



Low Rate Income Pool (LRIP) Calculation (2015 and later years)

Corporation's name	Business number	Tax year-end Year Month Day
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- Use this schedule to calculate the balance of the low rate income pool (LRIP) at any time in the tax year if you are a corporation resident in Canada that is:
 - a corporation **other** than a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC); or
 - a corporation that elected under subsection 89(11) not to be a CCPC.
- When an eligible dividend was paid or there was a change in the LRIP balance in the tax year, file a completed copy of this schedule with your *T2 Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- All legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool, and low rate income pool.

Part 1 – Low rate income pool (LRIP)

LRIP at the end of the immediately previous tax year	100	
Income for the credit union deduction (amount E in Part 3 of Schedule 17 of the previous year if the corporation was not a CCPC in the previous tax year, otherwise enter "0")	120	
Aggregate investment income of a corporation that has elected under subsection 89(11) not to be a CCPC (line 440 of the T2 return of the previous tax year)	140	
Subtotal (line 120 plus 140)	x 80% =	150
Investment corporation deduction (line 620 of the T2 return of the previous tax year)	x 4 =	160
Subtotal (add lines 100, 150, and 160)	190	

Part 2 – LRIP and excessive eligible dividend designations during the tax year

Complete this part if you paid an eligible dividend in the tax year.

	200	210	220	230	240	250
	Date* (yyyy/mm/dd)	Total dividends** receivable in the year before the date on line 200 that are deductible under section 112	Total adjustments for amalgamations, wind-ups, or on ceasing to be a CCPC***	Subtotal (add lines 190, 210, and 220)	Total dividends**** payable in the year before the date on line 200	Total of excessive eligible dividend designations made before the date on line 200
1.						
2.						
3.						
4.						
5.						

	260	270	280
	LRIP as of the date on line 200 (line 230 minus the total of line 240 and line 250)	Total eligible dividends paid on the date on line 200	Excessive eligible dividend designation (lesser of lines 260 and 270)
1.			
2.			
3.			
4.			
5.			

* Enter on line 200 each date where:

- an eligible dividend was paid in the year; or
- an adjustment was made as a result of an amalgamation or the wind-up of a subsidiary or on ceasing to be a CCPC (by an election or otherwise).

** Taxable dividends from a corporation resident in Canada (other than eligible dividends).

*** Complete the worksheets in Parts 4 to 6 separately for each predecessor, each subsidiary involved in the wind-up, and when the corporation ceases to be a CCPC or DIC. Add up the adjustments for this date and enter on line 220.

**** Includes taxable dividends (other than an eligible dividend, a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1), or a dividend deductible under subsection 130.1(1))

Total excessive eligible dividend designations in the tax year (total of all amounts in column 280) A

Enter this amount on line G of Schedule 55.

Part 3 – LRIP closing balance

Amount from line 190 in Part 1		B
Total dividends* receivable in the tax year that are deductible under section 112	510 _____	
Total adjustments for amalgamations, wind-ups, or on ceasing to be a CCPC**	520 _____	
Subtotal (line 510 plus line 520) =====	▶	C
Subtotal (amount B plus amount C) _____		D
Total dividends*** payable in the tax year	540 _____	
Total excessive eligible dividend designations in the tax year (amount A in Part 2)	_____	E
Subtotal (line 540 plus amount E) =====	▶	F
LRIP at the end of the tax year (amount D minus amount F) (if negative enter "0")	590 _____	

* Taxable dividends from a corporation resident in Canada (other than eligible dividends)

** Complete the worksheets in Parts 4 to 6 separately for each predecessor, each subsidiary involved in the wind-up, and when the corporation ceases to be a CCPC or DIC.

*** Includes taxable dividends (other than an eligible dividend, a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1), or a dividend deductible under subsection 130.1(1))

Part 4 – Worksheet for adjustment when a corporation ceases to be a CCPC or DIC

Complete this part if the corporation is neither a CCPC nor a DIC in this tax year but was a CCPC or a DIC in the previous tax year.
 This adjustment to the LRIP can be made at any time in the tax year.
 Keep a copy of this calculation for your records in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of the previous tax year	_____	1
The corporation's cash on hand immediately before the end of the previous tax year	_____	2
Total of subsection 111(1) losses that would have been deductible in computing the corporation's taxable income for the previous tax year if the corporation had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous tax year:		
Non-capital losses	_____	3
Net capital losses	_____	4
Farm losses	_____	5
Restricted farm losses	_____	6
Limited partnership losses	_____	7
Subtotal (add amounts 3 to 7)	_____ ▶	8
Total of all amounts deducted under subsection 111(1) in computing the corporation's taxable income for the previous tax year:		
Non-capital losses	_____	9
Net capital losses	_____	10
Farm losses	_____	11
Restricted farm losses	_____	12
Limited partnership losses	_____	13
Subtotal (add amounts 9 to 13)	_____ ▶	14
Unused and unexpired losses at the end of the corporation's previous tax year (amount 8 minus amount 14) (if negative, enter "0")	_____ ▶	15
Subtotal (add amounts 1, 2, and 15)	_____	16
All of the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous tax year	_____	17
Paid up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous tax year	_____	18
All of the corporation's reserves deducted in its previous tax year	_____	19
The corporation's capital dividend account immediately before the end of its previous tax year if the corporation is not a private corporation in the current tax year	_____	20
The corporation's general rate income pool (GRIP) at the end of its previous tax year (if negative, use brackets)	_____	21
Eligible dividends paid in the previous tax year	_____	22
Excessive eligible dividend designations made in the previous tax year	_____	23
Subtotal (amount 22 minus amount 23) (if negative, enter "0")	_____ ▶	24
Subtotal (amount 21 minus amount 24) (if negative, use brackets)	_____ ▶	25
Subtotal (add amounts 17, 18, 19, 20, 25) (if negative, use brackets)	_____ ▶	26
Adjustment for a corporation that ceases to be a CCPC or DIC (amount 16 minus amount 26) (if negative, enter "0")	_____	27

Part 5 – Worksheet for adjustment when a corporation is formed as a result of an amalgamation

Complete this part if the corporation was formed as a result of an amalgamation or merger of two or more corporations, one or more of which is a taxable Canadian corporation. Complete a separate worksheet for **each** predecessor.

This adjustment to the LRIP can be made at any time in the tax year.

The last tax year was its tax year that ended immediately before the amalgamation.

Keep a copy of this calculation for your records, in case we ask to see it later.

For a predecessor corporation that was a CCPC or a DIC in its tax year that ended immediately before the amalgamation.

Cost amount to the predecessor of all property immediately before the end of its last tax year 1

The predecessor's cash on hand immediately before the end of its last tax year 2

Total of subsection 111(1) losses that would have been deductible in computing the predecessor's taxable income for its last tax year if the predecessor had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for its last tax year:

Non-capital losses 3
 Net capital losses 4
 Farm losses 5
 Restricted farm losses 6
 Limited partnership losses 7
 Subtotal (add amounts 3 to 7) 8

Total of all amounts deducted under subsection 111(1) in computing the predecessor's taxable income for its last tax year:

Non-capital losses 9
 Net capital losses 10
 Farm losses 11
 Restricted farm losses 12
 Limited partnership losses 13
 Subtotal (add amounts 9 to 13) 14

Unused and unexpired losses at the end of the predecessor's last tax year (amount 8 minus amount 14) (if negative, enter "0") 15

Subtotal (add amounts 1, 2, and 15) 16

All of the predecessor's debts and other obligations to pay that were outstanding immediately before the end of its last tax year 17

Paid up capital of all the predecessor's issued and outstanding shares of capital stock immediately before the end of its last tax year 18

All of the predecessor's reserves deducted in its last tax year 19

The predecessor's capital dividend account immediately before the end of its last tax year if the corporation is **not** a private corporation in its first tax year 20

The predecessor's general rate income pool (GRIP) at the end of its last tax year (if negative, use brackets) 21

Eligible dividends paid in its last tax year 22

Excessive eligible dividend designations made in its last tax year 23

Subtotal (amount 22 minus amount 23) (if negative, enter "0") 24

Subtotal (amount 21 minus amount 24) (if negative, use brackets) 25

Subtotal (add amounts 17, 18, 19, 20, 25) (if negative, use brackets) 26

Adjustment for a predecessor corporation that was a CCPC or a DIC in its last tax year (amount 16 minus amount 26) (if negative, enter "0") 27

For a predecessor corporation that was neither a CCPC nor a DIC in its tax year that ended immediately before the amalgamation

LRIP at the end of its last tax year 28

Adjustment for a predecessor corporation involved in an amalgamation (amount 27 plus amount 28) 29

Calculate amount 29 for **each** predecessor.

Part 6 – Worksheet for adjustment when a corporation has wound-up a subsidiary

Complete this part if the corporation is the parent corporation (parent) that is neither a CCPC nor a DIC in a tax year and has, in the year, received all or substantially all of the assets on dissolution or wind-up of a subsidiary. Complete a separate worksheet for **each** subsidiary involved in the wind-up.

This adjustment to the parent's LRIP can be made at any time in the tax year that is at or after the end of the subsidiary's last tax year.

The last tax year for the subsidiary was its tax year during which its assets were distributed to the parent corporation on the wind-up.

Keep a copy of this calculation for your records in case we ask to see it later.

For a subsidiary that was a CCPC or a DIC in its last tax year

Cost amount to the subsidiary of all property immediately before the end of its last tax year	_____	1
The subsidiary's cash on hand immediately before the end of its last tax year	_____	2
Total of subsection 111(1) losses that would have been deductible in computing the subsidiary's taxable income for its last tax year if the subsidiary had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for its last tax year:		
Non-capital losses	_____	3
Net capital losses	_____	4
Farm losses	_____	5
Restricted farm losses	_____	6
Limited partnership losses	_____	7
Subtotal (add amounts 3 to 7) _____ ▶	_____	8
Total of all amounts deducted under subsection 111(1) in computing the subsidiary's taxable income for the last tax year:		
Non-capital losses	_____	9
Net capital losses	_____	10
Farm losses	_____	11
Restricted farm losses	_____	12
Limited partnership losses	_____	13
Subtotal (add amounts 9 to 13) _____ ▶	_____	14
Unused and unexpired losses at the end of the subsidiary's last tax year (amount 8 minus amount 14) (if negative, enter "0")	_____ ▶	15
Subtotal (add amounts 1, 2, and 15) _____	_____	16
All of the subsidiary's debts and other obligations to pay that were outstanding immediately before the end of its last tax year	_____	17
Paid up capital of all the subsidiary's issued and outstanding shares of capital stock immediately before the end of its last tax year	_____	18
All of the subsidiary's reserves deducted in its last tax year	_____	19
The subsidiary's capital dividend account immediately before the end of its last tax year if the parent is not a private corporation in the tax year	_____	20
The subsidiary's general rate income pool (GRIP) at the end of its last tax year (if negative, use brackets)	_____	21
Eligible dividends paid in its last tax year	_____	22
Excessive eligible dividend designations made in its last tax year	_____	23
Subtotal (amount 22 minus amount 23) (if negative, enter "0")	_____ ▶	24
Subtotal (amounts 21 minus amounts 24) (if negative, use brackets) _____ ▶	_____	25
Subtotal (add amounts, 17, 18, 19, 20, 25) (if negative, use brackets) _____ ▶	_____	26
Adjustment for a subsidiary that was a CCPC or a DIC in its last tax year (amount 16 minus amount 26) (if negative, enter "0")	_____	27
For a subsidiary that was neither a CCPC nor a DIC in its last tax year		
LRIP at the end of its last tax year	_____	28
Adjustment for a subsidiary involved in a wind-up (amount 27 plus amount 28)	_____	29

Calculate amount 29 for **each** subsidiary.