



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

Corporation's name	Business Number	Taxation year-end Year Month Day
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- For use by all corporations that maintained a permanent establishment in Saskatchewan in the taxation year and had **attributed Canadian royalties and taxes** as defined in subsection 2(1) of *The Saskatchewan Royalty Tax Rebate Regulations*.
- Complete two copies of this form. Attach one to each T2 return you file and send the other to the Department of Finance, Government of Saskatchewan, 9th floor, 2350 Albert Street, Regina SK S4P 4A6.
- Sections and paragraphs referred to on this schedule are from the federal *Income Tax Act*, unless otherwise specified.
- The deduction of Crown royalties and mining taxes and elimination of the resource allowance are being phased in over a five-year transitional period. See **Chart** below.

	Balance before current-year deduction	Current-year deduction
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
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Attributed Canadian royalties and taxes calculation		
Attributed Canadian royalties and taxes as a result of transactions with Saskatchewan	_____	A
Attributed Canadian royalties and taxes as a result of transactions with territories or other provinces	_____	B
Attributed Canadian royalties and taxes per para. 2(1)(a) of <i>The Saskatchewan Royalty Tax Rebate Regulations</i> (amount A plus amount B) (see Chart below)	101	C

Depletion adjustment factor calculation (for 1976 and later taxation years)		
Resource profits per Part XII of the federal <i>Income Tax Regulations</i>	112	
Less: Attributed Canadian royalties and taxes (amount C)	_____	
	Subtotal	_____
Add: Resource allowance deducted under paragraph 20(1)(v.1) (see Chart below*)	_____	D
	(if negative, enter "0") Total	_____
		E
Depletion allowance deducted under section 65	_____	F
Amount E x 25%	_____	G
Depletion adjustment factor (amount F minus amount G: can be a positive or a negative amount)	123	H
Saskatchewan depletion adjustment carryforward at the end of the preceding taxation year	134	I
Saskatchewan depletion adjustment transferred on amalgamation or wind-up of subsidiary	135	J
Saskatchewan depletion adjustment carryforward for the taxation year (add amounts H, I, and J) (if negative, enter "0")	146	K

Chart	2003	2004	2005	2006	After 2006	
Percentage of Crown royalties and taxes on resource production prohibited from deduction, and percentage of resource allowance allowed as a deduction	90%	75%	65%	35%	0%	Prorate these percentages using the number of days in each period in your taxation year.
Deductible percentage of Crown royalties and mining taxes	10%	25%	35%	65%	100%	

Tax rebate calculation		
Attributed Canadian royalties and taxes (amount C)	_____	
Less: Resource allowance deducted under paragraph 20(1)(v.1) (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")	156	L
Adjusted attributed Canadian royalties and taxes allocated to Saskatchewan $\left(\text{Amount L} \times \frac{\text{Taxable income earned in Saskatchewan}^*}{\text{Taxable income}} \right)$	_____	M
Available credit for the taxation year $\left(\text{Amount M} \times \frac{\text{Saskatchewan tax payable before credits}}{\text{Taxable income earned in Saskatchewan}} \right)$	_____	N
Add: Royalty tax rebate transferred on amalgamation or wind-up of subsidiary **	178	O
Add: Royalty tax rebate carryforward at the end of the preceding taxation year	179	P
Royalty tax credit (add amounts N, O, and P)	167	Q
Saskatchewan tax payable before credits	_____	R
Less: Saskatchewan tax credits, if applicable	_____	S
Saskatchewan tax payable before rebate (amount R minus amount S)	_____	T
Less: Saskatchewan royalty tax rebate (lesser of amount Q and amount T): Enter on line 632 of Schedule 5	180	U
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) **	191	W

* 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*.