



Nova Scotia Corporation Tax Calculation (2016 and later tax years)

Corporation's name, Business number, Tax year-end (Year, Month, Day)

- Use this schedule if your corporation had a permanent establishment... This schedule is a worksheet only...

Part 1 - Income subject to the lower and higher tax rate for Nova Scotia and its offshore area

Taxable income for Nova Scotia* (A), Income eligible for the lower tax rate (B, C, D, E), Amount E x Taxable income for Nova Scotia* / Taxable income for all provinces*** (F), Income subject to the higher tax rate (G)

* If the corporation has a permanent establishment only in Nova Scotia... ** If the corporation is a member of a partnership... *** Includes the territories and the offshore jurisdictions...

Part 2 - Income from active business when there is partnership income

Complete this part only if the corporation is a member of a partnership.

Amount U from Part 5 of Schedule 7 (H), Deduct partnership income: Amount M from Part 4 of Schedule 7 (I)

Table with 4 columns: J (Amounts from column F1 in Part 3 of Schedule 7), K (Amounts from column H1 in Part 3 of Schedule 7 multiplied by 350,000/500,000), L (Column J minus column K), M (Lesser of columns J and K). Rows 1, 2, 3, and Totals (N, O).

Amount on line 370 from Part 3 of Schedule 7 (P), Amount on line 380 from Part 3 of Schedule 7 (Q), Subtotal (amount P plus amount Q) (R), Enter amount N or amount R, whichever is less (S), Specified partnership income (amount O plus amount S) (T), Partnership income (amount I minus amount T) (U), Income from active business (amount H minus amount U) (V)

Part 3 – Nova Scotia tax before credits and of Nova Scotia offshore tax

Tax at the lower rate for Nova Scotia and its offshore area:

Amount F _____ x 3% = AA

Tax at the higher rate for Nova Scotia and its offshore area:

Amount G _____ x 16% = BB

Tax for Nova Scotia and its offshore area (amount AA plus amount BB) CC

Only one jurisdiction

If the taxable income is allocated only to Nova Scotia or to Nova Scotia offshore area, and the corporation is **not** claiming a Nova Scotia tax credit, enter amount CC on line 760 of the T2 return. If the corporation is claiming a credit, enter amount CC on line 215 or 220 of Schedule 5, whichever applies.

Jurisdictions in both Nova Scotia and Nova Scotia offshore area

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

Amount CC _____ x $\frac{\text{Taxable income for Nova Scotia offshore area}}{\text{Taxable income for Nova Scotia plus taxable income for Nova Scotia offshore area}}$ = DD

Nova Scotia offshore tax – enter amount DD on line 220 of Schedule 5.

Nova Scotia tax before credits (amount CC minus amount DD) EE

Enter amount EE on line 215 of Schedule 5.