



Use this form to calculate your tax on split income if you meet **all** of the following conditions:

- you were born in 1997 or later (or you claimed a reserve on line C on your 2013 Form T1206);
- you were a non-resident at no time in 2014;
- you have a parent who was resident in Canada at any time in 2014; and
- you reported on your 2014 return, split income as described below.

Split income **includes** the following amounts:

- **shareholder benefits** (other than from ownership of shares of a class listed on a prescribed stock exchange) conferred on you, whether directly or through a partnership or trust (other than a mutual fund trust);
- **taxable amount of dividends (eligible and other than eligible)** from ownership of shares of a corporation (other than from shares of a class listed on a prescribed stock exchange and those of a mutual fund corporation), whether received directly or through a partnership or trust (other than a mutual fund trust);

**Note**

If you dispose of shares to a person with whom you do not deal at arm's length, and dividends on the shares would be subject to the tax on split income, then the capital gain arising from the disposition is deemed to be a taxable dividend. The deemed dividend is not an eligible dividend. If this applies to you, complete the calculation below.

- **income you received from a partnership or trust** (other than a mutual fund trust) that came from income that a partnership or trust earned from providing property or services to, or in support of, a business carried on by:
  - a person related to you at any time in 2014;
  - a corporation of which one of your relatives was a specified shareholder at any time in 2014; or
  - a professional corporation of which one of your relatives was a shareholder at any time in 2014; and
- **income you received from a business or rental property of a partnership or trust** (other than a mutual fund trust), if a person who is related to you at any time in the year:
  - actively participates on a regular basis in the activity of the partnership or trust of earning that income; or
  - in the case of a partnership, has an interest in the partnership directly or indirectly through another partnership.

Split income **does not include** the income described above from property you inherited from a parent. It also does not include the income described above from property you inherited from anyone else provided you were either enrolled as a full-time student at a post-secondary educational institution in 2014, or you were eligible to claim the disability amount for 2014.

**Attach a completed copy of this form to your return.**

## Deemed dividends from dispositions of certain capital property

(shares subject to tax on split income)

If you (or a trust of which you are the beneficiary) disposed of shares to a person with whom you do not deal at arm's length, and the dividends on such shares would be subject to tax on split income, you must complete the calculation below.

**Otherwise**, complete Part 1 to calculate your federal tax on split income and Part 2 to calculate your provincial or territorial tax.

Capital gain on dispositions in 2014

Amount of 2013 reserve (from line C of Form T1206 for 2013)		<b>B</b>		<b>A</b>
Amount of 2014 reserve (calculated below)	–	<b>C</b>		
Line B minus line C (if negative, show in brackets)	=		<b>+</b>	<b>D</b>
Line A plus line D			=	<b>E</b>
Net capital gain				
Gains from box 21 of your T3 slip(s) (relating to such dispositions)			<b>+</b>	<b>F</b>
Line E plus line F			=	<b>G</b>

Multiply the amount on line G by **1.18** and include this amount on lines 1 and 2 of Part 1 on the next page, in Part 1 of Schedule 4, and on lines 120 and 180 of your return. **Do not** include this amount on Schedule 3.

If you were 18 years of age or older in 2014, enter the amount from line G on the applicable line(s) of Schedule 3.

### Calculation of reserve

Complete this calculation for dispositions made after March 21, 2011, and include the total amount of your 2014 reserve on line C above. You can claim a reserve up to a maximum of 4 years for each disposition. Your reserve in each year cannot be more than the **lesser** of the following two calculations (use a separate sheet of paper for multiple dispositions):

(i) Capital gain ×  $\frac{\text{Amount payable after the end of the year}}{\text{Proceeds of disposition}}$

Year of sale	Year after the sale	
80 %	1st year: 60 %	3rd year: 20 %
	2nd year: 40 %	4th year: zero

(ii) Capital gain × \_\_\_\_\_ % ← (Enter the applicable percentage)

Continue on the next page. →

## Part 1 – Federal tax on split income

The part of the taxable amount of dividends (eligible and other than eligible) described on the previous page received from taxable Canadian corporations	6835		1
The part of the taxable amount of dividends other than eligible dividends, included on line 1, from taxable Canadian corporations	6834		2
All other split income		+	3
Total split income: Add lines 1 and 3. Enter this amount on line 232 of your return.	6836	=	4
Federal tax on split income: Multiply the amount on line 4 by 29%. Enter this amount on line 424 of Schedule 1.			5

### To calculate the amount to enter on line 417 of Schedule 1, continue.

Federal dividend tax credit on split income:

Amount from line 1 above	6			
Amount from line 2 above	-	7	× 11.0169% =	9
Line 6 minus line 7 (if negative, enter "0")	=	8	× 15.0198% =	+
Add lines 9 and 10.			=	10
Line 5 minus line 11			-	11
			=	12

#### Note

If the amount on line 12 is more than the amount on line 429 of Schedule 1, use the amount on line 12, instead of the amount on line 429 of Schedule 1, when you calculate the refundable Quebec or Yukon First Nations abatement and the federal surtax on income earned outside Canada.

Federal foreign tax credit on split income:

The part of the amount on line 3 that is from foreign sources	6837		×	Amount from line 405 of Schedule 1	=	-	13
Total income from foreign sources	6838						
Line 12 minus line 13 (if negative, enter "0")					=		14
Enter the amount from line 406 of Schedule 1.						15	
Enter the amount from line 416 of Schedule 1.				-		16	
Line 15 minus line 16 (if negative, enter "0")				=		17	
Enter the amount from line 14 or line 17, whichever is greater. Enter this amount on line 417 of Schedule 1.							18

## Part 2 – Provincial/territorial tax payable by an individual with split income

### Provincial/territorial tax on split income

Total split income from line 4		19
Enter the tax rate that applies to your province or territory from column 2 in the chart on the next page.	×	%
Multiply the amount on line 19 by the tax rate you entered on line 20.		20
Enter this amount on the line of your Form 428 shown in column 3 in the chart on the next page.	=	21

### To calculate the amount to enter on line 428 of your return, continue.

#### Provincial/territorial dividend tax credit on split income for eligible dividends and dividends other than eligible dividends

Enter the amount from line 8.		22
Enter the eligible dividend tax credit rate that applies to your province or territory from column 4 in the chart on the next page.	×	%
Multiply the amount on line 22 by the rate you entered on line 23.	=	▶
Enter the amount from line 7.		25
Enter the dividend other than eligible dividend tax credit rate that applies to your province or territory from column 5 in the chart on the next page.	×	%
Multiply the amount on line 25 by the rate you entered on line 26.	=	▶
Add lines 24 and 27.	+	27
Line 21 minus line 28	-	28
	=	29

**Provincial/territorial foreign tax credit on split income**

Enter the amount from line 29 on the previous page \_\_\_\_\_ = \_\_\_\_\_ | **30**

The part of the amount from line 6837 on the previous page that is **non-business** income \_\_\_\_\_  
The part of the amount from line 6838 on the previous page that is **non-business** income \_\_\_\_\_

Amount from the line number of your Form 428 shown in column 6 in the chart below \_\_\_\_\_

\_\_\_\_\_ × \_\_\_\_\_ = \_\_\_\_\_ | **31**

Line 30 minus line 31 \_\_\_\_\_ = \_\_\_\_\_ | **32**

Enter the amount from the line number of your Form 428 shown in column 7 in the chart below. \_\_\_\_\_

**33**

Enter the amount from line 32 or line 33, whichever is **greater**.  
Enter this amount on line 428 of your return. \*

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**34**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
Province or territory	Tax rate	Enter the amount from line 21 on:	Eligible dividend tax credit rate	Dividend other than eligible dividend tax credit rate	Provincial/territorial foreign tax credit from:	Enter on line 33 the amount from:
NL	13.3%	line 42 of Form NL428	See note 1 below	See note 2 below	line 52 of Form NL428	line 85 of Form NL428
PE	16.7%	line 41 of Form PE428	10.5%	3.2%	line 75 of Form PE428	line 83 of Form PE428
NS	21%	line 41 of Form NS428	8.85%	5.87%	line 51 of Form NS428	line 80 of Form NS428
NB	17.84%	line 39 of Form NB428	12%	5.3%	line 50 of Form NB428	line 78 of Form NB428
ON	13.16%	line 40 of Form ON428	10%	4.5%	line 69 of Form ON428	line 70 of Form ON428
MB	17.4%	line 43 of Form MB428	8%	0.83%	line 58 of Form MB428	line 69 of Form MB428
SK	15%	line 44 of Form SK428	11%	3.4%	line 54 of Form SK428	line 75 of Form SK428
AB	10%	line 34 of Form AB428	10%	3.1%	line 44 of Form AB428	line 51 of Form AB428
BC	16.8%	line 42 of Form BC428	10%	2.59%	line 52 of Form BC428	line 73 of Form BC428
YT	12.76%	line 45 of Form YT428	15.08%	4.03%	line 61 of Form YT428	line 78 of Form YT428
NT	14.05%	line 39 of Form NT428	11.5%	6%	line 49 of Form NT428	line 55 of Form NT428
NU	11.5%	line 40 of Form NU428	5.51%	3.05%	line 50 of Form NU428	line 53 of Form NU428

See the privacy notice on your return.

\* If you were a resident of **Ontario**, enter this amount on line 70 of Form ON428 and complete the remaining lines of that form.

**Note 1** - For NL, the dividend tax credit rate for eligible dividends paid before July 1, 2014, is 11%, and the rate for eligible dividends paid on or after July 1, 2014, is 5.4%. If both rates apply, attach a separate sheet showing your calculations of the dividend tax credit for eligible dividends and enter the result at line 24.

**Note 2** - For NL, the dividend tax credit rate for other than eligible dividends paid before July 1, 2014, is 5%, and the rate for other than eligible dividends paid on or after July 1, 2014, is 4.1%. If both rates apply, attach a separate sheet showing your calculations of the dividend tax credit for other than eligible dividends and enter the result at line 27.