



SASKATCHEWAN ROYALTY TAX REBATE CALCULATION (CORPORATIONS) (2003 and later taxation years)

Corporation's name, Business Number, Taxation year-end (Year, Month, Day)

- For use by all corporations that maintained a permanent establishment in Saskatchewan... Complete two copies of this form... Sections and paragraphs referred to on this schedule are from the federal Income Tax Act... The deduction of Crown royalties and mining taxes and elimination of the resource allowance are being phased in over a five-year transitional period.

Table with columns: Balance before current-year deduction, Current-year deduction. Rows: Drilling and exploration expenses (ITAR 29), Canadian exploration and development expenses (section 66), Cumulative Canadian exploration expenses (section 66.1), Cumulative Canadian development expenses (section 66.2)

Taxable income from the T2 return, Net earnings from the financial statements, Earned depletion base \* (At the end of the taxation year and before any deductions for the year)

Attributed Canadian royalties and taxes calculation. Rows: Attributed Canadian royalties and taxes as a result of transactions with Saskatchewan (A), territories or other provinces (B), total (C) 101

Depletion adjustment factor calculation (for 1976 and later taxation years). Rows: Resource profits per Part XII (112), Less: Attributed Canadian royalties and taxes (amount C), Subtotal (D), Add: Resource allowance deducted (E), Total (F), Depletion allowance deducted (G), Amount E x 25% (H) 123, Saskatchewan depletion adjustment carryforward (I) 134, transferred (J) 135, carryforward for year (K) 146

Chart: Percentage of Crown royalties and taxes on resource production prohibited from deduction, and percentage of resource allowance allowed as a deduction. Columns: 2003, 2004, 2005, 2006, After 2006. Includes instruction: Prorate these percentages using the number of days in each period in your taxation year.

Tax rebate calculation. Rows: Attributed Canadian royalties and taxes (amount C), Less: Resource allowance deducted (amount D), Subtotal, Depletion adjustment (If amount H is positive or "0," subtract amount H. If amount H is negative, add the lesser of: amount H x (- 1.0) and the total of amount I plus amount J), Adjusted attributed Canadian royalties and taxes (if negative, enter "0") (L) 156, Adjusted attributed Canadian royalties and taxes allocated to Saskatchewan (M), Available credit for the taxation year (N), Add: Royalty tax rebate transferred (O) 178, Add: Royalty tax rebate carryforward (P) 179, Royalty tax credit (add amounts N, O, and P) (Q) 167, Saskatchewan tax payable before credits (R), Less: Saskatchewan tax credits (S), Saskatchewan tax payable before rebate (amount R minus amount S) (T), Less: Saskatchewan royalty tax rebate (lesser of amount Q and amount T) (U) 180, Saskatchewan tax payable after rebate (amount T minus amount U) (V), Royalty tax rebate carryforward at the end of the taxation year (amount Q minus amount U) (W) 191

\* When a corporation has no taxable income for the taxation year, see paragraph 7(b) of The Saskatchewan Royalty Tax Rebate Regulations to determine the available credit for the taxation year. \*\* See section 10 of The Saskatchewan Royalty Tax Rebate Regulations.