

Box 2 – Calculation of Part VI.1 Tax

Complete the calculation of the dividend allowance in box 1 on reverse.

1) Dividend allowance – amount B (from box 1 on reverse) or, if associated, the amount allocated A

Taxable dividends (other than excluded dividends under subsections 191(1), 191(4), and 191(5)) paid in the year on short-term preferred shares B

Minus the lesser of amounts A and B C

66 2/3% X D = E

2) Taxable dividends (other than excluded dividends) paid in the year on taxable preferred shares (other than short-term preferred shares) of all classes for which the corporation has made an election under subsection 191.2(1) (Form T769) F

Minus the lesser of: (i) Amount A

Minus amount C

.....

(ii) Amount F

40% X G H = I

3) Taxable dividends (other than excluded dividends) the corporation paid in the year on taxable preferred shares (other than short-term preferred shares) and did not elect under subsection 191.2(1) J

Minus the lesser of: (i) Amount A

Minus Amount C

Amount G

.....

(ii) Amount J K

25% X L = M

4) Complete this calculation if the corporation has made an agreement under section 191.3 under which a corporation agrees to pay all or part of a related corporation's Part VI.1 tax otherwise payable for the year (complete and file Form T770).

Part VI.1 tax transferred from related corporation N

Part VI.1 tax transferred to related corporation O

Total Part VI.1 tax payable : The total of amounts E, I, M, and N

Minus: Amount O

Enter on line 133 on page 8 of the T2 return

Note: Part VI.1 tax payable has the same installment requirements and balance due date as Part I tax payable.

Box 3 – Calculation of Part IV.1 Tax

This tax does not apply to dividends received by financial intermediary corporations or corporations that were, at the time the dividends were received, private corporations.

Taxable dividends (other than excepted dividends under section 187.1 and subsections 191(4) and 191(5)) received in the year on taxable preferred shares (other than a share of a class for which the corporation has made an election under subsection 191.2(1)) P

Taxable dividends (other than excepted dividends) received in the year by a restricted financial institution on taxable RFI shares (section 187.3) (See the definition of a "taxable RFI share" in subsection 248(1)) Q

Total dividends subject to Part IV.1 tax (total of amount P and amount Q) R

Part IV.1 tax amount R X 10% = S

(Enter amount S on line 132 on page 8 of the T2 return)

Portion of dividends included in R that are also subject to Part IV tax X 10% = T

(Enter amount T on line 418 and/or 419 on page 7 of the T2 return)

Note 1: Part IV.1 tax only applies if the dividend in question was deductible under section 112 or 113, or under subsection 138(6) or 115(1).
 Note 2: Part IV.1 tax payable is due on or before the last day of the second month following the end of the taxation year.