

SASKATCHEWAN ROYALTY TAX REBATE CALCULATION (CORPORATIONS)

| | | |
|---------------------------|---------------------------------|---|
| Name of corporation _____ | Account / Business Number _____ | Taxation year-end Day Month Year |
|---------------------------|---------------------------------|---|

- For use by all corporations which, in the taxation year, maintained a permanent establishment in Saskatchewan and had "attributed Canadian royalties and taxes".
- One completed copy of this form is to be attached to each T2 return filed and one completed copy is to be mailed to the Government of Saskatchewan, Department of Finance, 9th Floor, 2350 Albert Street, Regina, Saskatchewan S4P 4A6.
- Sections and paragraphs referred to on this form are sections and paragraphs of the federal *Income Tax Act*, unless otherwise specified.

| | Balance before current year deduction | Current year deduction |
|--|---------------------------------------|------------------------|
| Drilling and exploration expenses (ITAR 29) | _____ | _____ |
| Canadian exploration and development expenses (section 66) | _____ | _____ |
| Cumulative Canadian exploration expense (section 66.1) | _____ | _____ |
| Cumulative Canadian development expense (section 66.2) | _____ | _____ |

| | | |
|---|--|--|
| Taxable income per T2 return <input type="checkbox"/> | Net earnings per financial statements <input type="checkbox"/> | Earned depletion base * <input type="checkbox"/> |
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* At the end of the taxation year and prior to any deductions for the year.

"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 other than those with Saskatchewan | | B |
| Attributed Canadian royalties and taxes per section 2(a) of the Saskatchewan Royalty Tax Rebate Regulations (amount A plus amount B) | | C |

"Depletion adjustment factor" calculation (For 1976 and later taxation years)

| | | |
|---|--|---|
| Resource profits per Part XII of the <i>Income Tax Regulations</i> | | |
| Less: Attributed Canadian royalties and taxes (amount C) | | |
| Subtotal | | |
| Add: Resource allowance deducted under paragraph 20(1)(v.1) | | D |
| Total | | E |
| Depletion allowance deducted under section 65 | | F |
| Amount E X 25%: (If negative, enter zero) | | G |
| Depletion adjustment factor (amount F minus amount G: <i>Can be a positive or a negative amount</i>) | | H |
| Saskatchewan depletion adjustment carry-forward at the end of the preceding taxation year | | I |
| Saskatchewan depletion adjustment carry-forward for the taxation year (amount H plus amount I: <i>If negative, enter zero</i>) | | J |

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 zero subtract amount H. If amount H is negative, add the lesser of amount H x (-1.0) and amount I | | |
| Adjusted attributed Canadian royalties and taxes: <i>If negative, enter zero. Enter on line 615 of Schedule T2S-TC</i> | | K |
| Adjusted attributed Canadian royalties and taxes allocated to Saskatchewan $\left(\text{Amount K} \times \frac{\text{Taxable income earned in Saskatchewan}^*}{\text{Taxable income}} \right)$ | | L |
| Available credit for the taxation year $\left(\text{Amount L} \times \frac{\text{Saskatchewan income tax payable before rebate}}{\text{Taxable income earned in Saskatchewan}} \right)$ | | M |
| Add: Royalty tax rebate carry-forward at the end of the preceding taxation year ** . Enter on line 614 of Schedule T2S-TC | | N |
| Royalty tax credit (amount M plus amount N) | | O |
| Saskatchewan provincial income tax payable | | P |
| Less: Saskatchewan provincial foreign tax credits, if applicable | | Q |
| Saskatchewan provincial income tax payable before rebate (amount P minus amount Q) | | R |
| Less: Saskatchewan royalty tax rebate (lesser of amount O and amount R): Enter on line 605 of Schedule T2S-TC | | S |
| Saskatchewan provincial income tax payable after rebate (amount R minus amount S) | | T |
| Royalty tax rebate carry-forward at end of taxation year (amount O minus amount S)* | | |

* When a corporation has no taxable income, refer to subsection 7(b) of the Saskatchewan Royalty Tax Rebate Regulations to determine the available credit for the taxation year.

** Where a corporation has acquired by amalgamation, purchase or otherwise, Saskatchewan resource properties, refer to section 10 of the Saskatchewan Royalty Tax Rebate Regulations to determine the royalty tax rebate carry-forward.