



**SASKATCHEWAN MANUFACTURING AND PROCESSING PROFITS TAX REDUCTION
(2010 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="width: 10px;"></td> <td style="width: 10px;"></td> <td style="width: 10px;"></td> <td style="width: 10px;"></td> <td style="width: 10px;"></td> </tr> <tr> <td style="text-align: center;">Year</td> <td style="text-align: center;">Month</td> <td style="text-align: center;">Day</td> <td style="width: 10px;"></td> <td style="width: 10px;"></td> <td style="width: 10px;"></td> </tr> </table>	Tax year-end						Year	Month	Day			
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Year	Month	Day												

- Use this schedule if the corporation had:
 - a permanent establishment (as defined in Regulation 400 of the federal *Income Tax Regulations*) in Saskatchewan at any time in the year;
 - taxable income earned in the year in Saskatchewan; and
 - Canadian manufacturing and processing profits, as defined in subsection 125.1(3) of the federal *Income Tax Act*, earned in Saskatchewan.
- Canadian manufacturing and processing profits earned in Saskatchewan include profits from generating or producing electrical energy or steam for sale in Saskatchewan.
- Corporations must claim their Saskatchewan manufacturing and processing profits tax reduction within three years of the filing due date of the *T2 Corporation Income Tax Return* for the applicable tax year.
- This schedule is a worksheet only and does not have to be filed with your T2 return.

Part 1 – Calculation of income eligible for the Saskatchewan manufacturing and processing profits tax reduction

Canadian manufacturing and processing profits (amount from line 200 of Schedule 27)*	_____	A
Deduct: amount E or amount E2, whichever applies, from Schedule 411**	_____	B
Excess (if negative, enter "0")	=====	C
Taxable income (amount from line 360 of the T2 return)	_____	D
Deduct:		
Amount E or amount E2, whichever applies, from Schedule 411**	_____ F	
Aggregate investment income (amount from line 440 of the T2 return)**	_____ G	
Federal foreign business income tax credit (amount from line 636*** of the T2 return) × a**** =	_____ H	
Subtotal (add amounts F, G, and H)	===== ▶	I
Excess (if negative, enter "0")	=====	J
Income eligible for the Saskatchewan manufacturing and processing profits tax reduction (amount C or J, whichever is less)	=====	K

* If the corporation generated or produced electrical energy or steam for sale in Saskatchewan, use the amount from line 210 rather than line 200 of Schedule 27, *Calculation of Canadian Manufacturing and Processing Profits Deduction*.

** Applies only to corporations that were Canadian-controlled private corporations throughout the tax year. On line B and line F, enter amount E2 if you are using Schedule 411, *Saskatchewan Corporation Tax Calculation (2009 and later tax years)*.

*** Calculate the amount of federal foreign business income tax credit deductible at line 636 of the T2 return without reference to the corporate tax reductions under section 123.4 of the federal *Act*.

**** Use amount a from Part 9 of Schedule 27.

Part 2 – Calculation of Saskatchewan manufacturing and processing profits tax reduction

Amount K	×	$\frac{\text{taxable income earned in Saskatchewan}}{\text{taxable income earned in all provinces}^*}$	=	_____	L
$\frac{\text{taxable income earned in Saskatchewan}}{\text{taxable income earned in all provinces}^*}$	×	2%	=	_____	M
Saskatchewan manufacturing and processing profits tax reduction (amount L multiplied by amount M)				=====	N

Enter amount N on line 626 of Schedule 5, *Tax Calculation Supplementary – Corporations*.

* Includes the territories, Nova Scotia offshore, and Newfoundland and Labrador offshore.