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NOVA SCOTIA TAX ON LARGE CORPORATIONS

me of corporation	Account / business number	Taxation year end		
		Day	Month	Year

- This form is to be used by corporations with a permanent establishment (as defined in the federal Income Tax Regulations) in the province of Nova Scotia that are liable to pay tax on their taxable capital employed in the province for taxation years ending after March 31, 1997, and starting before April 1, 2002.
- The Nova Scotia tax on large corporations will apply to most large corporations except financial institutions (including banks, trust companies, and credit unions) as defined in Part IA of the provincial Income Tax Act. The terms "long-term debt", and "reserves" have the meanings as in subsection 181(1).
- Corporations exempt from the federal Part I.3 tax in accordance with subsection 181.1(3) are also exempt from the Nova Scotia tax on large corporations. A list of the exempted corporations is provided on page 1 of Form T2147, Part I.3 Tax Return - Tax On Large Corporations.
- You have to complete Form T2147/T2148/T2149 before you can complete this form. File completed copies of Form T1167 and Form T2147/T2148/T2149 with the T2 Corporation Income Tax Return within six months from the end of the taxation year.
- Except as otherwise stated, sections and subsections referred to on this form are those from the federal Income Tax Act.

Calculation of Nova Scotia taxable capital

Taxable capital for the year (enter the amount from line 351 of Form T2147, T214	8, or T2149) A	Ą
Deduct : capital deduction claimed for the year	the combined taxable capital for the year of all 000 or more. For related corporations, enter	В
Net taxable capital for the year (if negative, enter nil)	<u> </u>	С
Corporations with a permanent establishment only in Nova Scotia, enter amount C	C on line G, otherwise complete lines D, E, and F below.	
Total salaries and wages paid in Nova Scotia (line 507 of Form T2S–TC) Total salaries and wages paid (line 529 of Form T2S–TC)	=% D	
Gross revenue attributable to Nova Scotia (line 537 of Form T2S–TC) Total gross revenue (line 559 of Form T2S–TC)	= <u>%</u> E	
	Add percentages D and E x 1/2 = F	
Amount C x Percentage on line F%	= Nova Scotia taxable capital 0	3

Calculation of Nova Scotia tax on large corporations

If amount A plus the taxable capital for the	year for all related corp	porations is less than \$10,000,000, comp	blete the following:	
Amount G	x	Number of days in the taxation year * 365	x 0.5% =	н
If amount A plus the taxable capital for the	year for all related corp	porations is \$10,000,000 or more, comple	ete the following:	
Amount G	x	Number of days in the taxation year * 365	x 0.25% =	I
For a taxation year that straddles Marc	h 31, 1997 or April 1,	2002:		
Amount H or I, whichever applies	x	Number of days in the taxation yea March 31, 1997, and before April 1 Number of days in the taxation y	, 2002 =	J
Nova Scotia tax on large corporations -	- enter amount H, I, or	J, whichever applies		к
Include amount K on line 138 on page 7 of	the T2 return. Amount	t K may be deducted in calculating net in	come for federal income tax pu	rposes.
* Only complete the proration if the taxation	n year is less than 51 v	weeks		
T1167(F)	(Ce formulaire existe	aussi en francais.)	ee reverse)	Canadä

NOVA SCOTIA TAX ON LARGE CORPORATIONS – AGREEMENT AMONG RELATED CORPORATIONS

- For use by members of a related group of corporations to allocate the capital deduction of \$5,000,000 among the members of the related group. The \$5,000,000 capital deduction is only available if the combined taxable capital for the year for all members of the related group, using line 351 of Form T2147, T2148, or T2149, is less than \$10,000,000. If the combined taxable capital for the year for related corporations is \$10,000,000 or more, none of the corporations are entitled to a deduction.
- The terms "related", "related group", and "associated" are defined in sections 251 and 256 and, for purposes of the Nova Scotia tax on large corporations, have the meaning assigned to those sections.
- If no agreement is filed, the Minister may request that one be filed. If the corporation does not file such an agreement within 30 days after receiving the request, the Minister may allocate an amount among the members of the related group.
- Subsections 181.5(4) to (7) apply for purposes of this allocation.
- Where a corporation has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year, the capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. This is in accordance with subsection 181.5(5).
- In accordance with subsection 181.5(7), a Canadian controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.
- Provide details below. If you need more space, continue on a separate schedule.

Is this an amended agreement?	1 Yes	2 No	If yes, enclose a copy of the immediately previous agreement.
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Allocation of capital deduction for related corporations

Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member which is exempt from Nova Scotia tax on large corporations under section 32E of the provincial Income Tax Act, is not required to be included.

Names of all corporations which are members of the related group	Account / business number	Allocation of capital deduction for the year
		\$
	1	

\$ 5.000.000 Total

Certification

hereby declare that the above allocation of the capital deduction has

(Name in block letters)

been made with the concurrence of all corporations which are members of the related group, and that a copy of this agreement has been provided to each of these corporations.

Date

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