



Before you complete this form, read the attached information section. Attach this form to your return.

Dispositions of certain capital property (shares subject to tax on split income (TOSI))

Complete this part if you (or a trust of which you are the beneficiary) disposed of shares to a person with whom you do not deal at arm's length, and the dividends on such shares would be subject to TOSI.

Capital gain on dispositions in 2018

Amount of 2017 reserve (from line C of Form T1206 for 2017)

Amount of 2018 reserve (calculated below)

Line B minus line C (if negative, show in brackets)

Line A plus line D

Gains from box 21 of your T3 slip(s) (relating to such dispositions)

Line E plus line F

		A
B		
C		
	+	D
	=	E
	+	F
	=	G

If you were under 18 years of age at the end of the year, the amount at line G is deemed to be a dividend (other than eligible dividend). Multiply the amount on line G by 1.16 and include this amount under "Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations" on the worksheet for your return, and on lines 120 and 180 of your return. In addition, enter the amount from line G on line 1 in Part 1 below. **Do not** include this amount on Schedule 3.

If you were 18 years of age or older in 2018, enter the amount from line G on the applicable line(s) of Schedule 3. In addition, enter the amount from line G on line 3 in Part 1 below.

Calculation of reserve

Complete this calculation for dispositions made after March 21, 2011, and include the total amount of your 2018 reserve on line C above. You can claim a reserve up to a maximum of four years for each disposition. Your reserve in each year cannot be more than the lesser of the following two calculations (use a separate sheet of paper for multiple dispositions):

(i) Capital gain	×	Amount payable after the end of the year	=	
		Proceeds of disposition		
(ii) Capital gain	×	Applicable percentage for year of sale or year after sale	%	=

Year of sale	Year after sale
80%	1st year: 60%
	2nd year: 40%
	3rd year: 20%
	4th year: 0%

Part 1 – Split income

The part of the taxable amount of dividends (eligible and other than eligible) described in the information section received from taxable Canadian corporations

6835 1

The part of the taxable amount of dividends other than eligible dividends, included on line 1, from taxable Canadian corporations

6834 2

All other split income (see the definition in the information section)

+

3

Total split income: Add lines 1 and 3. Enter this amount on line 232 of your return.

6836 = 4

Net income from line 236 of your tax return

+

5

TOSI-adjusted net income: Add lines 4 and 5 (See note below)

= 6

Note

Use the TOSI-adjusted net income from line 6 to calculate the federal amounts amount you can claim, if applicable, for:

- the age amount on line 301 of your Schedule 1
- the refundable medical expenses supplement on line 452 of your tax return
- the working income tax benefit (WITB) on line 453 of your tax return

Also, use the amount on line 6 instead of the amount from line 234 of your tax return in the calculation of the social benefits repayment for lines 235 and 422 of your tax return, if applicable.

Use the TOSI-adjusted net income from line 6 of this form to calculate the provincial and territorial amounts amount you can claim, if applicable, for:

- the age amount on line 5808 of Form 428 for all provinces and territories **except** for Newfoundland and Labrador and Nova Scotia
- the low income tax reductions on Form 428 for New Brunswick (line 52), for Prince Edward Island (line 54), for British Columbia (line 60), and for Newfoundland and Labrador (line 67)
- the Sales tax credit on Form 479 for British Columbia

For more information and further instructions, see "TOSI-adjusted net income" in the information section.

Part 2 – Federal tax on split income**Calculation of line 420 of Schedule 1**

Total split income from line 4

7

Federal tax on split income: Multiply the amount on line 7 by 33%. Enter this amount on line 424 of Schedule 1.

8

TOSI-adjusted taxable income

Amount from line 8

÷ 15% =

8A

Use the amount from line 8A in place of taxable income for certain amounts. For more information, see "TOSI-adjusted taxable income" in the information section.

Federal disability tax credit

Amount from line 316 of your Schedule 1

9

Amount from line 318 of your Schedule 1

+

10

Add lines 9 and 10

=

11

× 15% =

▶

-

12

Line 8 minus line 12

=

13

Federal dividend tax credit on split income

Amount from line 1 of Part 1

14

Amount from line 2 of Part 1

-

15

× 10.0313% =

17

Line 14 minus line 15 (if negative, enter "0")

=

16

× 15.0198% =

+

18

Add lines 17 and 18

=

19

Line 13 minus line 19

=

20

Note

If the amount on line 20 is more than the amount on line 429 of Schedule 1, use the amount on line 20 instead of the amount on line 429 of Schedule 1 when you calculate the refundable Quebec or Yukon First Nations abatement and the federal surtax on income earned outside Canada.

Federal foreign tax credit on split income

The part of the amount on line 3 that is from foreign sources

6837

× Amount from line 405 of Schedule 1

=

-

21

Total income from foreign sources

6838

Line 20 minus line 21 (if negative, enter "0")

=

22

Amount from line 406 of Schedule 1

23

Amount from line 416 of Schedule 1

-

24

Line 23 minus line 24 (if negative, enter "0")

=

25

Amount from line 415 of Schedule 1

+

26

Add lines 25 and 26

=

27

Enter the amount from line 22 or line 27, whichever is **greater**.

28

Add the amount from line 28 to line 418 of Schedule 1, and enter the result on line 420 of Schedule 1.

Part 3 – Provincial or territorial tax payable by an individual with split income**Provincial or territorial tax on split income**

Total split income from line 4

29

Tax rate that applies to your province or territory from column 2 in Chart C of the information section

× % **30**

Multiply the amount on line 29 by the tax rate you entered on line 30.

Enter this amount on the line of your Form 428 shown in column 4 in Chart C of the information section.

= **31****TOSI-adjusted taxable income**

Amount from line 31

31A

Tax rate that applies to your province or territory from column 3 in Chart C of the information section

÷ % **31B**

Divide the amount on line 31A by the tax rate you entered on line 31B

= **31C**

Use the amount from line 31C in place of taxable income for certain amounts. For more information, see "TOSI-adjusted taxable income" in the information section.

Calculation of line 428 of your return**Provincial or territorial disability tax credit (DTC)**

DTC from line 5844 of your provincial or territorial Form 428

32

DTC transferred from a dependant from line 5848 of your provincial or territorial Form 428

+ **33**

Add lines 32 and 33

= **34**

Tax rate that applies to your province or territory from column 3 in Chart C of the information section

× % **35**

Multiply the amount on line 34 by the tax rate you entered on line 35

= **36**

Line 31 minus line 36

– **37**= **37****Provincial or territorial dividend tax credit on split income for eligible dividends and dividends other than eligible dividends**

Amount from line 16

38

Eligible dividend tax credit rate that applies to your province or territory from column 5 in Chart C of the information section

× % **39**

Multiply the amount on line 38 by the rate on line 39

= **40**

Amount from line 15

41

Dividend other than eligible dividend tax credit rate that applies to your province or territory from column 6 in Chart C of the information section

× % **42**

Multiply the amount on line 41 by the rate on line 42

= **43**

Add lines 40 and 43

+ **44**

Line 37 minus line 44

= **45**– **44**= **45****Provincial or territorial foreign tax credit on split income**The part of the amount from line 6837 on the previous page that is **non-business** income

Amount from line number of your Form 428 shown in column 7 in Chart C of the information section

×

=

46The part of the amount from line 6838 on the previous page that is **non-business** income

–

Line 45 minus line 46

=

47

Amount from the line number of your Form 428 shown in column 8 of Chart C of the information section

48Enter the amount from line 47 or line 48, whichever is **greater**.

Enter the amount from line 49 on line 428 of your return.*

49*If you were a resident of **Ontario**, enter this amount on line 69 of Form ON428 and complete the remaining lines of that form.

See the privacy notice on your return.