



**BRITISH COLUMBIA CORPORATION TAX CALCULATION
(2009 and later tax years)**

Name of corporation	Business Number	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Tax year-end</td> <td style="text-align: center;">Year</td> <td style="text-align: center;">Month</td> <td style="text-align: center;">Day</td> </tr> <tr> <td style="border-bottom: 1px solid black; width: 10px;"></td> <td style="border-bottom: 1px solid black; width: 10px;"></td> <td style="border-bottom: 1px solid black; width: 10px;"></td> <td style="border-bottom: 1px solid black; width: 10px;"></td> </tr> </table>	Tax year-end	Year	Month	Day				
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- Use this schedule if your corporation had a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in British Columbia and had taxable income earned in the year in British Columbia.
- This schedule is a worksheet only. You do not have to file it with your *T2 Corporation Income Tax Return*.

Part 1 – Calculation of income subject to British Columbia lower and higher tax rates

Period before January 1, 2010

If there are days in the tax year in the period mentioned above, calculate the income subject to British Columbia lower and higher tax rates as follows:

Taxable income for British Columbia * A1

Income eligible for British Columbia lower tax rate:

Amount from line 400 of the T2 return ** B1
 Amount from line 405 of the T2 return C1
 Amount from line 425
 of the T2 return × $\frac{400,000}{\text{line 4 on page 4 of the T2 return}}$ = D1
 Amount B1, C1, or D1, whichever is the least E1

For credit unions only:

Amount from line D of Schedule 17, *Credit Union Deductions*
Deduct: amount E1 above
 Excess (if negative, enter "0") F1

Total (add amounts E1 and F1) G1

Amount G1 × $\frac{\text{taxable income for British Columbia}^*}{\text{taxable income for all provinces}^{***}}$ = H1

Income subject to British Columbia higher tax rate (amount A1 minus amount H1) I1

Enter amount H1 and/or amount I1 on the applicable line(s) in Part 3.

Period after December 31, 2009

If there are days in the tax year in the period mentioned above, calculate the income subject to British Columbia lower and higher tax rates as follows:

Taxable income for British Columbia * A2

Income eligible for British Columbia lower tax rate:

Amount from line 400 of the T2 return B2
 Amount from line 405 of the T2 return C2
 Amount from line 425
 of the T2 return × $\frac{500,000}{\text{line 4 on page 4 of the T2 return}}$ = D2
 Amount B2, C2, or D2, whichever is the least E2

For credit unions only:

Amount from line D of Schedule 17, *Credit Union Deductions*
Deduct: amount E2 above
 Excess (if negative, enter "0") F2

Total (add amounts E2 and F2) G2

Amount G2 × $\frac{\text{taxable income for British Columbia}^*}{\text{taxable income for all provinces}^{***}}$ = H2

Income subject to British Columbia higher tax rate (amount A2 minus amount H2) I2

Enter amount H2 and/or amount I2 on the applicable line(s) in Part 3.

* If the corporation has a permanent establishment only in British Columbia, enter the taxable income from line 360 of the T2 return. Or, if the corporation has a permanent establishment in more than one jurisdiction, enter the taxable income allocated to British Columbia from column F in Part 1 of Schedule 5, *Tax Calculation Supplementary – Corporations*. Starting in 2009, if the corporation has income or loss from an international banking center, the taxable income is the amount allocated to British Columbia from column F in Part 1 of Schedule 5 **minus** the total amount not required to be included, or **plus** the total amount not allowed to be deducted, in computing the corporation's income under section 33.1 of the federal *Income Tax Act*.

** 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

Period before January 1, 2010

If there are days in the tax year in the period mentioned above, calculate the income from active business as follows:

Net amount on line R from Part 5 of Schedule 7, *Calculation of Aggregate Investment Income and Active Business Income* J1

Deduct partnership income:

Amount on line M from Part 4 of Schedule 7 K1

L1	M1	N1	O1
Amounts from column E in Part 3 of Schedule 7	Amounts from column G in Part 3 of Schedule 7 multiplied by 400,000 500,000	Column L1 minus column M1 (if negative, enter "0")	Amounts from column L1 or M1, whichever is less (if column L1 is negative, enter "0")
1.			
2.			
3.			
Totals		P1	Q1

Amount on line 370 from Part 3 of Schedule 7 R1

Amount on line 380 from Part 3 of Schedule 7 S1

Subtotal (amount R1 **plus** amount S1) T1

Enter amount P1 or amount T1, whichever is less U1

Specified partnership income (amount Q1 **plus** amount U1) V1

Partnership income (amount K1 **minus** amount V1) W1

Income from active business in this period (amount J1 **minus** amount W1) X1

Enter the amount from line X1 on line B1 in Part 1.

Part 3 – Calculation of British Columbia tax before credits

British Columbia tax at the lower rate:

Amount H1 _____ × $\frac{\text{Number of days in the tax year before July 1, 2008}}{\text{Number of days in the tax year}}$ × 4.5% = ... AA

Amount H1 _____ × $\frac{\text{Number of days in the tax year after June 30, 2008, and before December 1, 2008}}{\text{Number of days in the tax year}}$ × 3.5% = ... BB

Amount H1 _____ × $\frac{\text{Number of days in the tax year after November 30, 2008, and before January 1, 2010}}{\text{Number of days in the tax year}}$ × 2.5% = ... CC

Amount H2 _____ × $\frac{\text{Number of days in the tax year after December 31, 2009}}{\text{Number of days in the tax year}}$ × 2.5% = ... DD

Total British Columbia tax at the lower rate (total of amounts AA to DD) EE

Part 3 – Calculation of British Columbia tax before credits (continued)

British Columbia tax at the higher rate:

Amount I1 _____	×	$\frac{\text{Number of days in the tax year before July 1, 2008}}{\text{Number of days in the tax year}}$	_____	×	12%	=	_____	FF
Amount I1 _____	×	$\frac{\text{Number of days in the tax year after June 30, 2008, and before January 1, 2010}}{\text{Number of days in the tax year}}$	_____	×	11%	=	_____	GG
Amount I2 _____	×	$\frac{\text{Number of days in the tax year after December 31, 2009, and before January 1, 2011}}{\text{Number of days in the tax year}}$	_____	×	10.5%	=	_____	HH
Amount I2 _____	×	$\frac{\text{Number of days in the tax year after December 31, 2010}}{\text{Number of days in the tax year}}$	_____	×	10%	=	_____	II

Total British Columbia tax at the higher rate (total of amounts FF to II) JJ
British Columbia tax before credits* (amount EE **plus** amount JJ) KK

* If the corporation has a permanent establishment in more than one jurisdiction or is claiming a British Columbia tax credit, enter amount KK on line 240 of Schedule 5. Otherwise, enter it on line 760 of the T2 return.