



Nova Scotia Corporation Tax Calculation (2013 and later tax years)

Protected A when completed

Corporation's name, Business number, Tax year-end (Year, Month, Day)

- Use this schedule if your corporation had a permanent establishment... This schedule is a worksheet only.

Part 1 - Calculation of income subject to the lower and higher tax rate for Nova Scotia and its offshore area

Taxable income for Nova Scotia* ... A

Income eligible for the lower tax rate for Nova Scotia and its offshore area:

Amount from line 400 of the T2 return** ... B

Amount from line 405 of the T2 return ... C

Amount from line 425 of the T2 return ... D

Amount B, C, or D, whichever is the least ... E

Amount E x Taxable income for Nova Scotia* / Taxable income for all provinces*** ... F

Income subject to the higher tax rate for Nova Scotia and its offshore area (amount A minus amount F) ... G

Enter amount F and/or amount G on the applicable line(s) in Part 3.

* If the corporation has a permanent establishment only in Nova Scotia or in the offshore area of Nova Scotia, enter the taxable income from line 360 of the T2 return.

** If the corporation is a member of a partnership, complete Part 2 to calculate income from active business.

*** Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 2 - Calculation of income from active business when there is partnership income

Complete this part only if the amount on line 450 of Schedule 7, Calculation of Aggregate Investment Income and Active Business Income, is positive.

Amount X from Part 5 of Schedule 7 ... H

Deduct partnership income:

Amount S from Part 4 of Schedule 7 ... I

Table with 4 columns: J (Amounts from column E in Part 3 of Schedule 7), K (Amounts from column G in Part 3 of Schedule 7 multiplied by 400,000/500,000), L (Column J minus column K), M (Lesser of columns J and K). Rows 1, 2, 3, and Totals (N, O).

Amount on line 370 from Part 3 of Schedule 7 ... P

Amount on line 380 from Part 3 of Schedule 7 ... Q

Subtotal (amount P plus amount Q) ... R

Enter amount N or amount R, whichever is less ... S

Specified partnership income (amount O plus amount S) ... T

Partnership income (amount I minus amount T) ... U

Income from active business (amount H minus amount U) ... V

Enter amount V on line B in Part 1.

Part 3 – Calculation of Nova Scotia tax before credits and of Nova Scotia offshore tax

Tax at the lower rate for Nova Scotia and its offshore area:

$$\text{Amount F} \times \frac{\text{Number of days in the tax year before January 1, 2012}}{\text{Number of days in the tax year}} \times 4.5\% = \text{1}$$

$$\text{Amount F} \times \frac{\text{Number of days in the tax year after December 31, 2011, and before January 1, 2013}}{\text{Number of days in the tax year}} \times 4.0\% = \text{2}$$

$$\text{Amount F} \times \frac{\text{Number of days in the tax year after December 31, 2012}}{\text{Number of days in the tax year}} \times 3.5\% = \text{3}$$

Tax at the lower rate for Nova Scotia and its offshore area (total of amounts 1, 2, and 3) ► AA

Tax at the higher rate for Nova Scotia and its offshore area:

$$\text{Amount G} \times 16\% = \text{BB}$$

Tax for Nova Scotia and its offshore area (amount AA plus amount BB) CC

Only one jurisdiction

If the taxable income is allocated only to Nova Scotia or to Nova Scotia offshore, and the corporation is **not** claiming a Nova Scotia tax credit, enter amount CC on line 760 of the T2 return. If the corporation is claiming a credit, enter amount CC on line 215 or 220 of Schedule 5, whichever applies.

Jurisdictions in both Nova Scotia and Nova Scotia offshore

If the corporation has taxable income allocated to both Nova Scotia and its offshore area, calculate the following:

$$\text{Amount CC} \times \frac{\text{Taxable income for Nova Scotia offshore}}{\text{Taxable income for Nova Scotia plus taxable income for Nova Scotia offshore}} = \text{DD}$$

Nova Scotia offshore tax – enter amount DD on line 220 of Schedule 5.

Nova Scotia tax before credits (amount CC minus amount DD) EE

Enter amount EE on line 215 of Schedule 5.