



**FEDERAL AND PROVINCIAL OR TERRITORIAL FOREIGN INCOME TAX CREDITS AND FEDERAL LOGGING TAX CREDIT (2010 and later tax years)**

Name of corporation	Business Number	Tax year-end Year    Month    Day
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- Corporations resident in Canada at any time in the year and authorized foreign banks can use this schedule to claim a federal foreign non-business income tax credit, a federal foreign business income tax credit, or a provincial or territorial foreign non-business income tax credit.
- Corporations can use this schedule to claim a federal logging tax credit.
- Calculate the foreign income tax credits for each country separately. Attach another schedule if the corporation is claiming credits for more than five countries.
- Calculate the provincial/territorial foreign non-business income tax credits for each country and province or territory separately.
- References to parts, sections, subsections, and paragraphs are from the federal *Income Tax Act*.

**Part 1 – Calculation of federal foreign non-business income tax credit**

	A Country of source of foreign non-business income <b>100</b>	B Net foreign non-business income earned in the year * <b>110</b>	C Foreign non-business income tax paid for the year ** <b>120</b>	D Foreign non-business income tax paid, deducted from income under subsection 20(12) <b>130</b>	E (C – D)	F Adjusted net income (amount from line 600 in Part 6)
1.						
2.						
3.						
4.						
5.						

	G Part I tax otherwise payable (amount from line 610 in Part 7)	H (B × G) ÷ F (amount in column H cannot be more than amount in column G)	I Deductible credit: lesser of amounts E and H <b>180</b>
1.			
2.			
3.			
4.			
5.			

\* Exclude income that is exempt from tax in Canada under an income tax treaty, dividends received from foreign affiliates, and tax-exempt income as defined in subsection 126(7). Net foreign non-business income is the excess of qualifying income over qualifying losses, which are determined according to subsection 126(9).

\*\* Exclude taxes paid to a foreign government on income that is exempt from tax in Canada under an income tax treaty; foreign taxes paid on dividends received from foreign affiliates; and any foreign taxes that may reasonably be regarded as relating to an amount that any other person or partnership has received, or is entitled to receive, from that government.

Exclude taxes paid for property (other than capital property) from which the corporation is not expected to realize a profit.

Exclude taxes paid that are in excess of the limit and paid for dividends and interest on a share or debt obligation held for one year or less.

Exclude taxes attributable to amounts received or receivable for eligible loans.

Total deductible federal foreign non-business income tax credit

Enter the total deductible federal foreign non-business tax credit, or a lesser amount, on line 632 of the T2 return.

**Part 2 – Calculation of federal foreign business income tax credit**

	A Country in which foreign business income was earned <b>200</b>	B Net foreign business income earned in the year * <b>210</b>	C Foreign business income tax paid for the year ** <b>220</b>	D Unused foreign income tax credits from previous tax years <b>230</b>	E Total of columns C and D	F Adjusted net income (amount from line 600 in Part 6)
1.						
2.						
3.						
4.						
5.						

	G Part I tax otherwise payable (amount from line 620 in Part 8)	H Part I tax otherwise payable minus foreign non-business income tax credits claimed	I (B × G) ÷ F	J Deductible credit: the least of amounts E, H, and I <b>280</b>
1.				
2.				
3.				
4.				
5.				

\* Exclude income that is exempt from tax in Canada under an income tax treaty and tax-exempt income as defined in subsection 126(7). Net foreign business income is the excess of qualifying income over qualifying losses, which are determined according to subsection 126(9).

\*\* Exclude taxes paid to a foreign government on income that is exempt from tax in Canada under an income tax treaty. Also exclude any foreign taxes that may reasonably be regarded as relating to an amount that any other person or partnership has received or is entitled to receive from that government.

Exclude taxes paid for property (other than capital property) from which the corporation is not expected to realize a profit.

Exclude taxes paid that are in excess of the limit and paid for dividends and interest on a share or debt obligation held for one year or less.

Total deductible federal foreign business income tax credit

Enter the total deductible federal foreign business income tax credit, or a lesser amount, on line 636 of the T2 return.

**Part 3 – Continuity of unused federal foreign business income tax credits**

K	L	M *	N	O
Country in which foreign business income was earned	Balance at end of the previous tax year	Amount expired in the year	Opening balance (L – M)	Credits transferred on an amalgamation or the wind-up of a subsidiary
<b>345</b>		<b>348</b>	<b>350</b>	<b>360</b>
1.				
2.				
3.				
4.				
5.				

\* An unused federal foreign business income tax credit expires as follows:

- after 7 tax years if it was earned in a tax year ending before March 23, 2004; or
- after 10 tax years if it was earned in a tax year ending after March 22, 2004.

P	Q	R	S
Foreign business income tax paid for the year (from column C of Part 2)	Foreign business income tax credit deductible in the year (cannot be more than the amount in column J of Part 2)	Carryback to previous years (total of amounts in columns V, W, and X of Part 4)	Closing balance (N + O + P – Q – R)
			<b>380</b>
1.			
2.			
3.			
4.			
5.			

**Part 4 – Request for a federal foreign business income tax credit carryback**

T	U	V	W	X
Country in which foreign business income was earned	Unused foreign business income tax credit (Part 3, (P – Q))	Carryback to 1st previous tax year	Carryback to 2nd previous tax year	Carryback to 3rd previous tax year
<b>900</b>		<b>901</b>	<b>902</b>	<b>903</b>
1.				
2.				
3.				
4.				
5.				

**Note:** Total of carryback (amounts from columns V, W, and X) cannot be more than the unused foreign business income tax credit (amount from column U).

**Part 5 – Calculation of federal logging tax credit**

A	B	C	D	E	F
Province	Income from logging under Regulation 700	Amount B × 6 2/3%	Logging tax paid on income in column B	Amount D × 2/3	Lesser of amounts C and E
B.C.	<b>500</b>		<b>510</b>		
Quebec	<b>520</b>		<b>530</b>		

Total  G

6 2/3% of taxable income (or, for non-residents, 6 2/3% of taxable income earned in Canada)  H

**Federal logging tax credit** – Lesser of amounts G and H (enter amount I or a lesser amount on line 640 of the T2 return) **580**  I

**Part 6 – Adjusted net income**

Line references are from page 3 of the T2 return.

**To be completed by all corporations other than an authorized foreign bank**

Net income for income tax purposes (line 300) (if negative, enter "0") .....

**Deduct:**

Net capital losses claimed under paragraph 111(1)(b) (line 332) .....

Taxable dividends deductible under sections 112 and 113 .....

Amount deductible under paragraph 110(1)(d.2) for prospector's and grubstaker's shares (line 350) .....

**Subtotal** (if negative, enter "0") .....

**Add:**

Amount added to taxable income for foreign tax deductions under section 110.5 (line 355) .....

**Total** ..... **A**

**To be completed by an authorized foreign bank only**

Taxable income earned in Canada (line 360) (if negative, enter "0") ..... **B**

Income from its Canadian banking business  
(line 300) (if negative, enter "0") .....

**Add:**

Amount added to taxable income for foreign tax deductions under  
subparagraph 115(1)(a)(vii) (line 355) .....

**Subtotal** ..... **C**

**Amount B or C, whichever is less** ..... **D**

**Adjusted net income** (amount A or D, whichever is applicable) ..... **600**

**Part 7 – Part I tax otherwise payable (foreign non-business income tax credit)**

Line references are from page 7 of the T2 return.

Base amount of Part 1 tax (line 550) .....

**Deduct:**

Federal tax abatement (line 608) .....

Investment corporation deduction (line 620) .....

Additional deduction for credit unions (line 628) .....

General tax reduction (line 639) .....

**Subtotal** .....

**Add:**

Corporate surtax (line 600) .....

Recapture of investment tax credit (line 602) .....

Refundable tax on Canadian-controlled private corporation's (CCPC) investment income (line 604) .....

**Part I tax otherwise payable** ..... **610**

**Part 8 – Part I tax otherwise payable (foreign business income tax credit)**

Line references are from page 7 of the T2 return.

Base amount of Part I tax (line 550) .....

**Deduct:**

Investment corporation deduction (line 620) .....

Additional deduction for credit unions (line 628) .....

General tax reduction for CCPCs (line 638) .....

General tax reduction (line 639) .....

**Subtotal** .....

**Add:**

Corporate surtax (line 600) .....

Recapture of investment tax credit (line 602) .....

**Part I tax otherwise payable** ..... **620**

