



**LOW RATE INCOME POOL (LRIP) CALCULATION (2006 and later tax years)**

Name of corporation	Business Number	Tax year-end Year      Month      Day
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- Use this schedule to calculate the balance of the low rate income pool (LRIP) at any time in the tax year if you are a corporation resident in Canada that is:
  - a corporation **other** than a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC); or
  - a corporation that elects under subsection 89(11) not to be a CCPC.
- When an eligible dividend was paid or there was a change in the LRIP balance in the tax year, file a completed copy of this schedule with your *T2 Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Sections and subsections referred to in this schedule are from the *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool, and low rate income pool.

**Part 1 – Calculation of low rate income pool (LRIP)**

LRIP at the end of the immediately previous tax year (enter "0" for the first tax year ending in 2006) ..... **100** \_\_\_\_\_

Income for the credit union deduction (amount E in Part 3 of Schedule 17 of the previous year if the corporation was **not** a CCPC in the previous tax year, otherwise enter "0") ..... **120** \_\_\_\_\_

Aggregate investment income of a corporation that has elected under subsection 89(11) not to be a CCPC (line 440 of the T2 return of the previous tax year) ..... **140** \_\_\_\_\_

Subtotal (**add** lines 120 and 140) \_\_\_\_\_ x 80% = **150** \_\_\_\_\_

Investment corporation deduction (line 620 of the T2 return of the previous tax year) \_\_\_\_\_ x 4 = **160** \_\_\_\_\_

Subtotal (**add** lines 100, 150, and 160) **190** \_\_\_\_\_

**Part 2 – Calculation of LRIP and excessive eligible dividend designations during the tax year**

Complete this part if you paid an eligible dividend in the tax year.

	<b>200</b>	<b>210</b>	<b>220</b>	<b>230</b>	<b>240</b>	<b>250</b>
	Date* (yyyy/mm/dd)	Total dividends** receivable in the year up to but not including the date on line 200 that are deductible under section 112	Total adjustments for amalgamations, wind-ups, or on ceasing to be a CCPC***	Subtotal ( <b>add</b> lines 190, 210, and 220)	Total dividends**** payable in the year up to but not including the date on line 200	Total of excessive eligible dividend designations made up to, but not including the date on line 200
1.						
2.						
3.						
4.						
5.						

	<b>260</b>	<b>270</b>	<b>280</b>
	LRIP as of the date on line 200 (line 230 <b>minus</b> the total of line 240 and line 250)	Total eligible dividends paid on the date on line 200	Excessive eligible dividend designation ( <b>lesser</b> of lines 260 and 270)
1.			
2.			
3.			
4.			
5.			

- \* Enter on line 200 each date where:
  - an eligible dividend was paid in the year; or
  - an adjustment was made as a result of an amalgamation or the wind-up of a subsidiary or on ceasing to be a CCPC (by an election or otherwise).
- \*\* taxable dividends from a corporation resident in Canada (other than eligible dividends)
- \*\*\* Complete the worksheets in Parts 4 to 6 separately for each predecessor, each subsidiary involved in the wind-up, and when the corporation ceases to be a CCPC or DIC. Total the adjustments for this date and enter on line 220.
- \*\*\*\* includes taxable dividends (other than an eligible dividend, a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1), or a dividend deductible under subsection 130.1(1))

Total excessive eligible dividend designations in the tax year (total of all amounts in column 280)  **A**

Enter this amount on line B on Schedule 55.

**Part 3 – LRIP closing balance calculation**

Amount on line 190 of Part 1 .....		A
Total dividends** receivable in the tax year that are deductible under section 112 .....	<b>510</b>	
Total adjustments for amalgamations, wind-ups, or on ceasing to be a CCPC*** .....	<b>520</b>	
Subtotal ( <b>add</b> lines 510 and 520) .....	▶	B
		Subtotal ( <b>add</b> lines A and B) .....
		C
Total dividends**** payable in the tax year .....	<b>540</b>	
Total excessive eligible dividend designations in the tax year (line A from Part 2) .....		D
Subtotal ( <b>add</b> lines 540 and D) .....	▶	E
LRIP at the end of the tax year (line C <b>minus</b> line E) (if negative enter "0") .....	<b>590</b>	

\*\* taxable dividends from a corporation resident in Canada (other than eligible dividends)

\*\*\* Complete the worksheets in Parts 4 to 6 separately for each predecessor, each subsidiary involved in the wind-up, and when the corporation ceases to be a CCPC or DIC.

\*\*\*\* includes taxable dividends (other than an eligible dividend, a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1), or a dividend deductible under subsection 130.1(1))



