

Calculating Tax Under Subsection 204.82(2)

Attach this completed schedule to Form T2152, Part X.3 Tax Return for a Labour-Sponsored Venture Capital Corporation (LSVCC).

LSVCC's name						Account Number					
LSVCC's tax year		From		Year	Month	Day	to	Year	Month	Day	Federal registration number
											LV —

Section D: Calculating tax under subsection 204.82(2)

Complete this section if, **at any time** during a tax year that follows the LSVCC's start-up period (or, where the corporation has no start-up period, that begins after the time the corporation first issues a Class A share), the total cost of the LSVCC's eligible investments was **less** than 60% of its shareholders' equity.*

Shareholders' equity

Shareholders' equity* at the end of the current tax year	\$ _____	1
Subtract: Specified adjustment at the end of the current tax year**	\$ _____	2
Adjusted shareholders' equity at the end of the current tax year (line 1 minus line 2)	\$ _____	3
Shareholders' equity* at the end of the previous tax year	\$ _____	4
Subtract: Specified adjustment at the end of the previous tax year**	\$ _____	5
Adjusted shareholders' equity at the end of the previous tax year (line 4 minus line 5)	\$ _____	6
60% of line 3 or line 6, whichever is less	\$ _____	7

You need the amount from line 7 to calculate the amounts for column 4 in the chart on the next page.

*When you determine the shareholders' equity, do not consider any unrealized gains and losses on the LSVCC's eligible investments.

Use copies of this area to calculate the specified adjustment** at the end of the current tax year and of the previous tax year for lines 2 and 5 above, as the case may be.

****Specified adjustment at the end of the year**

Shareholders' equity at the end of the year	\$ _____	8
The fair market value at the end of the year of all Class A shares issued by the corporation:		
— before March 6, 1996, and more than five years before the end of the year	\$ _____	9
— after March 5, 1996, and more than eight years before the end of the year	\$ _____	10
— in the last 60 days of the year	\$ _____	11
The fair market value at the end of the year of all shares of classes of the capital stock of the corporation to which clause 204.81(1)(c)(ii)(C) applies (if the corporation makes an election in writing filed not more than six months after the end of the year and if it is not a revoked corporation at the end of the year).	\$ _____	12
Total: Add lines 9 to 12	\$ _____	13
Subtotal: Line 8 multiplied by line 13	\$ _____	14
The fair market value at the end of the year of all shares issued by the corporation	\$ _____	15
Subtotal: Line 14 divided by line 15	\$ _____	16
Shareholders' equity at the end of the year	\$ _____	17
Subtract: Expected redemption of the corporation's shares	\$ _____	18
Subtotal: Line 17 minus line 18	\$ _____	19
Specified adjustment at the end of the year: Line 16 minus line 19	\$ _____	20

Transfer the amount of specified adjustment at the end of the year from line 20, to line 2 above for the current year, or to line 5 above for the preceding year, as the case may be.

Section D (continued)

Use copies of this area to calculate the adjusted cost of the LSVCC's eligible investments for **each** month ending in the tax year. You need this amount to complete column 2 in the chart below.

Adjusted cost of the LSVCC's eligible investments ***

At that time (calculate for each month and transfer to column 2 below as applicable)	\$	21
At the start of the tax year	\$	22
At the end of the tax year (from line A on page 2 of the T2152 return)	\$	23
Total (line 22 plus line 23) (for tax years that end before 1999, enter "0")	\$	24
50% of amount on line 24	\$	25

*** Do not consider any unrealized gains or losses on the LSVCC's eligible investments when you determine the adjusted cost. For a property described in subparagraph 204.82(2.2)(d)(i), the adjusted cost is 150% of the total cost of the eligible investment. For a property described in subparagraph 204.82(2.2)(d)(i.1), the adjusted cost is 200% of the total cost of the eligible investment.

Use copies of this area to calculate the amount you need in the calculations of the amounts in column 4 in the chart below.

Total of all tax paid under subsection 204.82(3) from line 103 on page 1 of 1998 and previous years' T2152 returns, or line 105 on page 1 of 1999 and later years' returns.	\$	26
Total of all penalties paid under subsection 204.82(4) from line 104 on page 1 of 1998 and previous years' T2152 returns, or line 106 on page 1 of 1999 and later years' returns.	\$	27
Total (line 26 plus line 27)	\$	28
Subtract: Tax and penalty that reduced shareholders' equity at the end of any previous tax year	\$	29
Total (line 28 minus line 29)	\$	30
Subtract: The total of all amounts which is a refund of any part of the amount on line 30	\$	31
Total (line 30 minus line 31)	\$	32
60% of amount on line 32	\$	33

Use the chart below to calculate the total monthly deficiency and total tax payable based on the months in the LSVCC's tax year.

1 Month – Year	2 Amount from line 21 above for each applicable month	3 For each month, amount from column 2, or amount from line 25 above, whichever is more	4 Monthly deficiency (amount from line 7 on the previous page minus amounts from line 33 above and column 3)	5 1/60 of the prescribed rate of interest in effect for the month per paragraph 4301(c) of the <i>Income Tax Regulations</i>	6 Tax payable (column 4 x column 5)
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total monthly deficiency			7	Total tax payable	8

Transfer the amount from box 8 to line 104 on page 1 of Form T2152.

If tax is payable for any **consecutive** 12-month period ending during the current tax year, use copies of the above chart to make a separate calculation of the total monthly deficiency amount in box 7 for each such period, and attach them to Form T2152.

Add all the box 7 amounts for all the 12-month periods, and transfer the **total** to line 1 in Section E on page 1 of Schedule 2.