



# Prince Edward Island Corporation Tax Calculation (2013 and later tax years)

**Protected B**  
when completed

Corporation's name	Business number	Year	Tax year-end Month	Day
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- 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. You do not have to file it with your *T2 Corporation Income Tax Return*.

## Part 1 – Calculation of income subject to Prince Edward Island lower and higher tax rates

Taxable income for Prince Edward Island \* ..... A

### Income eligible for the Prince Edward Island lower tax rate:

Amount from line 400 of the T2 return ..... B

Amount from line 405 of the T2 return ..... C

Amount from line 425 of the T2 return ..... D

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

For credit unions only:

Amount from line F of Schedule 17, *Credit Union Deductions* ..... F

Total (amount E plus amount F) ..... G

Amount G ..... ×  $\frac{\text{Taxable income for Prince Edward Island}^*}{\text{Taxable income for all provinces}^{**}}$  ..... = ..... H

**Income subject to Prince Edward Island higher tax rate** (amount A minus amount H) ..... I

Enter amount H and/or amount I on the applicable line(s) in Part 2.

\* 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 – Calculation of Prince Edward Island tax before credits

### Prince Edward Island tax at the lower rate:

Amount H ..... ×  $\frac{\text{Number of days in the tax year before April 1, 2013}}{\text{Number of days in the tax year}}$  ..... × 1% = ..... 1

Amount H ..... ×  $\frac{\text{Number of days in the tax year after March 31, 2013}}{\text{Number of days in the tax year}}$  ..... × 4.5% = ..... 2

**Prince Edward Island tax at the lower rate** (amount 1 plus amount 2) ..... J

### Prince Edward Island tax at the higher rate:

Amount I ..... × 16% = ..... K

**Prince Edward Island tax before credits** (amount J plus amount K) \* ..... L

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