

- Enter the applicable tax year in the box above. **Include a completed copy of this schedule with the trust's return.**
- All references to "the guide" are to Guide T4013, *T3 Trust Guide*.

Part A – Calculating Part XII.2 tax and the refundable Part XII.2 tax credit

- Part XII.2 tax does not apply to testamentary trusts, mutual fund trusts, or most trusts exempt from tax under Part I. For a complete list of trusts to which Part XII.2 tax does not apply, and for more information on completing this schedule, see Chapter 3 in the guide.

Note
For tax years that begin after 2015, trusts created by will, and certain estates will no longer be exempted from Part XII.2 tax. The Part XII.2 tax exemption will apply to a "graduated rate estate". For more information, see Guide T4013, *T3 Trust Guide*.

- Part XII.2 tax is calculated on income allocated by trusts to designated beneficiaries where the trust has specified income.
- We define **designated beneficiary**, **eligible beneficiary**, and **specified income** in the guide, under "Schedule 10 – Part XII.2 Tax and Part XIII Non-Resident Withholding Tax."
- Part XII.2 tax is due no later than 90 days after the trust's tax year-end. Trustees are personally liable for any Part XII.2 tax not paid by the due date.
- **Eligible beneficiaries** will receive a refundable tax credit for Part XII.2 tax that the trust paid.

Specified income

Net business income (loss) from businesses carried on in Canada (lines 06 to 08 of the T3 return)	10010 •		1
Net income (loss) from real properties (land and buildings) located in Canada (line 09 of the T3 return)	10020 •	+	2
Net income (loss) from timber resource properties	10030 •	+	3
Net income (loss) from Canadian resource properties the trust acquired after 1971	10040 •	+	4
Taxable capital gains and allowable capital losses from the disposition of certain properties	10050 •	+	5
Total specified income (add lines 1 to 5)		=	6

Calculating Part XII.2 tax

Amounts allocated and designated to beneficiaries other than by preferred beneficiary election			
Resident beneficiaries (line 928, column 1 of Schedule 9)			7
Non-resident beneficiaries (line 928, column 2 of Schedule 9)	+		8
Subtotal (line 7 plus line 8)	=		9
Taxable benefits (line 44 of the T3 return)	-		10
Adjusted amounts allocated and designated to beneficiaries (line 9 minus line 10)	=		11
Part XII.2 tax payable (line 6 or line 11, whichever is less,		× 36%) =	12

Enter the amount from line 12 on line 83 of the T3 return.

Calculating Part XII.2 refundable tax credit for eligible beneficiaries

Income allocated to designated beneficiaries		×	Amount from		=	-	13
Divide by amount from line 11			line 12				
Part XII.2 refundable tax credit for eligible beneficiaries (line 12 minus line 13)					=		14

Enter the amount from line 14 on line 938 of Schedule 9, *Income Allocations and Designations to Beneficiaries*. If there is only one eligible beneficiary, enter the amount from line 14 in box 38 of that beneficiary's T3 slip (Part XII.2 tax credit). If there is more than one eligible beneficiary, see the instructions for line 14 of Schedule 10 in the guide to calculate the box 38 amount for each eligible beneficiary.

Complete Part B on the other side if the trust is required to submit Part XIII non-resident withholding tax.

Part B – Calculating Part XIII non-resident withholding tax

Payer's remittance No.

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Total income paid or payable to non-resident beneficiaries (line 928, column 2 of Schedule 9)			15	
Adjustment for non-cash items included above (provide reconciliation) (if negative, enter in brackets.)	10210 •	+		16
Amounts paid or payable (line 15 plus line 16)		=		17
Amounts payable to non-resident beneficiaries that are not subject to Part XIII tax:				
Taxable capital gains distributions designated as payable by a mutual fund trust (see Note below)	10230 •			18
Distributions by certain trusts established before 1949	10240 •	+		19
Other (specify)	10250 •	+		20
Amount from line 13 in Part A		+		21
Subtotal (add lines 18 to 21)		=		22
Taxable Canadian property gains distributions for non-resident beneficiaries (see Note below)			+	23
Amount subject to non-resident tax (subtract line 22 from line 17, then add line 23)			=	24
Non-resident tax payable (Multiply the amount on line 24 by the appropriate tax rate. This amount has to be the same as the amount reported on the NR4 Summary and the related NR4 slip(s).)				25
Amounts already remitted on Form NR-76, <i>Non-Resident Tax Statement of Account</i>			-	26
Part XIII tax due (line 25 minus line 26)			=	27

Remit the Part XIII tax with your Form NR-76, NR4 Summary, and NR4 slip(s).

Note: If more than 5% of a mutual fund trust's taxable capital gains distributions are designated to non-resident beneficiaries (including a partnership that is not a Canadian partnership), the trust must do a calculation for line 18 and for line 23. Enter the amount from line 43 on line 18 and the amount from line 42 on line 23. To determine the trust's opening taxable Canadian property (TCP) gains balance at the beginning of the following year, complete lines 44 to 47. If the amount at line 37 is less than 5%, **do not** complete the rest of this area. Instead, enter the amount from line 921, column 2, of Schedule 9 on line 18 and enter "0" on line 23.

TCP gains balance for the mutual fund trust

Trust's TCP gains balance at the end of the previous year (line 47 of previous year's Schedule 10. If the trust did not exceed the 5% distribution rule, use the amount from line 33.)

Trust's capital gains from dispositions of TCP during the tax year			+		28
TCP gains distributions received by the trust during the tax year			+		29
Subtotal (add lines 28, 29, and 30)			=		30
Trust's capital losses from TCP during the tax year			-		31
Mutual fund trust's TCP gains balance for the year (line 31 minus line 32). If negative, indicate the negative balance.			=		32

Pro rata portion for non-resident beneficiaries

Trust's TCP gains balance for the year (line 33 above). If negative, enter "0".

Taxable capital gains designated to non-resident beneficiaries for the tax year				35	
Total taxable capital gains designated by the trust to all beneficiaries for the tax year			÷		36
Line 35 divided by line 36			=		37
Non-resident beneficiaries' pro rata portion (line 34 multiplied by line 37)			×		38

Non-resident beneficiaries TCP gains distributionAmount from line 35 $\times 2 =$

Non-resident beneficiaries TCP gains distribution. Enter the lesser of lines 38 and 39.				40
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Enter the amount from line 40 as code 58 on the beneficiary's NR4 slip.

Capital gains distributions not subject to Part XIII tax

Amount from line 35				41
Amount from line 40			$\times 1/2 =$	42
Capital gains distributions not subject to Part XIII tax (line 41 minus line 42)			=	43

Enter the amount from line 42 on line 23 above, and the amount from line 43 on line 18 above.

Mutual fund trust's TCP gains balance at the end of the tax year

Trust's TCP gains balance for the year (line 33 above). If negative, indicate the negative balance.

Amount from line 36			$\times 2 =$	44
Total TCP gains distributions to all beneficiaries. Enter the lesser of lines 44 and 45. If negative, enter "0".			-	45
Trust's TCP gains balance at the end of the tax year (line 44 minus line 46). If negative, indicate the negative balance.			=	46

Use this balance when determining the trust's TCP gains balance at the beginning of next year.