



**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			
200							210			
XO Newfoundland Offshore: *	<u>Newfoundland Offshore taxable income</u>		x	<u>Federal capital gains refund for the year (amount W)</u>		x	<u>Newfoundland Offshore income tax rate</u>		=	
	Total taxable income						28%			
NF Newfoundland: *	<u>Newfoundland taxable income</u>		x	<u>Federal capital gains refund for the year (amount W)</u>		x	<u>Newfoundland income tax rate</u>		=	
	Total taxable income						28%			
PE Prince Edward Island:	<u>Prince Edward Island taxable income</u>		x	<u>Federal capital gains refund for the year (amount W)</u>		x	<u>Prince Edward Island income tax rate</u>		=	
	Total taxable income						28%			
NO Nova Scotia Offshore:	<u>Nova Scotia Offshore taxable income</u>		x	<u>Federal capital gains refund for the year (amount W)</u>		x	<u>Nova Scotia Offshore income tax rate</u>		=	
	Total taxable income						28%			
NS Nova Scotia:	<u>Nova Scotia taxable income</u>		x	<u>Federal capital gains refund for the year (amount W)</u>		x	<u>Nova Scotia income tax rate</u>		=	
	Total taxable income						28%			
NB New Brunswick:	<u>New Brunswick taxable income</u>		x	<u>Federal capital gains refund for the year (amount W)</u>		x	<u>New Brunswick income tax rate</u>		=	
	Total taxable income						28%			
MB Manitoba: *	<u>Manitoba taxable income</u>		x	<u>Federal capital gains refund for the year (amount W)</u>		x	<u>Manitoba income tax rate</u>		=	
	Total taxable income						28%			
SK Saskatchewan:	<u>Saskatchewan taxable income</u>		x	<u>Federal capital gains refund for the year (amount W)</u>		x	<u>Saskatchewan income tax rate</u>		=	
	Total taxable income						28%			
BC British Columbia:	<u>British Columbia taxable income</u>		x	<u>Federal capital gains refund for the year (amount W)</u>		x	<u>British Columbia income tax rate</u>		=	
	Total taxable income						28%			
NT Northwest Territories:	<u>Northwest Territories taxable income</u>		x	<u>Federal capital gains refund for the year (amount W)</u>		x	<u>Northwest Territories income tax rate</u>		=	
	Total taxable income						28%			
YT Yukon:	<u>Yukon taxable income</u>		x	<u>Federal capital gains refund for the year (amount W)</u>		x	<u>Yukon income tax rate</u>		=	
	Total taxable income						28%			
NU Nunavut:	<u>Nunavut taxable income</u>		x	<u>Federal capital gains refund for the year (amount W)</u>		x	<u>Nunavut income tax rate</u>		=	
	Total taxable income						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.



**SPECIFICATIONS FOR PRINT ON DEMAND AND DECENTRALIZED FORMS
SPÉCIFICATIONS DES FORMULAIRES IMPRIMER SUR DEMANDE ET DÉCENTRALISER**

Date 2000/03/14	<input type="checkbox"/> Decentralized Décentraliser	<input checked="" type="checkbox"/> Print on demand Imprimé sur demande		
Form No. - N° de formulaire T2 SCH 18 E	<input type="checkbox"/> New Nouveau	<input checked="" type="checkbox"/> Revised Révisé	<input type="checkbox"/> Revised specifications Spécifications révisée	<input type="checkbox"/> Obsolete Périmé
Revision date - Date de révision (00)	Locator code - Code de repère 1294	Review month - Mois de révision 03	Delivery month - Mois de livraison 12	

Title - Titre
FEDERAL AND PROVINCIAL OR TERRITORIAL CAPITAL GAINS REFUND (1999 and later taxation years)

Size - Format		Orientation	<input checked="" type="checkbox"/> Portrait Format vertical																
<input checked="" type="checkbox"/> 8 1/2" x 11"	<input type="checkbox"/> 17" x 11"		<input type="checkbox"/> 8 1/2" x 5 1/2"	<input checked="" type="checkbox"/> Landscape Format horizontal															
<input type="checkbox"/> 8 1/2" x 14"	<input type="checkbox"/> 17" x 14"	<input type="checkbox"/> Other - specify Autre - Préciser _____																	
Printing - Impression		Ink - Encre	Paper/colour - Papier/colour																
<input type="checkbox"/> One side Un côté	<input type="checkbox"/> Head to head Tête à tête	Black																	
<input checked="" type="checkbox"/> Two sides Recto-verso	<input type="checkbox"/> Tumble Tête-à-queue	Punching - Perçage	Carbonless - Sans carbone																
Perforation			<table border="1"> <tr> <td>Colour Couleur</td> <td>Part Partie</td> <td>Colour Couleur</td> <td>Part Partie</td> </tr> <tr> <td>White Blanc</td> <td></td> <td>Buff Chamois</td> <td></td> </tr> <tr> <td>Canary Canari</td> <td></td> <td>Blue Bleu</td> <td></td> </tr> <tr> <td>Pink Rose</td> <td></td> <td>Green Vert</td> <td></td> </tr> </table>	Colour Couleur	Part Partie	Colour Couleur	Part Partie	White Blanc		Buff Chamois		Canary Canari		Blue Bleu		Pink Rose		Green Vert	
Colour Couleur	Part Partie	Colour Couleur	Part Partie																
White Blanc		Buff Chamois																	
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Pink Rose		Green Vert																	
Fold - Plier	Pad in - En bloc de																		

Other details - Autre détails