



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.