines 8 to 10 of this form.
- (2) For film property and rental and leasing property, first add income from these investments (before CCA or carrying charges, if they apply) and net taxable capital gains, if any, from dispositions of such investments. Then subtract losses from these investments (before CCA or carrying charges, if they apply). If the result is negative, enter "0".
- (3) If your interest in the partnership is in a tax shelter that the partnership holds, include on line 8 your share of the net losses of the partnership from each source (allowable capital losses, business losses, and property losses) that is more than the amount allowed under paragraph 127.52(1)(c.1) of the Act. Generally, the amount allowed under that paragraph should correspond with the net taxable capital gains that were attributed to you by the partnership or that you have realized on the disposition of your interest in the partnership. These losses are generally reported on line 122 of your return, except rental (line 126) and farming losses (line 141).
- (4) Also include all other amounts deducted for property for which an identification number is required to be, or has been, obtained under section 237.1 of the Act, such as carrying charges for the acquisition of the property. Include amounts from Form T5004, *Claim For Tax Shelter Loss or Deduction*, that you claimed as an income deduction or a loss on your return. Do not include amounts that you have to include on any other line of this form.
- (5) Enter on this line carrying charges for the acquisition of an interest in a partnership of which you were a limited or non-active partner, or in a partnership that owns a rental or leasing property or a film property. Include only carrying charges that are more than your share of the partnership's income.

Part 6 – Federal tax payable (under alternative minimum tax)

Basic federal tax from line 65			96
Amount from line 12 of Form T1206, <i>Tax on Split Income</i>	-		97
Line 96 minus line 97 (if negative, enter "0")	=		98
Minimum amount from line 58			99
Enter amount from line 98 or line 99, whichever is more .			100
Amount from line 12 of Form T1206, <i>Tax on Split Income</i>	+		101
Line 100 plus line 101 (12)	=		102
Net minimum tax payable from line 91			103
Federal surtax on business income earned outside Canada: multiply the amount from line 102 by 48%. If you have to pay provincial or territorial tax to multiple jurisdictions, multiply the result by the percentage in Column 5 of line 5222 on Form T2203. In either case, enter the result on this line.	+		104
Line 103 plus line 104	=		105
Amount from line 14 of Form T1206, <i>Tax on Split Income</i>			106
Enter amount from line 105 or line 106, whichever is more . Enter this amount on line 417 of your Schedule 1.		6791	107

Part 7 – Additional taxes paid for minimum tax carryover

The terms identified by the letters (a) and (e) are defined on Form T2209.

Minimum amount from line 89				108
Basic federal tax from line 65			109	
Federal tax on split income from line 5 of Form T1206, <i>Tax on Split Income</i>	-		110	
Line 109 minus line 110 (if negative, enter "0")	=		111	
Special foreign tax credit from line 88		112		
Federal foreign tax credit from line 70	-	113		
Line 112 minus line 113	=	114		
Line 114 × Foreign taxes paid for special foreign tax credit (line 86 in Part 4)		=	+	115
Foreign taxes paid (non-business income tax paid to a foreign country (a) plus business income tax paid to a foreign country (e))				
Line 111 plus line 115	=		▶ -	116
Line 108 minus line 116 (if negative, enter "0")		Additional taxes paid for minimum tax carryover	=	117

Part 8 – Applying a minimum tax carryover from previous years against 2016 tax payable

Minimum tax carryover from previous years (2009 to 2015)				118
Tax payable before minimum tax carryover from line 63			119	
Federal tax on split income from line 5 of Form T1206, <i>Tax on Split Income</i>	-		120	
Line 119 minus line 120	=		121	
Minimum amount from line 58			122	
Maximum carryover that can be applied in 2016: line 121 minus line 122 (if negative, enter "0")	=		123	
Minimum tax carryover applied in 2016:				
Claim an amount that is not more than line 118 or 123, whichever is less , and enter it on line 427 of your Schedule 1		-		124
Balance of minimum tax carryover available for later years, if any: line 118 minus line 124		=		125
Additional 2016 taxes for carryover to later years from line 117		+		126
Line 125 plus line 126		=		127
Unapplied 2009 minimum tax carryover		-		128
Total minimum tax carryover available for 2017: line 127 minus line 128		=		129

- (12) Use the amount on line 102 as your basic federal tax (instead of line 429 of Schedule 1) when you calculate any refundable Quebec or Yukon First Nations abatement. If you have to pay provincial or territorial tax to multiple jurisdictions and have income allocated to Quebec, enter the amount from line 102 on line 11 in Part 2 of Form T2203 to calculate any refundable Quebec abatement.

