

Prince Edward Island Corporation Tax Calculation (2013 and later tax years)

Protected B when completed

Corporation's name	Business number	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;">Year</td> <td style="text-align: center; border-bottom: 1px solid black;">Tax year-end</td> <td style="text-align: center; border-bottom: 1px solid black;">Month</td> <td style="text-align: center; border-bottom: 1px solid black;">Day</td> </tr> <tr> <td style="width:25%; height: 20px;"></td> <td style="width:25%;"></td> <td style="width:25%;"></td> <td style="width:25%;"></td> </tr> </table>	Year	Tax year-end	Month	Day				
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- Use this schedule if your corporation had a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in Prince Edward Island, and had taxable income earned in the year in Prince Edward Island.
- This schedule is a worksheet only. You do not have to file it with your T2 Corporation Income Tax Return.

Part 1 – Calculation of income subject to Prince Edward Island lower and higher tax rates

Taxable income for Prince Edward Island * A

Income eligible for the Prince Edward Island lower tax rate:

Amount from line 400 of the T2 return B

Amount from line 405 of the T2 return C

Amount from line 425 of the T2 return D

Amount B, C, or D, whichever is the least E

For credit unions only:

Amount from line F of Schedule 17, *Credit Union Deductions* F

Total (amount E plus amount F) G

Amount G _____ × $\frac{\text{Taxable income for Prince Edward Island}^*}{\text{Taxable income for all provinces}^{**}}$ = H

Income subject to Prince Edward Island higher tax rate (amount A minus amount H) I

Enter amount H and/or amount I on the applicable line(s) in Part 2.

* If the corporation has a permanent establishment only in Prince Edward Island, enter the taxable income from line 360 of the T2 return. Otherwise, enter the taxable income allocated to Prince Edward Island from column F in Part 1 of Schedule 5, *Tax Calculation Supplementary – Corporations*.

** Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 2 – Calculation of Prince Edward Island tax before credits

Prince Edward Island tax at the lower rate:

Amount H _____ × $\frac{\text{Number of days in the tax year before April 1, 2013}}{\text{Number of days in the tax year}}$ × 1% = 1

Amount H _____ × $\frac{\text{Number of days in the tax year after March 31, 2013}}{\text{Number of days in the tax year}}$ × 4.5% = 2

Prince Edward Island tax at the lower rate (amount 1 plus amount 2) J

Prince Edward Island tax at the higher rate:

Amount I _____ × 16% = K

Prince Edward Island tax before credits (amount J plus amount K) * L

* If the corporation has a permanent establishment in more than one jurisdiction, or is claiming a Prince Edward Island tax credit, enter amount L on line 210 of Schedule 5. Otherwise, enter it on line 760 of the T2 return.