



Ontario Corporation Tax Calculation (2018 and later tax years)

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

- Use this schedule if the corporation had a permanent establishment...
Legislative references are to the federal Income Tax Act and Income Tax Regulations.
This schedule is a worksheet only and is not required to be filed with your T2 Corporation Income Tax Return.

Part 1 - Ontario basic income tax

Ontario taxable income * (A)
Ontario basic rate of tax for the year (B) 11.5%
Ontario basic income tax (amount A multiplied by amount B **) (C)

* If the corporation has a permanent establishment only in Ontario...
** If the corporation has a permanent establishment in more than one jurisdiction...

Part 2 - Ontario small business deduction (OSBD)

Complete this part if the corporation claimed the federal small business deduction...
Amount from line 400 of the T2 return (1)
Amount from line 405 of the T2 return (2)
Amount from line 427 of the T2 return (3)
Enter the least of amounts 1, 2 or 3 (D)
Ontario domestic factor (ODF) = Taxable income for Ontario * / Taxable income for all provinces ** (E)
Amount D multiplied by amount E (4)
Ontario taxable income (amount A from Part 1) (5)
Ontario small business income (lesser of amount 4 or amount 5) (F)
Ontario small business deduction rate for the year:
Number of days in the tax year before January 1, 2018 x 7% = (G1)
Number of days in the tax year after December 31, 2017 x 8% = (G2)
OSBD rate for the year (rate G1 plus rate G2) (G)
Ontario small business deduction (amount F multiplied by rate G) (H)

* Enter amount A from Part 1.
** Includes the offshore areas for Nova Scotia and Newfoundland and Labrador.

Part 3 – Ontario adjusted small business income

Complete this part if the corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

Ontario adjusted small business income (lesser of amount D and amount 5) I

Enter amount I at amount K in Part 4 of this schedule or at amount B in Part 2 of Schedule 502, *Ontario Tax Credit for Manufacturing and Processing*, whichever applies.

Part 4 – Credit union tax reduction

Complete this part and Schedule 17, *Credit Union Deductions*, if the corporation was a credit union throughout the tax year.

Amount D from Part 3 of Schedule 17 J

Ontario adjusted small business income (amount I) K

Subtotal (amount J **minus** amount K, if negative, enter "0") L

Amount L **multiplied** by amount G M

Ontario domestic factor (amount E) N

Ontario credit union tax reduction (amount M **multiplied** by amount N) O

Enter amount O on line 410 of Schedule 5.