



**FEDERAL AND PROVINCIAL OR TERRITORIAL CAPITAL GAINS REFUND
(1999 and later taxation years)**

Name of corporation	Business Number	Taxation year end Year Month Day
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- Use this schedule if you are an investment corporation or a mutual fund corporation to calculate the federal capital gains refund and the provincial and territorial capital gains refund (except for Quebec, Ontario, and Alberta).
- The expressions **investment corporation** and **taxed capital gains** are defined in subsection 130(3), the expression **mutual fund corporation** is defined in subsection 131(8), and the expressions **refundable capital gains tax on hand** and **capital gains redemptions** are defined in subsection 131(6) of the *Income Tax Act*.
- File this schedule with the *T2 Corporation Income Tax Return*. For more information, refer to the *T2 Corporation Income Tax Guide*.

Part 1 – Refundable capital gains tax on hand (RCGTOH)

RCGTOH at end of previous year	101		A
Taxable income for the year		x 28% =	B
Taxed capital gains for the year	120	x 28% =	C
Part I taxes payable, excluding corporate surtax			D
The least of amounts B, C, and D			E
RCGTOH amount transferred on amalgamation (for mutual fund and investment corporations)	144		F
Subtotal (add amounts A, E, and F)			G
Deduct: Federal capital gains refund for previous taxation year	151		H
RCGTOH at end of year (before capital gains refund for the year) (amount G minus amount H)	160		I

Part 2 – Capital gains redemptions for the year

Amount I		x 100/21 =		J
Add: Fair market value of all issued shares	162		K	
All debts or other obligations owing	164		L	
Subtotal (amount K plus amount L)			▶ M	
Deduct: Cost amount of all property	166		N	
Cash on hand	168		O	
Subtotal (amount N plus amount O)			▶ P	
Subtotal (amount M minus amount P) (if negative, enter "0")			▶	Q
Net total at end of year (amount J plus amount Q)				R
Amount paid in the year to redeem shares			169	S
Capital gains redemptions for the year ...	$\frac{\text{Amount S}}{\text{Amount S}}$	x	$\frac{\text{Amount R}}{\text{Amount K}}$	=
				170
				T

Part 3 – Federal capital gains refund for the year *

Capital gains dividends paid in the period starting 60 days after the beginning of the year and ending 60 days after the end of the year		180		
Add: Capital gains redemptions for the year (amount T)				U
			Total	U
Amount U multiplied by 21%				V
Federal capital gains refund for the year – the lesser of amounts I and V (enter amount W on line 788 on page 6 of the T2 return)			190	W

* The corporation must either be an investment corporation or a mutual fund corporation throughout a taxation year to obtain a refund (subsections 130(2) and 131(2) of the *Income Tax Act*).

Part 4 – Provincial or territorial capital gains refund for the year

Provincial or territorial code									Capital gains refund
									210
XO Newfoundland Offshore: *	<u>Newfoundland Offshore taxable income</u> Total taxable income	x	Federal capital gains refund for the year (amount W)	x	<u>Newfoundland Offshore income tax rate</u> 28%	=			
NF Newfoundland: *	<u>Newfoundland taxable income</u> Total taxable income	x	Federal capital gains refund for the year (amount W)	x	<u>Newfoundland income tax rate</u> 28%	=			
PE Prince Edward Island:	<u>Prince Edward Island taxable income</u> Total taxable income	x	Federal capital gains refund for the year (amount W)	x	<u>Prince Edward Island income tax rate</u> 28%	=			
NO Nova Scotia Offshore:	<u>Nova Scotia Offshore taxable income</u> Total taxable income	x	Federal capital gains refund for the year (amount W)	x	<u>Nova Scotia Offshore income tax rate</u> 28%	=			
NS Nova Scotia:	<u>Nova Scotia taxable income</u> Total taxable income	x	Federal capital gains refund for the year (amount W)	x	<u>Nova Scotia income tax rate</u> 28%	=			
NB New Brunswick:	<u>New Brunswick taxable income</u> Total taxable income	x	Federal capital gains refund for the year (amount W)	x	<u>New Brunswick income tax rate</u> 28%	=			
MB Manitoba: *	<u>Manitoba taxable income</u> Total taxable income	x	Federal capital gains refund for the year (amount W)	x	<u>Manitoba income tax rate</u> 28%	=			
SK Saskatchewan:	<u>Saskatchewan taxable income</u> Total taxable income	x	Federal capital gains refund for the year (amount W)	x	<u>Saskatchewan income tax rate</u> 28%	=			
BC British Columbia:	<u>British Columbia taxable income</u> Total taxable income	x	Federal capital gains refund for the year (amount W)	x	<u>British Columbia income tax rate</u> 28%	=			
NT Northwest Territories:	<u>Northwest Territories taxable income</u> Total taxable income	x	Federal capital gains refund for the year (amount W)	x	<u>Northwest Territories income tax rate</u> 28%	=			
YT Yukon:	<u>Yukon taxable income</u> Total taxable income	x	Federal capital gains refund for the year (amount W)	x	<u>Yukon income tax rate</u> 28%	=			
NU Nunavut:	<u>Nunavut taxable income</u> Total taxable income	x	Federal capital gains refund for the year (amount W)	x	<u>Nunavut income tax rate</u> 28%	=			

Total provincial or territorial capital gains refund for the year (enter this amount on line 808 on page 6 of the T2 return) **290**

* For Newfoundland and Manitoba, the capital gains refund as calculated above cannot exceed the lesser of:
 – Newfoundland or Manitoba tax otherwise payable on line 209 or line 234, respectively, on Schedule 5;
 – the taxed capital gains on line 120 on page 1 times the Newfoundland or Manitoba income tax rate; or
 – Newfoundland or Manitoba taxable income times the Newfoundland or Manitoba income tax rate.