



## Part XIV – Additional Tax on Non-Resident Corporations (2017 and later tax years)

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-bottom: 1px solid black; width: 10%;"></td> </tr> </table>	Tax year-end	Year	Month	Day				
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- Complete this schedule if you are a non-resident corporation that earned income from a business carried on in Canada.
- All legislative references on this schedule are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 219(1.1) modifies the meaning of the term **taxable Canadian property** and subsection 219(8) defines the term **qualified related corporation** for the purpose of the Part XIV tax.
- In this schedule, **qualified property** means property that was used to gain or produce income from a business carried on in Canada before being transferred to a qualified related corporation.
- No Part XIV tax is payable for a tax year by a non-resident corporation that was throughout the year either:
  - a corporation whose principal business was transporting persons or goods, communications, or mining iron ore in Canada;
  - an insurance corporation, unless it ceases to carry on all or substantially all of its insurance business in Canada in the tax year or it elects under subsection 219(4) in prescribed form to pay the additional tax; or
  - a corporation exempt from tax under section 149.

**(Report all amounts in Canadian funds.)**

**Part 1 – Base amount with additions (adjusted taxable income)**

Taxable income earned in Canada for the year Line 360 or amount Z if applicable, of the <i>T2 – Corporation Income Tax Return</i> .		A	
Excluded gains per subsection 219(1.1)	<b>099</b>		
Base amount (amount A <b>minus</b> line 099) (if negative, enter "0")	<b>100</b>		▶
Taxable dividends deducted under section 112 and paragraph 115(1)(e)	<b>101</b>		
Taxable capital gains from a disposition of a taxable Canadian property other than excluded gains deducted at line 099	<b>103</b>		
Allowable capital losses on disposition of taxable Canadian property	<b>104</b>		
Net capital losses of other years that are deductible in the current year	<b>105</b>		
Subtotal (line 104 <b>plus</b> line 105)	<b>106</b>		▶
Excess (line 103 <b>minus</b> line 106) (if negative, enter "0")	<b>107</b>		▶
Grant or credit received in the year as a reimbursement of royalty income related to crown resources that was not included in the base amount for a previous tax year that began before 1996	<b>108</b>		
If the corporation disposed of qualified property in the year to a Canadian corporation that was, immediately after the disposition, its qualified related corporation, in return for consideration that includes a share, provide the following details of the disposition:			
Fair market value of the qualified property	<b>109</b>		
Proceeds of disposition of the property	<b>110</b>		
Excess (line 109 <b>minus</b> line 110) (if negative, enter "0")	<b>111</b>		▶
Allowance for investments in property in Canada claimed in the previous tax year	<b>112</b>		
<b>Base amount with additions (add lines 100, 101, 107, 108, 111, and 112)</b>	<b>113</b>		

**Part 2 – Deductions from the base amount**

Federal tax payable under Parts I and VI (total of lines 700 and 720 of the T2 return) . . . . .	<b>114</b>	_____	
Provincial and territorial income tax payable before refundable tax credits . . . . . (this amount should <b>not</b> include Ontario special additional tax on life insurance corporations or any provincial capital taxes)	<b>115</b>	_____	
Total tax payable (line 114 <b>plus</b> line 115) . . . . .		=====	B
Amount B _____ × $\frac{\text{Line 100}}{\text{Amount A}}$ _____ = _____	<b>116</b>	_____	
Non-deductible interest and penalties on federal, provincial, or territorial income tax payable . . . . .	<b>117</b>	_____	
Allowance for investments in property in Canada claimed for the year (line 223 or line 665) . . . . .	<b>118</b>	_____	
If the corporation disposed of qualified property in the year to a Canadian corporation (referred to as the <b>purchaser</b> ) that was, immediately after the disposition, its qualified related corporation, in return for consideration that includes a share of the purchaser, provide the following details of the disposition:			
Fair market value of the qualified property . . . . .	<b>120</b>	_____	
Increase in paid-up capital for the shares of the purchaser . . . . .	<b>121</b>	_____	
Fair market value of the consideration that is not a share . . . . .	<b>122</b>	_____	
Subtotal (line 121 <b>plus</b> line 122) _____		=====	C
Excess (line 120 <b>minus</b> amount C) (if negative, enter "0") _____	<b>123</b>	=====	
<b>Deductions from the base amount</b> (add lines 116, 117, 118, and 123) . . . . .	<b>124</b>	=====	

**Part 3 – Part XIV tax payable**

Base amount with additions (line 113) . . . . .		_____	D
Deductions from the base amount (line 124) . . . . .		_____	E
Net base amount (amount D <b>minus</b> amount E) (if negative, enter "0") _____	<b>125</b>	=====	
Exemption of accumulated earnings claimed, based on a tax treaty with certain foreign countries (cannot exceed line 510) . . . . .	<b>500</b>	_____	
Taxable base amount (line 125 <b>minus</b> line 500) (if negative, enter "0") _____		=====	F
Tax rate (tax treaties with other countries may allow a lower rate) . . . . .		_____	× 25 % G
<b>Part XIV tax payable</b> (amount F <b>multiplied</b> by amount G) . . . . . Enter on line 728 of the T2 return	<b>126</b>	=====	

**Part 4 – Continuity of exemption of accumulated earnings**

If a corporation is resident in a country with which Canada has an income tax treaty, the treaty may provide an exemption on the first \$500,000 of accumulated earnings (refer to the applicable income tax treaty).

Unused exemption of accumulated earnings at the end of the previous tax year (line 520 from the previous year's Schedule 20 – Part XIV Additional Tax on Non-Resident Corporations)(cannot exceed \$500,000)* . . . . .	<b>510</b>	_____	
Exemption of accumulated earnings claimed, based on a tax treaty with certain foreign countries (line 500) . . . . .		_____	H
Closing balance for the exemption of accumulated earnings (line 510 <b>minus</b> amount H) . . . . .	<b>520</b>	=====	

\*If this is the first time the corporation is subject to Part XIV tax, enter \$500,000.

**Part 5 – Regulation 808 – Allowance for investments in property in Canada claimed for the year****This part does not apply to an authorized foreign bank (see Part 6).**

Throughout Part 5, if the amount is negative, enter "0".

Cost amount at the end of the year of land owned in Canada (other than excluded land) for gaining or producing income from a business carried on in Canada ..... **200** \_\_\_\_\_

Cost amount immediately after the end of the year of depreciable property owned in Canada for gaining or producing income from a business carried on in Canada ..... **201** \_\_\_\_\_

For a corporation other than a principal-business corporation: Canadian exploration and development expenses not deducted in computing income for the year or for a previous year, **plus** the cumulative Canadian exploration expense at the end of the year, **minus** any deduction claimed for the year under subsection 66.1(3) ..... **203** \_\_\_\_\_

Cumulative Canadian development expense at the end of the year, **minus** any deduction claimed for the year under subsection 66.2(2) ..... **204** \_\_\_\_\_

Cumulative Canadian oil and gas property expense at the end of the year, **minus** any deduction claimed for the year under subsection 66.4(2) ..... **205** \_\_\_\_\_

Cost amount at the end of the year of each debt receivable as a result of the disposition of property described at lines 200 and 201 ..... **206** \_\_\_\_\_

Cost amount at the end of the year of each property (other than a Canadian resource property) described in the inventory for a business carried on in Canada ..... **207** \_\_\_\_\_

Cost amount at the end of the year of each debt receivable (other than a debt referred to at line 206 or a bad debt) for which an amount has been included in income for the year or for a previous year from a business carried on in Canada, or for a loan made by the corporation where any part of its business carried on in Canada was the lending of money. .... **208** \_\_\_\_\_

Cash balance at the end of the year, **plus** cost amount at the end of the year, of each bond, debenture, bill, note, mortgage, or similar obligation that was issued by an arm's length person resident in Canada and that matures within one year of acquisition ..... **210** \_\_\_\_\_

Total of the cost amount of the property described at line 210 at the end of each month in the year, divided by the number of months in that year, **multiplied** by 4/3 ..... **211** \_\_\_\_\_

Allowable liquid assets (line 210 or line 211, whichever is less) ..... **212** \_\_\_\_\_

Subtotal (**add** lines 200, 201, 202, 203, 204, 205, 206, 207, 208, and 212) **213** \_\_\_\_\_

Reserves for doubtful debts, certain guarantees, or unpaid amounts deducted in computing income for the year from a business carried on in Canada ..... **214** \_\_\_\_\_

Reserves for capital gains deducted in the year for a debt referred to at line 206 ..... **215** \_\_\_\_\_

Amount owing as a result of an acquisition of property described at lines 200, 201, and 207, an expense made as described at lines 203, 204, and 205, or any other expense made that was deducted in computing income for the year or for a previous year, from a business carried on in Canada ..... **216** \_\_\_\_\_

Proportion of the amount owing on account of an interest-bearing obligation, equal to the interest paid or payable on the obligation that is deductible, or would otherwise be deductible, in computing income for the year from a business carried on in Canada, **divided** by the total interest paid or payable on the obligation for the year ..... **217** \_\_\_\_\_

Unpaid federal Part I tax, excluding the lesser of the two following amounts: the tax on taxable capital gains that exceed allowable capital losses from the disposition of taxable Canadian property not used or held in the course of carrying on a business in Canada; and the tax on taxable capital gains that exceed allowable capital losses from the disposition of taxable Canadian property ..... **218** \_\_\_\_\_

Unpaid provincial or territorial income tax, excluding the lesser of the two following amounts: the tax on taxable capital gains that exceed allowable capital losses from the disposition of taxable Canadian property not used or held in the course of carrying on a business in Canada; and the tax on taxable capital gains that exceed allowable capital losses from the disposition of taxable Canadian property ..... **219** \_\_\_\_\_

Subtotal (**add** lines 214, 215, 216, 217, 218, and 219) **220** \_\_\_\_\_ ▶ \_\_\_\_\_

Qualified investments in property in Canada (line 213 **minus** line 220) ..... **221** \_\_\_\_\_

**Allowance for investments in property in Canada claimed for the year** ..... **222** \_\_\_\_\_

Enter on line 118.

