

PART XII TAX RETURN – TAX ON PAYMENTS TO THE CROWN BY A TAX-EXEMPT PERSON

For use by a person [other than a person described in any of paragraphs 149(1)(d) to (d.6)] who is exempt from tax under Part I of the *Income Tax Act* and is subject to Part XII tax. Part XII tax is in respect of certain amounts including Crown royalties, taxes, and lease rentals paid, payable, distributed, or distributable in any manner by that person to another person out of income attributable to production from a Canadian resource property.

Note

Part XII tax is repealed for taxation years that begin after 2006.

Do not use this area

Name of person (print)						Business Number or social insurance number													
Address						Postal code													
Taxation year for the period		from		Year		Month		Day		to		Year		Month		Day		Tax services office	
Name of person to contact for more information						Area code		Telephone number											

File one completed return with remittance on or before the person's balance-due day for the taxation year, as per subsection 248(1), at the tax centre serving the area in which the person resides.

If this return is filed after the due date, penalties will apply.

Part XII tax payable from page 2 (1)

Make cheque or money order payable to the Receiver General. On the remittance form specify "T2026" and indicate the name, social insurance number (or, if a corporation, the Business Number) and the taxation year of the person or corporation whose account is to be credited.

Amount enclosed

Daily compound interest at a prescribed rate will apply to unpaid taxes and late-filing penalties.

Do not use this area

Certification

I, _____, certify that the information given in this return and in any attached documents is, to the best of my knowledge, true, correct, and complete.

Signature of trustee, authorized officer, or individual

Position or office

Date

Calculation of Part XII tax payable

1. Amounts for the property, each of which is:

- an amount that became receivable in the year and was required by paragraph 12(1)(o) to be included in computing income _____
 - an amount that was paid or became payable in the year and was not deductible under paragraph 18(1)(l.1)* or (m) _____
 - an amount by which proceeds of disposition were increased under subsection 69(6) in the year _____
 - an amount by which cost of acquisition was decreased under subsection 69(7) in the year _____
- Total** _____ **A**

2. Amounts, other than paragraph 18(1)(l.1)* or (m) amounts, that were paid, payable, distributed, or distributable by the person to another person whose taxable income is not exempt from tax under Part I, or to another person whose taxable income is exempt from tax under Part I, as part of a transaction or event or series of transactions or events to which any person whose taxable income is not exempt from tax under Part I was a party, in respect of any production from a Canadian resource property of petroleum, natural gas, or other related hydrocarbons or of metals or minerals to any stage that is not beyond the specified stage** or in respect of any revenue or income that may reasonably be regarded as attributable to such production. _____ **C**

3. The income of the person from the property for the year from the production of petroleum, natural gas, or other related hydrocarbons or of metals or minerals to any stage that is not beyond the specified stage** computed in accordance with Part I on the assumption that the property was the person's only source of income and that the person was allowed only those deductions in computing the income from the property [other than a deduction under section 65 or paragraph 20(1)(v.1)] that may reasonably be regarded as applicable to the income from the property. _____ **D**

4. Calculate amount B using the amounts for A, C, and D above, in the following formula:

$$A \times \frac{C}{D + C - A} = B \quad \text{_____ } \mathbf{B}$$

5. Part XII tax payable – 33 1/3% of whichever amount is less: A or B
(enter this amount on line 1 of page 1) _____

* Paragraph 18(1)(l.1) was repealed for amounts payable after December 20, 2002.

** Specified stage (applies to taxation years that begin after 1996) is defined as:

- for petroleum or related hydrocarbons (other than natural gas) crude oil stage or its equivalent
- for natural gas the stage of natural gas that is acceptable to a common carrier of natural gas
- for metal or minerals (other than iron, sulphur, or petroleum or related hydrocarbons) the prime metal stage or its equivalent
- for iron the pellet stage or its equivalent
- for sulphur the marketable sulphur stage