Canada Revenue Agency | Agence du revenu du Canada

Schedule 307

Newfoundland and Labrador Corporation Tax Calculation (2016 and later tax years)

Protected B when completed

Corporation's name	Business number	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 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*.

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 427 of the T2 return . . . . . _____ D

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

Amount E _____ × (Taxable income for Newfoundland and Labrador * / 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 _____ × 3% = ... _____ H

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

Amount G _____ × (Number of days in the tax year before January 1, 2016 / Number of days in the tax year) _____ × 14% = _____ 1

Amount G _____ × (Number of days in the tax year after December 31, 2015 / Number of days in the tax year) _____ × 15% = _____ 2

Tax at the higher rate for Newfoundland and Labrador and its offshore area (amount 1 **plus** amount 2) _____ ▶ _____ 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 the Newfoundland and Labrador offshore area, 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 the Newfoundland and Labrador offshore area

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

Amount J _____ × (Taxable income for the Newfoundland and Labrador offshore area / Taxable income for Newfoundland and Labrador **plus** taxable income for the Newfoundland and Labrador offshore area) _____ = _____ 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.

(Vous pouvez obtenir ce formulaire en français à **arc.gc.ca/formulaires** ou en composant le **1-800-959-7775**.)

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