



## Prince Edward Island Corporation Tax Calculation (2018 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></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">Year</td> <td style="text-align: center;">Month</td> <td style="text-align: center;">Day</td> <td></td> </tr> <tr> <td style="text-align: center;">       </td> <td style="text-align: center;">   </td> <td style="text-align: center;">     </td> <td></td> </tr> </table>	Tax year-end				Year	Month	Day					
Tax year-end														
Year	Month	Day												

- Use this schedule if your corporation had a permanent establishment (as defined in section 400 of the federal Income Tax Regulations) in Prince Edward Island, and had taxable income earned in the year in Prince Edward Island.
- This schedule is a worksheet only and does not have to be filed with your T2 Corporation Income Tax Return.

### Part 1 – Income subject to Prince Edward Island lower and higher tax rates

Taxable income for Prince Edward Island *		A
<b>Income eligible for the Prince Edward Island lower tax rate:</b>		
Amount from line 400 of the T2 return	B	
Amount from line 405 of the T2 return	C	
Amount from line 427 of the T2 return	D	
Amount B, C, or D, whichever is the least	E	
Amount E _____ × $\frac{\text{Taxable income for Prince Edward Island}^*}{\text{Taxable income for all provinces}^{**}}$ = _____ F		
<b>Income subject to Prince Edward Island higher tax rate (amount A minus amount F)</b>		G

\* If the corporation has a permanent establishment only in Prince Edward Island, enter the taxable income from line 360 of the T2 return. Otherwise, enter the taxable income allocated to Prince Edward Island 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 – Prince Edward Island tax before credits

<b>Prince Edward Island tax at the lower rate:</b>		
Amount F _____	$\times \frac{\text{Number of days in the tax year before January 1, 2018}}{\text{Number of days in the tax year}} \times 4.5\%$	= _____ H
Amount F _____	$\times \frac{\text{Number of days in the tax year in 2018}}{\text{Number of days in the tax year}} \times 4\%$	= _____ I
Amount F _____	$\times \frac{\text{Number of days in the tax year after December 31, 2018}}{\text{Number of days in the tax year}} \times 3.5\%$	= _____ J
Total Prince Edward Island tax at the lower rate (total of amounts H to J)		K
<b>Prince Edward Island tax at the higher rate:</b>		
Amount G _____	× 16%	= _____ L
<b>Prince Edward Island tax before credits (amount K plus amount L) ***</b>		M

\*\*\* If the corporation has a permanent establishment in more than one jurisdiction, or is claiming a Prince Edward Island tax credit, enter amount M on line 210 of Schedule 5. Otherwise, enter it on line 760 of the T2 return.