

Part 1 — Taxable income

Enter your **taxable income** from line 260 of your return _____ **1**

Part 2 — Complete ONE of the following sections

SECTION I — Complete this section if line 1 is **\$29,590.00 or less**

Enter the amount from line 1	_____	x 17% is	_____	=	_____	2
Go to Part 3						

SECTION II — Complete this section if line 1 is **more than \$29,590.00, but not more than \$59,180.00**

Enter the amount from line 1	_____	3				
Tax on the first	— \$ 29,590 00	4	is	_____	\$ 5,030 00	5
Tax on the remaining (line 3 minus line 4)	=		x 26% is	_____	_____	6
Add lines 5 and 6						
					_____	7
Go to Part 3						

SECTION III — Complete this section if line 1 is **more than \$59,180.00**

Enter the amount from line 1	_____	8				
Tax on the first	— \$ 59,180 00	9	is	_____	\$ 12,724 00	10
Tax on the remaining (line 8 minus line 9)	=		x 29% is	_____	_____	11
Add lines 10 and 11						
					_____	12
Go to Part 3						

Part 3 — Instructions

Use Method A, or Method B, but not both, to complete the rest of this schedule.

Use Method A unless any of the following items apply to your situation, in which case, use Method B.

- tax adjustments (line 500 in the guide)
- federal dividend tax credit (line 502 in the guide)
- minimum tax carry-over (line 504 in the guide)
- overseas employment tax credit (included at line 506)
- foreign tax credit (lines 507, 508, and 511 in the guide)
- additional investment tax credit (line 518 in the guide)
- minimum tax (see page 34 in the guide)
- forward-averaging tax credit (Form T581)
- federal logging tax credit (see page 39 in the guide)

Method A (lines 13 through 18)
See the instructions above to find out if you can use this method.

Federal tax:

Enter the amount from line 2, 7, or 12 above, whichever applies	_____				_____	13
Total non-refundable tax credits: Enter the amount from line 350 of your return	_____	—			_____	14
Federal tax: Line 13 minus line 14; if negative, enter "0"						
Enter this amount on line 406 of your return.						
		=			_____	15

Federal individual surtax:

Enter the amount from line 15	_____		x 3% is	_____	_____	16
Minus: \$12,500	— \$ 12,500 00				_____	
Result (if negative, enter "0")	=		x 5% is	_____	_____	17
Federal individual surtax: Add lines 16 and 17						
Enter this amount on line 419 of your return.						
		=			_____	18

**Use the pink form included in your income tax package to calculate your provincial or territorial tax.
 See line 428 in the guide.**

Method B (lines 19 through 40)

See the instructions on the other side to find out if you have to use this method.

Federal tax:

Enter the amount from line 2, 7, or 12, whichever applies				19
Tax adjustments (see line 500 in the guide)	Specify:	500+		• 20
		Add lines 19 and 20	=	21

Total non-refundable tax credits: Enter the amount from line 350 of your return			22	
Federal dividend tax credit: Calculate 13.33% of the amount on line 120 of your return	502+			• 23
Minimum tax carry-over (see line 504 in the guide)	504+			• 24
		Add lines 22, 23, and 24	=	25
		Basic federal tax: Line 21 minus line 25. 506=		26

Federal foreign tax credit: (see lines 507 and 508 in the guide)

Make a separate calculation for each foreign country.

Income tax or profits tax paid to a foreign country		507		• 27
Net foreign income *	508	X (Basic federal tax ***)	=	28
Net income **				

* Reduce your net foreign income by any foreign income exempt under a tax treaty (included on line 256). If this amount is more than your **Net income****, enter your **(Basic federal tax***)** on line 28.

** Net income (line 236) (or if you filed a Form T581 election, use line 8 of that form; if negative, enter "0") minus any capital losses of other years allowed (line 253), employee home relocation loan deduction (line 248), stock option and shares deductions (line 249), other payments deduction (line 250), capital gains deduction (line 254), and any foreign income exempt under a tax treaty, and net employment income from a prescribed international organization (included on line 256).

*** Add to your Basic federal tax (line 506) any dividend tax credit (line 502) and subtract any refundable Quebec abatement (line 440), and any tax adjustments for CPP/QPP disability benefits for previous years (included on line 500).

Enter the amount from line 27 or line 28, whichever is less				29
Federal tax: Line 26 minus line 29; if negative, enter "0"				30
				30

Federal individual surtax:

Enter the amount from line 26 above				31
Federal forward-averaging tax credit (attach a completed Form T581)				32
		Line 31 minus line 32; if negative, enter "0"	=	33

Enter the amount from line 33		x 3% is		34
Minus: \$12,500	- \$ 12,500	00		
	Result (if negative, enter "0")	=	x 5% is	35
			Add lines 34 and 35	36

Additional federal foreign tax credit from Part II of Form T2209	511			37
		Line 36 minus line 37; if negative, enter "0"	=	38

Additional investment tax credit from section II of Form T2038 (IND.)	518			39
		Federal individual surtax: Line 38 minus line 39; if negative, enter "0"	=	40

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See line 428 in the guide.