



**Manitoba Corporation Tax Calculation (2016 and later tax years)**

Corporation's name	Business number	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Tax year-end</td> <td style="text-align: center;">Month</td> <td style="text-align: center;">Day</td> </tr> <tr> <td style="text-align: center;">Year</td> <td style="text-align: center;">Month</td> <td style="text-align: center;">Day</td> </tr> </table>	Tax year-end	Month	Day	Year	Month	Day
Tax year-end	Month	Day						
Year	Month	Day						

- Use this schedule if your corporation had a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in Manitoba and had taxable income earned in the year in Manitoba.
- This schedule is a worksheet only. You do not have to file it with the *T2 Corporation Income Tax Return*.

**Part 1 – Income subject to Manitoba lower and higher tax rates**

**Period before January 1, 2016**

If there are days in the tax year in the period mentioned above, calculate the income subject to Manitoba lower and higher tax rates as follows:

Taxable income for Manitoba \* ..... A1

**Income eligible for the Manitoba lower tax rate:**

Amount from line 400 of the T2 return \*\* ..... B1  
 Amount from line 405 of the T2 return ..... C1  
 Amount from line 425 of the T2 return \_\_\_\_\_ × \_\_\_\_\_ = ..... D1

Amount B1, C1, or D1, whichever is the least. .... E1

For credit unions only:

Amount from line D of Schedule 17, *Credit Union Deductions* ..... 1  
 Amount E1 above ..... 2  
 (amount 1 minus amount 2) (if negative, enter "0") ..... F1

Subtotal (add amounts E1 and F1) ..... G1

Amount G1 \_\_\_\_\_ ×  $\frac{\text{taxable income for Manitoba}^*}{\text{taxable income for all provinces}^{***}}$  = ..... H1

**Note:** amount H1 cannot exceed amount A1

**Income subject to Manitoba higher tax rate** (amount A1 minus amount H1) ..... I1

Enter amount I1 on the applicable line in Part 3.

**Period after December 31, 2015**

For days in the tax year in the period mentioned above, calculate the income subject to Manitoba lower and higher tax rates as follows:

Taxable income for Manitoba \* ..... A2

**Income eligible for the Manitoba lower tax rate:**

Amount from line 400 of the T2 return \*\* ..... B2  
 Amount from line 405 of the T2 return ..... C2  
 Amount from line 425 of the T2 return \_\_\_\_\_ × \_\_\_\_\_ = ..... D2

Amount B2, C2, or D2, whichever is the least ..... E2

For credit unions only:

Amount from line D of Schedule 17, *Credit Union Deductions* ..... 1  
 Amount E2 above ..... 2  
 (amount 1 minus amount 2) (if negative, enter "0") ..... F2

Subtotal (add amounts E2 and F2) ..... G2

Amount G2 \_\_\_\_\_ ×  $\frac{\text{taxable income for Manitoba}^*}{\text{taxable income for all provinces}^{***}}$  = ..... H2

**Note:** amount H2 cannot exceed amount A2

**Income subject to Manitoba higher tax rate** (amount A2 minus amount H2) ..... I2

Enter amount I2 on the applicable line in Part 3.

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

\*\* If the corporation is a member of a partnership, complete Part 2 to calculate income from active business.

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

**Part 2 – Income from active business when there is partnership income**

Complete this part only if the corporation is a member of a partnership.

**Period before January 1, 2016**

If there are days in the tax year in the period mentioned above, calculate the income from active business as follows:

Amount X from Part 5 of Schedule 7 . . . . . 1  
 Amount from line 530 from Part 5 of Schedule 7 \_\_\_\_\_ 2  
 Subtotal (amount 1 **minus** amount 2) \_\_\_\_\_ ► ..... J1

Amount S from Part 4 of Schedule 7 . . . . . K1

L1 Amounts from column E in Part 3 of Schedule 7	M1 Amounts from column G in Part 3 of Schedule 7 <b>multiplied by</b> 425,000 500,000	N1 Column L1 <b>minus</b> column M1 (if negative, enter "0")	O1 Lesser of columns L1 and M1 (if column L1 is negative, enter "0")
1.			
2.			
3.			
<b>Totals</b>		P1	Q1

Amount on line 370 from Part 3 of Schedule 7 . . . . . R1  
 Amount on line 380 from Part 3 of Schedule 7 . . . . . S1  
 Subtotal (amount R1 **plus** amount S1) \_\_\_\_\_ T1

Enter amount P1 or amount T1, whichever is less . . . . . U1  
 Specified partnership income (amount Q1 **plus** amount U1) \_\_\_\_\_ ► ..... V1  
 Partnership income not eligible for small business deduction (amount K1 **minus** amount V1) . . . . . W1

**Income from active business** (amount J1 **minus** amount W1) . . . . . X1  
 Enter the amount from line X1 on line B1 in Part 1.

**Period after December 31, 2015**

For days in the tax year in the period mentioned above, calculate the income from active business as follows:

Amount X from Part 5 of Schedule 7 . . . . . 1  
 Amount from line 530 from Part 5 of Schedule 7 \_\_\_\_\_ 2  
 Subtotal (amount 1 **minus** amount 2) \_\_\_\_\_ ► ..... J2

Amount S from Part 4 of Schedule 7 . . . . . K2

L2 Amounts from column E in Part 3 of Schedule 7	M2 Amounts from column G in Part 3 of Schedule 7 <b>multiplied by</b> 450,000 500,000	N2 Column L2 <b>minus</b> column M2 (if negative, enter "0")	O2 Lesser of columns L2 and M2 (if column L2 is negative, enter "0")
1.			
2.			
3.			
<b>Totals</b>		P2	Q2

Amount on line 370 from Part 3 of Schedule 7 . . . . . R2  
 Amount on line 380 from Part 3 of Schedule 7 . . . . . S2  
 Subtotal (amount R2 **plus** amount S2) \_\_\_\_\_ T2

Enter amount P2 or amount T2, whichever is less . . . . . U2  
 Specified partnership income (amount Q2 **plus** amount U2) \_\_\_\_\_ ► ..... V2  
 Partnership income not eligible for small business deduction (amount K2 **minus** amount V2) . . . . . W2

**Income from active business** (amount J2 **minus** amount W2) . . . . . X2  
 Enter the amount from line X2 on line B2 in Part 1.

**Part 3 – Manitoba tax before credits**

Manitoba tax at the lower rate is zero. Calculate the Manitoba tax at the higher rate only.

**Manitoba tax at the higher rate:**

$$\text{Amount I1} \times \frac{\text{Number of days in the tax year before January 1, 2016}}{\text{Number of days in the tax year}} = \text{1}$$

$$\text{Amount I2} \times \frac{\text{Number of days in the tax year after December 31, 2015}}{\text{Number of days in the tax year}} = \text{2}$$

$$\text{Subtotal (amount 1 plus amount 2)} = \text{3}$$

**Manitoba tax before credits** (amount 3 multiplied by 12%) \* .....                      Y

\* If the corporation has a permanent establishment in more than one jurisdiction or is claiming a Manitoba tax credit, enter amount Y on line 230 of Schedule 5. Otherwise, enter it on line 760 of the T2 return.