

CALCULATION OF TAX FOR 1997 – MULTIPLE JURISDICTIONS

Use this form to calculate your 1997 tax if **either** of the following apply:

- you resided in a province or territory on December 31, 1997 (if you ceased to reside in Canada during 1997, use the last day you resided in Canada), and all or part of your business income for the year was earned and is allocable to a permanent establishment outside that province or territory, or outside Canada; or
- you were a non-resident throughout 1997 carrying on business in any province or territory.

Attach a completed copy of this form to your 1997 income tax return. If you need to allocate your federal forward-averaging tax credit, also attach a completed Form T2203A, *Forward-Averaging Supplement for 1997 – Multiple Jurisdictions*. If minimum tax applies, attach a completed Form T691, *Calculation of Minimum Tax*, and Form T691A, *Minimum Tax Supplement – Multiple Jurisdictions*.

Part 1 – Income allocated to various jurisdictions

Net income from line 236 of your return		1
Business income earned in the year: Add self-employment income from lines 135 to 143 of your return, and business income from a partnership from line 122 of your return (exclude losses)	=	2
Excess income: Line 1 minus line 2 (if negative, enter "0")	=	3

In column 2, allocate the amount from line 2 to each province and territory where you had a permanent establishment in 1997. Refer to Part XXVI of the *Income Tax Regulations* if you need instructions. If you are a resident of Quebec, you must allocate to Quebec any business income you earned outside Canada in the year.

In column 3, allocate to your province or territory of residence the amount from line 3, if any.

In column 4, add columns 2 and 3. If the amount from line 1 is less than the amount from line 2, determine the percentage of income allocation in column 2, and multiply the amount on line 1 by this percentage. Enter the result in column 4.

In column 5, determine the percentage for each jurisdiction based on of the income you allocated in column 4.

Column 1	Column 2	Column 3	Column 4	Column 5
Jurisdiction	Allocating business income earned in the year (line 2)	Excess income (line 3)	Income allocated to jurisdiction (column 2 plus column 3)	% of income allocated to jurisdiction
Newfoundland				
Prince Edward Island				
Nova Scotia				
New Brunswick				
Quebec				
Ontario				
Manitoba				
Saskatchewan				
Alberta				
British Columbia				
Yukon Territory				
Northwest Territories				
Other (outside Canada)				
Totals				100%

Part 2 – Net federal tax

Enter your taxable income from line 260 of your return				
Complete Part 2 of Schedule 1 of your return.				
Enter the amount from line 2, 7, or 12, whichever applies			4	
Tax adjustments from line 423 of Schedule 1	+			5
Add line 4 and line 5	=		▶	6
Total non-refundable tax credits from line 350 of your return			7	
Overseas employment tax credit from Form T626	+			8
Federal dividend tax credit: Multiply the amount on line 120 of your return by 13.33%	+			9
Minimum tax carryover from Form T691	+			10
Add lines 7 to 10	=		▶	11
Line 6 minus line 11				12
		Basic federal tax		
Federal surtax on income you earned outside Canada: Multiply basic federal tax allocated to "Other" in the chart below by 52%	+			13
Federal tax before the federal foreign tax credit: Add line 12 and line 13	=			14
Federal foreign tax credit from Part 1 of Form T2209			15	
Federal logging tax credit	+			16
Add line 15 and line 16	=		▶	17
Federal tax: Line 14 minus line 17 (if negative, enter "0")				18
Federal political contribution tax credit from line 410 of your return			19	
Investment tax credit from line 412 of your return	+			20
Labour-sponsored funds tax credit from line 414 of your return	+			21
Add lines 19 to 21	=		▶	22
Line 18 minus line 22. Enter the result on line 417 of your return				23
		Federal tax before the federal individual surtax		
Federal individual surtax				
Basic federal tax from line 12			24	
Overseas employment tax credit from line 8	+			25
For deceased persons only: Amount from line 9 of Form T541	+			26
Add lines 24 to 26	=			27
Enter any adjusted federal forward-averaging tax credit from line 4 of Form T2203A	-			28
Line 27 minus line 28	=			29
Amount from line 29		x 3% =		30
(Amount from line 29		minus \$12,500) x 5% =		31
Individual surtax: Add line 30 and line 31	+		▶	32
Additional foreign tax credit from Part 2 of Form T2209				33
Line 32 minus line 33				34
Additional investment tax credit from Section II of Form T2038 (IND)				35
Line 34 minus line 35. Enter the result on line 419 of your return				36
		Federal individual surtax		

Allocating basic federal tax to jurisdictions

Allocate "Basic federal tax" (line 12) to each jurisdiction using the percentage you determined in column 5 in the table on the previous page.

<table border="0" style="width: 100%;"> <tr><td style="width: 10%;">_____ %</td><td style="width: 40%;">to Newfoundland</td><td style="width: 10%;">_____</td></tr> <tr><td>_____ %</td><td>to Prince Edward Island</td><td>_____</td></tr> <tr><td>_____ %</td><td>to Nova Scotia</td><td>_____</td></tr> <tr><td>_____ %</td><td>to New Brunswick</td><td>_____</td></tr> <tr><td>_____ %</td><td>to Quebec</td><td>_____</td></tr> <tr><td>_____ %</td><td>to Ontario</td><td>_____</td></tr> <tr><td>_____ %</td><td>to Manitoba</td><td>_____</td></tr> </table>	_____ %	to Newfoundland	_____	_____ %	to Prince Edward Island	_____	_____ %	to Nova Scotia	_____	_____ %	to New Brunswick	_____	_____ %	to Quebec	_____	_____ %	to Ontario	_____	_____ %	to Manitoba	_____	<table border="0" style="width: 100%;"> <tr><td style="width: 10%;">_____ %</td><td style="width: 40%;">to Saskatchewan</td><td style="width: 10%;">_____</td></tr> <tr><td>_____ %</td><td>to Alberta</td><td>_____</td></tr> <tr><td>_____ %</td><td>to British Columbia</td><td>_____</td></tr> <tr><td>_____ %</td><td>to the Yukon Territory</td><td>_____</td></tr> <tr><td>_____ %</td><td>to the Northwest Territories</td><td>_____</td></tr> <tr><td>_____ %</td><td>to Other (outside Canada)</td><td>_____</td></tr> </table>	_____ %	to Saskatchewan	_____	_____ %	to Alberta	_____	_____ %	to British Columbia	_____	_____ %	to the Yukon Territory	_____	_____ %	to the Northwest Territories	_____	_____ %	to Other (outside Canada)	_____
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Refundable Quebec abatement

Multiply basic federal tax allocated to Quebec from the chart above by 16.5%. Enter this amount on line 440 of your return.
If you have to complete Form T2203A, enter this amount on line 9 of the T2203A, and do not enter it on line 440 of your return.

_____ 37

Part 3 – Provincial and territorial tax

Newfoundland

If you made a forward-averaging election, calculate your Newfoundland tax on Form T2203A and enter the result on line 38 below. Otherwise, complete the following calculation.

Multiply basic federal tax allocated to Newfoundland (from the chart in Part 2) by 69%	_____	_____	A
Newfoundland surtax: (line A _____ minus \$7,900) x 10% =	+	_____	
Adjusted Newfoundland income tax	=	_____	
Residents of Newfoundland: Provincial foreign tax credit, if any, from Form T2036	-	_____	
Newfoundland tax	=	_____	▶ _____ 38

Prince Edward Island

If you made a forward-averaging election, calculate your Prince Edward Island tax on Form T2203A and enter the result on line 39 below. Otherwise, complete the following calculation.

Multiply basic federal tax allocated to P.E.I. (from the chart in Part 2) by 59.5%	_____	_____	B
P.E.I. surtax: (line B _____ minus \$5,200) x 10% =	+	_____	
Adjusted Prince Edward Island income tax	=	_____	
Residents of Prince Edward Island: Provincial foreign tax credit, if any, from Form T2036	-	_____	
Prince Edward Island tax	=	_____	▶ _____ 39

Nova Scotia

If you made a forward-averaging election, calculate your adjusted Nova Scotia income tax on Form T2203A and enter the result on line 40 below. Otherwise, complete the following calculation.

Multiply basic federal tax allocated to Nova Scotia (from the chart in Part 2) by 58.5%	_____	_____	C
Nova Scotia surtax: (line C _____ minus \$10,000) x 10% =	+	_____	
Adjusted Nova Scotia income tax *	=	_____	▶ _____ 40

* **Residents of Nova Scotia:** Enter this amount on line 5 of Form T1C (N.S.) TC. Use that form to complete the calculation of Nova Scotia tax, and enter the result on line 40 above.

New Brunswick

If you made a forward-averaging election, calculate your New Brunswick tax on Form T2203A and enter the result on line 41 below. Otherwise, complete the following calculation.

Multiply basic federal tax allocated to New Brunswick (from the chart in Part 2) by 63%	_____	_____	D
New Brunswick surtax: (line D _____ minus \$13,500) x 8% =	+	_____	
Adjusted New Brunswick income tax	=	_____	
Residents of New Brunswick: Provincial foreign tax credit, if any, from Form T2036	-	_____	
New Brunswick tax	=	_____	▶ _____ 41

Ontario

If you made a forward-averaging election, calculate your adjusted Ontario tax on Form T2203A and enter the result on line 42 below. Otherwise, complete the following calculation.

Multiply basic federal tax allocated to Ontario (from the chart in Part 2) by 48%	_____	_____	E
Ontario Fair Share Health Care Levy:			
(line E _____ minus \$4,555) x 20% =	+	_____	
(line E _____ minus \$6,180) x 26% =	+	_____	
Adjusted Ontario tax *	=	_____	▶ _____ 42

* **Residents of Ontario:** Enter this amount on line 7 of Form T1C (ONT.) TC. Use that form to complete the calculation of Ontario tax, and enter the result on line 42 above.

Manitoba

Multiply basic federal tax allocated to Manitoba (from the chart in Part 2) by 52%	_____	_____	
Manitoba net income tax: Multiply net income allocated to Manitoba (Part 1, column 4) by 2% * ..	+	_____	
Enter this amount on line 10 on Form T1C (MAN.) TC	=	_____	
Complete the calculation of Manitoba tax on Form T1C (MAN.) TC ** and enter the result here			▶ _____ 43

* **Residents of Manitoba:** Reduce net income allocated to Manitoba by any amount you deducted on line 250 of your return and by any foreign income exempt under a tax treaty that you included on line 256 of your return.

** **Residents of Manitoba:** Adjusted net income for the Manitoba surtax calculation on Form T1C (MAN.) TC is net income allocated to Manitoba minus any amount you deducted on line 250 of your return and any foreign income exempt under a tax treaty that you included on line 256 of your return.

All others: Adjusted net income for the Manitoba surtax calculation on Form T1C (MAN.) TC is net income you allocated to Manitoba. When calculating Manitoba tax, do not claim the provincial foreign tax credit. Prorate the Manitoba tax reduction based on the percentage of net income you allocated to Manitoba.

Part 3 – Provincial and territorial tax (continued)

Saskatchewan

Multiply basic federal tax allocated to Saskatchewan (from the chart in Part 2) by 50%	_____	_____	
Saskatchewan flat tax: Multiply net income allocated to Saskatchewan (Part 1, column 4) by 2% *	+	_____	
Basic Saskatchewan tax	=	_____	F
Multiply line F by 10%	=	_____	
Reduction amount	-	150 00	
Debt reduction surtax	=	_____	
High income surtax: (Line F _____ minus \$4,000) x 15% =	+	_____	
Adjusted Saskatchewan tax **	+	_____	
	=	_____	▶ 44

* **Residents of Saskatchewan:** Reduce net income allocated to Saskatchewan by any amount you deducted on line 250 of your return and by any foreign income exempt under a tax treaty that you included on line 256 of your return.

** **Residents of Saskatchewan:** Enter this amount on line 15 of Form T1C (SASK). Use that form to complete the calculation of Net Saskatchewan tax, and enter the result on line 44 above.

Alberta

Multiply basic federal tax allocated to Alberta (from the chart in Part 2) by 45.5%	_____	_____	
Alberta surtax: (Line G _____ minus \$3,500) x 8% =	+	_____	
Alberta flat rate tax: Multiply taxable income allocated to Alberta by 0.5% or 0.005 *	+	_____	
Add the above three lines. Enter this amount on line 8 of Form T1C (ALTA.)	=	_____	
Complete the calculation of Alberta tax on Form T1C (ALTA.) ** and enter the result here			▶ 45

* **Taxable income allocated to Alberta:** Multiply your taxable income on line 260 of your return by the percentage you allocated to Alberta in Part 1, column 5.

** **If you were not a resident of Alberta,** do not claim the Alberta selective tax reduction or the provincial foreign tax credit when calculating Alberta tax.

British Columbia

If you made a forward-averaging election, calculate your British Columbia tax on Form T2203A and enter the result on line 46 below. Otherwise, complete the following calculation.

Multiply basic federal tax allocated to British Columbia (from the chart in Part 2) by 51%	_____	_____	
Residents of British Columbia: Provincial foreign tax credit, if any, from Form T2036	-	_____	
Adjusted British Columbia income tax: Enter this amount on line 5 of Form T1C (B.C.) TC	=	_____	
Complete the calculation of British Columbia tax on Form T1C (B.C.) TC and enter the result here			▶ 46

Yukon Territory

If you made a forward-averaging election, calculate your Yukon Territory tax on Form T2203A and enter the result on line 47 below. Otherwise, complete the following calculation.

Multiply basic federal tax allocated to Yukon Territory (from the chart in Part 2) by 50%	_____	_____	
Yukon Territory surtax: (Line H _____ minus \$6,000) x 5% =	+	_____	
Adjusted Yukon Territory tax	=	_____	
Residents of the Yukon Territory: Territorial foreign tax credit, if any, from Form T2036	-	_____	
Yukon Territory tax	=	_____	▶ 47

Northwest Territories

Multiply basic federal tax allocated to the Northwest Territories (from the chart in Part 2) by 45%	_____	_____	
Residents of the Northwest Territories: Territorial foreign tax credit, if any, from Form T2036	-	_____	
Northwest Territories tax	=	_____	▶ 48

Provincial and territorial tax

Add lines 38 to 48. Enter this amount on line 428 of your return	=	_____	▶ 49
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