



Prince Edward Island Corporation Tax Calculation (2018 and later tax years)

Corporation's name	Business number	<div style="text-align: center;">Tax year-end</div> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">Year</div> <div style="text-align: center;">Month</div> <div style="text-align: center;">Day</div> </div>
		<div style="display: flex; justify-content: space-around;"> <div style="width: 10px; height: 10px; border: 1px solid black;"></div> <div style="width: 10px; height: 10px; border: 1px solid black;"></div> <div style="width: 10px; height: 10px; border: 1px solid black;"></div> <div style="width: 10px; height: 10px; border: 1px solid black;"></div> <div style="width: 10px; height: 10px; border: 1px solid black;"></div> </div>

- 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 and does not have to be filed with your T2 Corporation Income Tax Return.

Part 1 – 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 427 of the T2 return **D**

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

Amount E × Taxable income for Prince Edward Island * = **F**
Taxable income for all provinces **

Income subject to Prince Edward Island higher tax rate (amount A minus amount F) **G**

* 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 – Prince Edward Island tax before credits

Prince Edward Island tax at the lower rate:

Amount F × $\frac{\text{Number of days in the tax year before January 1, 2018}}{\text{Number of days in the tax year}}$ × 4.5% = **H**

Amount F × $\frac{\text{Number of days in the tax year in 2018}}{\text{Number of days in the tax year}}$ × 4% = **I**

Amount F × $\frac{\text{Number of days in the tax year after December 31, 2018}}{\text{Number of days in the tax year}}$ × 3.5% = **J**

Total Prince Edward Island tax at the lower rate (total of amounts H to J) **K**

Prince Edward Island tax at the higher rate:

Amount G × 16% = **L**

Prince Edward Island tax before credits (amount K plus amount L) *** **M**

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