

Newfoundland and Labrador Corporation Tax Calculation (2014 and later tax years)

Protected B when completed

Corporation's name	Business number	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Tax year-end</td> <td style="text-align: center;">Year</td> <td style="text-align: center;">Month</td> <td style="text-align: center;">Day</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; width: 20px;"></td> <td style="border: 1px solid black; width: 20px;"></td> <td style="border: 1px solid black; width: 20px;"></td> </tr> </table>	Tax year-end	Year	Month	Day				
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- Use this schedule if your corporation had a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in Newfoundland and Labrador, and had taxable income earned in the year in Newfoundland and Labrador and its offshore area.
- This schedule is a worksheet only. You do not have to file it with your T2 Corporation Income Tax Return.

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Sept. 23, 2014

**Part 1 – Calculation of income subject to the lower and higher tax rates for Newfoundland and Labrador and its offshore area**

Taxable income for Newfoundland and Labrador \* ..... A

**Income eligible for the lower tax rate for Newfoundland and Labrador and its offshore area:**

Amount from line 400 of the T2 return ..... B

Amount from line 405 of the T2 return ..... C

Amount from line 425 of the T2 return ..... D

Amount B, C, or D, whichever is the least ..... E

Amount E \_\_\_\_\_ ×  $\frac{\text{Taxable income for Newfoundland and Labrador}^*}{\text{Taxable income for all provinces}^{**}}$  = ..... F

**Income subject to the higher tax rate for Newfoundland and Labrador and its offshore area** (amount A minus amount F) . . . G

Enter amount F and/or amount G on the applicable line(s) in Part 2.

\* If the corporation has a permanent establishment only in Newfoundland and Labrador, or in the offshore area of Newfoundland and Labrador, enter the taxable income from line 360 of the T2 return. Otherwise, enter the total of the taxable incomes allocated to both jurisdictions in Newfoundland and Labrador (the province itself and the offshore area) from column F in Part 1 of Schedule 5, *Tax Calculation Supplementary – Corporations*.

\*\* Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

**Part 2 – Calculation of Newfoundland and Labrador tax before credits and of Newfoundland and Labrador offshore tax**

**Tax at the lower rate for Newfoundland and Labrador and its offshore area:**

Amount F \_\_\_\_\_ ×  $\frac{\text{Number of days in the tax year before July 1, 2014}}{\text{Number of days in the tax year}}$  × 4% = \_\_\_\_\_ 1

Amount F \_\_\_\_\_ ×  $\frac{\text{Number of days in the tax year after June 30, 2014}}{\text{Number of days in the tax year}}$  × 3% = \_\_\_\_\_ 2

**Tax at the lower rate for Newfoundland and Labrador and its offshore area** (amount 1 plus amount 2) H

**Tax at the higher rate for Newfoundland and Labrador and its offshore area:**

Amount G \_\_\_\_\_ × 14% = ..... I

**Tax for Newfoundland and Labrador and its offshore area** (amount H plus amount I) ..... J

**Only one jurisdiction**

If the taxable income is allocated only to Newfoundland and Labrador, or to Newfoundland and Labrador offshore, and the corporation is **not** claiming a Newfoundland and Labrador tax credit, enter amount J on line 760 of the T2 return. If the corporation is claiming a credit, enter amount J on line 200 or 205 of Schedule 5, whichever applies.

**Jurisdictions in both Newfoundland and Labrador and Newfoundland and Labrador offshore**

If the corporation has taxable income allocated to both Newfoundland and Labrador and its offshore area, calculate the following:

Amount J \_\_\_\_\_ ×  $\frac{\text{Taxable income for Newfoundland and Labrador offshore}}{\text{Taxable income for Newfoundland and Labrador plus taxable income for Newfoundland and Labrador offshore}}$  = ..... K

**Newfoundland and Labrador offshore tax** – enter amount K on line 205 of Schedule 5.

**Newfoundland and Labrador tax before credits** (amount J minus amount K) ..... L

Enter amount L on line 200 of Schedule 5.