



**FEDERAL AND PROVINCIAL OR TERRITORIAL CAPITAL GAINS REFUND**  
**(2010 and later tax years)**

Name of corporation	Business number	Tax year-end Year   Month   Day
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- Use this schedule if you are an investment corporation or a mutual fund corporation throughout a tax year to calculate the federal capital gains refund and the provincial and territorial capital gains refund (except for Quebec and Alberta).
- The expressions **investment corporation** and **taxed capital gains** are defined in subsection 130(3); the expression **mutual fund corporation** is defined in subsection 131(8); and the expressions **refundable capital gains tax on hand** and **capital gains redemptions** are defined in subsection 131(6) of the federal *Income Tax Act*.
- The expressions **Ontario capital gains refund** and **Ontario refundable capital gains tax on hand** are defined in subsections 106(2) and (3) respectively of the *Taxation Act, 2007* (Ontario). The expressions **Manitoba capital gains refund** and **Manitoba refundable capital gains tax on hand** are defined in subsections 9(1) and (2) respectively of the *Income Tax Act* (Manitoba).
- The Ontario basic rate of tax referred to in Part 5 and Part 6 is calculated in Part 1 of Schedule 500, *Ontario Corporation Tax Calculation*.

**Part 1 – Refundable capital gains tax on hand (RCGTOH)**

RCGTOH at the end of the previous year	<b>101</b>		A
Taxable income for the year (amount from line 360 of the T2 return)		× 28% =	B
Taxed capital gains for the year	<b>120</b>	× 28% =	C
Part I taxes payable, excluding corporate surtax			D
The least of amounts B, C, and D			E
RCGTOH amount transferred on amalgamation* (for mutual fund and investment corporations)	<b>144</b>		F
Subtotal (total of amounts A, E, and F)			G
<b>Deduct:</b> Federal capital gains refund for the previous year	<b>151</b>		H
<b>RCGTOH at the end of the year</b> (before capital gains refund for the year) (amount G minus amount H)	<b>160</b>		I

\* The amount of RCGTOH at the end of the year less the capital gains refund received for the year before amalgamation.

**Part 2 – Capital gains redemptions for the year \***

Amount I in Part 1		× 100/14 =		J
<b>Add:</b> Fair market value of all issued shares	<b>162</b>			K
All debts or other obligations owing	<b>164</b>			L
Subtotal (amount K plus amount L)				M
<b>Deduct:</b> Total of cost amounts of all properties	<b>166</b>			N
Money on hand	<b>168</b>			O
Subtotal (amount N plus amount O)				P
Subtotal (amount M minus amount P) (if negative, enter "0")				Q
Net total at the end of the year (amount J plus amount Q)				R
Amount paid in the year to redeem shares	<b>169</b>			S
<b>Capital gains redemptions for the year</b>	Amount S	× Amount R	=	<b>170</b>
	Amount S	+ Amount K		T

\* For mutual fund corporations only.

**Part 3 – Federal capital gains refund for the year \***

Capital gains dividends paid in the period starting 60 days after the beginning of the year and ending 60 days after the end of the year	<b>180</b>		
<b>Add:</b> Capital gains redemptions for the year (amount T in Part 2)			U
		Total	V
Amount U multiplied by 14%			V
<b>Federal capital gains refund for the year</b> – the lesser of amounts I (in Part 1) and V (enter amount W on line 788 on page 8 of the T2 return)	<b>190</b>		W

\* The corporation must either be an investment corporation or a mutual fund corporation throughout a tax year to obtain a refund (subsections 130(2) and 131(2) of the *Income Tax Act*).





**Part 11 – Provincial or territorial capital gains refund for the year**

**Note:** If the tax year includes a date with a provincial or territorial tax rate change, you have to prorate the tax rate using the number of days in the tax year before and after this date.

Provincial or territorial code			Federal capital gains refund for the year (amount W)			Capital gains refund				
	<b>200</b>					<b>210</b>				
XO	Newfoundland and Labrador Offshore taxable income	_____	×	_____	×	Newfoundland and Labrador Offshore income tax rate	_____	=	_____	*
	Total taxable income					28%				
NL	Newfoundland and Labrador taxable income	_____	×	_____	×	Newfoundland and Labrador income tax rate	_____	=	_____	*
	Total taxable income					28%				
PE	Prince Edward Island taxable income	_____	×	_____	×	Prince Edward Island income tax rate	_____	=	_____	
	Total taxable income					28%				
NO	Nova Scotia Offshore taxable income	_____	×	_____	×	Nova Scotia Offshore income tax rate	_____	=	_____	
	Total taxable income					28%				
NS	Nova Scotia taxable income	_____	×	_____	×	Nova Scotia income tax rate	_____	=	_____	
	Total taxable income					28%				
NB	New Brunswick taxable income	_____	×	_____	×	New Brunswick income tax rate	_____	=	_____	
	Total taxable income					28%				
SK	Saskatchewan taxable income	_____	×	_____	×	Saskatchewan income tax rate	_____	=	_____	
	Total taxable income					28%				
BC	British Columbia taxable income	_____	×	_____	×	British Columbia income tax rate	_____	=	_____	
	Total taxable income					28%				
NT	Northwest Territories taxable income	_____	×	_____	×	Northwest Territories income tax rate	_____	=	_____	
	Total taxable income					28%				
YT	Yukon taxable income	_____	×	_____	×	Yukon income tax rate	_____	=	_____	
	Total taxable income					28%				
NU	Nunavut taxable income	_____	×	_____	×	Nunavut income tax rate	_____	=	_____	
	Total taxable income					28%				

Ontario capital gains refund for the year (amount NN in Part 6) ..... **260** \_\_\_\_\_

Manitoba capital gains refund for the year (amount DDD in Part 10) ..... **262** \_\_\_\_\_

**Total provincial or territorial capital gains refund for the year** (add amounts on lines 210, 260, and 262) ..... **290** \_\_\_\_\_  
 Enter the amount from line 290 on line 808 on page 8 of the T2 return.

- \* For Newfoundland and Labrador the capital gains refund as calculated above cannot exceed the least of:
- Newfoundland and Labrador tax otherwise payable on line 209 on Schedule 5;
  - the taxed capital gains on line 120 in Part 1 **multiplied** by the Newfoundland and Labrador income tax rate; and
  - Newfoundland and Labrador taxable income **multiplied** by the Newfoundland and Labrador income tax rate.