



**FEDERAL AND PROVINCIAL OR TERRITORIAL CAPITAL GAINS REFUND
(2003 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 100/14 =	
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	$\frac{\text{Amount S}}{\text{Amount S}} \times \text{Amount R} + \text{Amount K}$	=	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 14%			V
Federal capital gains refund for the year – the lesser of amounts I or V (enter amount W on line 788 on page 8 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				
200						210				
XO Newfoundland and Labrador Offshore: *	Newfoundland and Labrador Offshore taxable income	_____	x	Federal capital gains refund for the year (amount W)	_____	x	Newfoundland and Labrador Offshore income tax rate	_____	=	_____
	Total taxable income	_____					28%	_____		_____
NL Newfoundland and Labrador: *	Newfoundland and Labrador taxable income	_____	x	Federal capital gains refund for the year (amount W)	_____	x	Newfoundland and Labrador income tax rate	_____	=	_____
	Total taxable income	_____					28%	_____		_____
PE Prince Edward Island:	Prince Edward Island taxable income	_____	x	Federal capital gains refund for the year (amount W)	_____	x	Prince Edward Island income tax rate	_____	=	_____
	Total taxable income	_____					28%	_____		_____
NO Nova Scotia Offshore:	Nova Scotia Offshore taxable income	_____	x	Federal capital gains refund for the year (amount W)	_____	x	Nova Scotia Offshore income tax rate	_____	=	_____
	Total taxable income	_____					28%	_____		_____
NS Nova Scotia:	Nova Scotia taxable income	_____	x	Federal capital gains refund for the year (amount W)	_____	x	Nova Scotia income tax rate	_____	=	_____
	Total taxable income	_____					28%	_____		_____
NB New Brunswick:	New Brunswick taxable income	_____	x	Federal capital gains refund for the year (amount W)	_____	x	New Brunswick income tax rate	_____	=	_____
	Total taxable income	_____					28%	_____		_____
MB Manitoba: *	Manitoba taxable income	_____	x	Federal capital gains refund for the year (amount W)	_____	x	Manitoba income tax rate	_____	=	_____
	Total taxable income	_____					28%	_____		_____
SK Saskatchewan:	Saskatchewan taxable income	_____	x	Federal capital gains refund for the year (amount W)	_____	x	Saskatchewan income tax rate	_____	=	_____
	Total taxable income	_____					28%	_____		_____
BC British Columbia:	British Columbia taxable income	_____	x	Federal capital gains refund for the year (amount W)	_____	x	British Columbia income tax rate	_____	=	_____
	Total taxable income	_____					28%	_____		_____
NT Northwest Territories:	Northwest Territories taxable income	_____	x	Federal capital gains refund for the year (amount W)	_____	x	Northwest Territories income tax rate	_____	=	_____
	Total taxable income	_____					28%	_____		_____
YT Yukon:	Yukon taxable income	_____	x	Federal capital gains refund for the year (amount W)	_____	x	Yukon income tax rate	_____	=	_____
	Total taxable income	_____					28%	_____		_____
NU Nunavut:	Nunavut taxable income	_____	x	Federal capital gains refund for the year (amount W)	_____	x	Nunavut income tax rate	_____	=	_____
	Total taxable income	_____					28%	_____		_____

Total provincial or territorial capital gains refund for the year (enter this amount on line 808 on page 8 of the T2 return) **290** _____

* For Newfoundland and Labrador and Manitoba, the capital gains refund as calculated above cannot exceed the lesser of:
 – Newfoundland and Labrador 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 and Labrador or Manitoba income tax rate; or
 – Newfoundland and Labrador or Manitoba taxable income times the Newfoundland and Labrador or Manitoba income tax rate.