

CALCULATION OF TAX FOR 1998 – MULTIPLE JURISDICTIONS

Use this form to calculate your tax (or your minimum tax supplement *) for 1998 if **either** of the following applies:

- you resided in a province or territory on December 31, 1998 (if you ceased to reside in Canada during 1998, 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 1998 carrying on business in more than one province or territory.

Attach a completed copy of this form to your 1998 return.

* If minimum tax applies, also attach a completed Form T691, *Calculation of Minimum Tax*.

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 1998. 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 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 – Allocating basic federal tax to jurisdictions

Basic federal tax from line 33 of Schedule 1		4
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If minimum tax applies, enter basic federal tax from line 75 of Form T691		5
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Allocating basic federal tax to jurisdictions

Allocate basic federal tax from line 4 or line 5, whichever is **more**, to each jurisdiction using the percentage determined in column 5 in the table above.

_____ % to Newfoundland	_____ % to Saskatchewan
_____ % to Prince Edward Island	_____ % to Alberta
_____ % to Nova Scotia	_____ % to British Columbia
_____ % to New Brunswick	_____ % to the Yukon Territory
_____ % to Quebec	_____ % to the Northwest Territories
_____ % to Ontario	_____ % to Other (outside Canada)
_____ % to Manitoba	

Part 3 – Federal surtax on income you earned outside Canada and refundable Quebec abatement

Federal surtax on income you earned outside Canada

Multiply basic federal tax from line 4 by 52%	_____		_____	6
Enter the percentage for Other (from column 5 in the table in Part 1)	X	_____	%	7
Multiply line 6 by the percentage on line 7	=	_____		8

Write "federal surtax on income earned outside Canada" and enter the amount from line 8 below line 33 on Schedule 1.
Add line 8 to the basic federal tax on line 33, and subtract line 36 from the total to arrive at federal tax on line 37.

If minimum tax applies, multiply basic federal tax from line 5 by 52%	_____		_____	9
Enter the percentage for Other (from column 5 in the table in Part 1)	X	_____	%	10
Multiply line 9 by the percentage on line 10, and enter the result on line 77 of Form T691	=	_____		11

Refundable Quebec abatement

Multiply basic federal tax from line 4 by 16.5%	_____		_____	12
Enter the percentage for Quebec (from column 5 in the table in Part 1)	X	_____	%	13
Multiply line 12 by the percentage on line 13	=	_____		14

If minimum tax applies, multiply basic federal tax from line 5 by 16.5%	_____		_____	15
Enter the percentage for Quebec (from column 5 in the table in Part 1)	X	_____	%	16
Multiply line 15 by the percentage on line 16	=	_____		17

Enter the amount from line 14 or line 17, whichever is **more**, on line 440 of your return.

Part 4 – Provincial and territorial tax

Newfoundland

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	=	_____	▶	_____ 18

Prince Edward Island

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	=	_____	▶	_____ 19

Nova Scotia

Calculate Nova Scotia tax on Form T1C (N.S.) TC * and enter the result here	_____		_____	20
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* Enter on line 1 of Form T1C (N.S.) TC the basic federal tax allocated to Nova Scotia from the chart in Part 2.

If you were not a resident of Nova Scotia:

Do not claim the provincial foreign tax credit on line 6 of Form T1C (N.S.) TC when calculating Nova Scotia tax.

New Brunswick

Multiply basic federal tax allocated to New Brunswick (from the chart in Part 2) by 61%	_____		_____	C
New Brunswick surtax: (line C _____ 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	=	_____	▶	_____ 21

Part 4 – Provincial and territorial tax (continued)

Ontario

Multiply basic federal tax allocated to Ontario (from the chart in Part 2) by 42.75%	_____	D	
Ontario Fair Share Health Care Levy:			
(line D _____ minus \$4,057.50) x 20% =	+		
(line D _____ minus \$5,217.50) x 33% =	+		
Adjusted Ontario tax *	=		▶ _____ 25

* **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 22 above.

Manitoba

Calculate Manitoba tax on Form T1C (MAN.) TC * and enter the result here	_____	23
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* **If you were a resident of Manitoba:**
Enter on line 1 of Form T1C (MAN.) TC the net income allocated to Manitoba from column 4 in Part 1.
Enter on line 6 the basic federal tax allocated to Manitoba from the chart in Part 2.

If you were not a resident of Manitoba:
Start on line 5 of Form T1C (MAN.) TC, and enter the net income allocated to Manitoba from column 4 in Part 1. Enter on line 6 the basic federal tax allocated to Manitoba from the chart in Part 2. Do not claim the provincial foreign tax credit on line 23. After calculating the Manitoba tax reduction on Form T1C (MAN.) TC, apply the same percentage you applied for the income allocated to Manitoba from column 5, Part 1, and enter the result on line 35 of that form.

Saskatchewan

Multiply basic federal tax allocated to Saskatchewan (from the chart in Part 2) by 49%	_____	
Saskatchewan flat tax: Multiply net income allocated to Saskatchewan (Part 1, column 4) by 2% *	+	
Basic Saskatchewan tax	=	E
Multiply line E by 10%	=	
Reduction amount	-	150 00
Debt reduction surtax	=	
High income surtax: (Line E _____ minus \$4,000) x 15% =	+	
Adjusted Saskatchewan tax **	=	▶ _____ 24

* **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 24 above.

Alberta

Multiply basic federal tax allocated to Alberta (from the chart in Part 2) by 44%	_____	F
Alberta surtax: (Line F _____ minus \$3,500) x 8% =	+	G
Alberta flat rate tax: Multiply taxable income allocated to Alberta by 0.005 *	+	
Adjusted Alberta tax: Add the above three lines	=	H
Enter your royalty tax rebate, if any, from line 18 on Form T79	-	I
Alberta income tax after rebate: Line H minus line I (if negative, enter "0") **	=	▶ _____ 25

* **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.

** **Residents of Alberta:** Enter this amount on line 10 of Form T1C (ALTA.).
Use that form to complete the calculation of Alberta tax, and enter the result on line 25 above.

Part 4 – Provincial and territorial tax (continued)

British Columbia

Calculate British Columbia tax on Form T1C (B.C.) TC * and enter the result here 26

* Enter on line 1 of Form T1C (B.C.) TC the basic federal tax allocated to British Columbia from the chart in Part 2.

If you were not a resident of British Columbia:

Do not claim the provincial foreign tax credit on line 4 of Form T1C (B.C.) TC when calculating British Columbia tax.

Yukon Territory

Multiply basic federal tax allocated to the Yukon Territory (from the chart in Part 2) by 50%	_____	J	
Yukon Territory surtax: (Line J _____ 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	=	_____	▶ 27

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	=	_____ ▶ 28

Provincial and territorial tax

Add lines 18 to 28. Enter this amount on line 428 of your return 29

Provincial and territorial credits

You do not have to be a resident of a province or territory to claim certain tax credits, as long as you otherwise qualify.

For example, you could claim provincial and territorial political contribution tax credits. Just attach a completed form T1C for the applicable province or territory.

You could also claim tax credits for investments you made in certain venture capital corporations. Contact us for details.

Here is a list of other credits you could claim, and the forms to complete.

Province / territory	Credits (other than political contribution tax credits)	Form
Newfoundland	Newfoundland research and development tax credit	Form T1129
New Brunswick	New Brunswick stock savings plan tax credit	Form T1C (N.B.)
Ontario	Ontario co-operative education and graduate transitions tax credits Ontario workplace child care and workplace accessibility tax credits	Form T1C (ONT.)
Manitoba	Manitoba mineral tax rebate	Form T78
Saskatchewan	Saskatchewan royalty tax rebate	Form T82
Alberta	Alberta royalty tax rebate	Form T79
British Columbia	British Columbia royalty and deemed income rebate British Columbia mining exploration tax credit (Form BCFIN 220)	Form T81 Form T1C (B.C.)