



Tax on Split Income – 2022

Before you complete this form, read the attached information section. Attach this form to your return.

Dispositions of certain capital property – shares subject to tax on split income (TOSI)

Complete this part if you (or a trust of which you are the beneficiary) disposed of shares to a person with whom you do not deal at arm's length, and the dividends from those shares would be subject to TOSI.

Capital gain on dispositions in 2022

Amount of 2021 reserve (from line C of Form T1206 for 2021)		B		A
Amount of 2022 reserve (calculated below)	–	C		
Line B minus line C (if negative, show in brackets)	=	D	+	
Line A plus line D		E	=	
	Net capital gain			
Capital gains from box 21 of your T3 slip(s) (relating to dispositions in 2022)		F	+	
Line E plus line F		G	=	

If you were under 18 years of age at the end of the year, the amount at line G is deemed to be a dividend (other than eligible dividend). Multiply the amount from line G by **1.15** and include this amount under "Taxable amount of dividends (eligible and other than eligible) from taxable Canadian corporations" on the Federal Worksheet, and on lines 12000 and 12010 of your return. In addition, enter this amount on lines 1 and 2 as indicated in Part 1 on page 7. **Do not** include this amount on Schedule 3.

If you were 18 years of age or older in 2022, enter the amount from line G on the applicable line(s) of Schedule 3. In addition, enter 50% of the amount from line G on line 3 in Part 1 on page 7.

Calculation of reserve

Complete this calculation and include the total amount of your 2022 reserve on line C above. You can claim a reserve up to a maximum of four years for each disposition. Your reserve in each year cannot be more than whichever of the following two calculations is **less** (use a separate sheet of paper for multiple dispositions):

(i) Capital gain _____ × $\frac{\text{Amount payable after the end of the year}}{\text{Proceeds of disposition}}$ _____ = _____

(ii) Capital gain _____ × $\frac{\text{Applicable percentage for year of sale or year after sale (1)}}{\text{}} \%$ _____ = _____

(1)

Year of sale	Year after sale
80%	1st year: 60%
	2nd year: 40%
	3rd year: 20%
	4th year: 0%

Part 1 – TOSI-adjusted net income

Part of the taxable amount of dividends (eligible and other than eligible) described in the information section received from taxable Canadian corporations	68330		1
Part of the taxable amount of dividends other than eligible dividends, included on line 1, from taxable Canadian corporations	68340	2	
All other split income (see the definition in the information section)		+	3
Total split income: line 1 plus line 3 Enter this amount on line 23200 of your return.	68360	=	4
Net income from line 23600 of your tax return		+	5
TOSI-adjusted net income: line 4 plus line 5 (see note below)		=	6

Note

Use the TOSI-adjusted net income from line 6 of this form in place of your net income from line 23600 to calculate the federal amounts you can claim, if applicable, for the following amounts:

- the basic personal amount on line 30000 of your tax return (use line 6 of this form at line 3 of your Federal Worksheet for line 30000)
- the age amount on line 30100 of your tax return (use line 6 of this form at line 2 of your Federal Worksheet for line 30100)
- the refundable medical expenses supplement on line 45200 of your tax return (use line 6 of this form at line 1 of your Federal Worksheet for line 45200)
- the Canada workers benefit (CWB) on line 45300 of your tax return (use line 6 of this form at line 7 of column 1 of Schedule 6)

Also, add the amount from line 4 of this form to line 6 of your Federal Worksheet in the calculation of the social benefits repayment for the calculation of lines 23500 and 42200 of your tax return, if applicable.

Use the TOSI-adjusted net income from line 6 of this form in place of your net income from line 23600 to calculate the provincial and territorial amounts you can claim, if applicable, for the following amounts:

- except for Nova Scotia, the age amount on Form 428 or Form 428MJ for all provinces and territories (use line 6 of this form at line 2 of the calculation of line 58080 of your provincial or territorial worksheet)
- the low income tax reductions on Form 428 or Form 428MJ for New Brunswick (use line 6 of this form at column 1 of line 68 of Form NB428 or line 34 of Form NB428MJ), for Prince Edward Island (use line 6 of this form at column 1 of line 70 of Form PE428 or line 39 of Form PE428MJ), for British Columbia (use line 6 of this form at line 74 of Form BC428 or line 40 of Form BC428MJ), and for Newfoundland and Labrador (use line 6 of this form at column 1 of line 88 of Form NL428 or line 52 of Form NL428MJ)
- the sales tax credit on Form BC479 for British Columbia (use line 6 of this form at column 1 of line 1 of Form BC479)
- the Childcare access and relief from expenses tax credit for Ontario (use line 6 of this form at column 1 of line 1 of Schedule ON479—A)
- the Low-income individuals and families tax credit for Ontario (use line 6 of this form at line 6 of Schedule ON428—A or Schedule ON428—A MJ)
- Saskatchewan active families benefit (use line 6 of this form at column 1 of line 1 of Form SK479)
- the Ontario seniors care at home tax credit (line 7 of Form ON479)
- the family income calculation for Manitoba (column 1 of line 1 of Form MB479)

For more information and further instructions, see "TOSI-adjusted net income" on page 4.

Part 2 – Federal tax on split income

Calculation of line 42000 of your return

Total split income from line 4		7
Amount from line 7 multiplied by 33%		
Enter this amount on line 40424 of your return.	Federal tax on split income	8

TOSI-adjusted taxable income

Amount from line 8 _____ ÷ 15% = _____ **8A**

Use the amount from line 8A to adjust your taxable income for certain amounts.
For more information, see "TOSI-adjusted taxable income" on page 5.

Federal disability tax credit

Amount from line 31600 of your return		<u></u>	<u> </u>		9										
Amount from line 31800 of your return															
	+	<u></u>	<u> </u>		10										
Line 9 plus line 10	=	<u></u>	<u> </u>		11	x	15%	=	<u></u>	<u> </u>	▶	-	<u></u>	<u> </u>	12
Line 8 minus line 12												=	<u></u>	<u> </u>	13

Federal dividend tax credit on split income

Amount from line 1 of Part 1		14			
Amount from line 2 of Part 1	—	15	× 9.0301% =		17
Line 14 minus line 15 (if negative, enter "0")	=	16	× 15.0198% =	+	18
Line 17 plus line 18			=		▶ 19
Line 13 minus line 19					20

Note

If the amount on line 20 is more than the amount on line 42900 of your return, use the amount on line 20 instead of the amount on line 42900 of your return when you calculate the refundable Quebec or Yukon First Nations abatement and the federal surtax on income earned outside Canada.

Federal foreign tax credit on split income

Part of the amount on line 3 that is from foreign sources	68370	×	Amount from line 40500 of your return		=	-	21
Total income from foreign sources	68380						
Line 20 minus line 21 (if negative, enter "0")					=		22
Amount from line 40600 of your return							23
Amount from line 41600 of your return			-				24
Line 23 minus line 24 (if negative, enter "0")			=				25
Amount from line 41500 of your return			+				26
Line 25 plus line 26			=				27
Enter whichever is more : the amount from line 22 or line 27.							28

Add the amount from line 28 to the amount from line 41800 of your return, and enter the result on line 42000 of your return.

Part 3 – Provincial or territorial tax payable by an individual with split income

If you are not completing Form T2203, Provincial and Territorial Taxes for Multiple Jurisdictions, complete lines 29 to 50 **only**. Enter your total split income from line 4 **on line 29** below.

If you are completing Form T2203, Provincial and Territorial Taxes for Multiple Jurisdictions, do **not** complete lines 29 to 50. Enter your total split income from line 4 **on line 51** in Part 4, Tax on Split Income for Multiple Jurisdictions, and complete lines 52 to 90.

Provincial or territorial tax on split income

Total split income from line 4				29
Tax rate that applies to your province or territory of residence from column 2 in Chart C on page 5	\times	%		30
The amount from line 29 multiplied by the tax rate you entered on line 30. Enter this amount on the line of your Form 428 shown in column 4 in Chart C on page 5.	=			31

TOSI-adjusted taxable income

Amount from line 31				31A
Tax rate that applies to your province or territory from column 3 in Chart C on page 5	\div	%		31B
Amount from line 31A divided by the tax rate you entered on line 31B.	=			31C
Use the amount from line 31C to adjust your taxable income for certain amounts. For more information, see "TOSI-adjusted taxable income" on page 5.				

Calculation of line 42800 of your return

Provincial or territorial disability tax credit (DTC)

DTC from line 58440 of your provincial or territorial Form 428				32
DTC transferred from a dependant from line 58480 of your provincial or territorial Form 428	+			33
Line 32 plus line 33	=			34
Tax rate that applies to your province or territory from column 3 in Chart C on page 5	\times	%		35
Amount from line 34 multiplied by the tax rate you entered on line 35	=			36
Line 31 minus line 36				37

Provincial or territorial dividend tax credit on split income for eligible dividends and dividends other than eligible dividends

Amount from line 16				38
Eligible dividend tax credit rate that applies to your province or territory from column 5 in Chart C on page 5	\times	%		39
Amount from line 38 multiplied by the rate you entered on line 39	=			40
Amount from line 15				41
Dividend other than eligible dividend tax credit rate that applies to your province or territory from column 6 in Chart C on page 5	\times	%		42
Amount from line 41 multiplied by the rate you entered on line 42	=			43
Line 40 plus line 43	+			44
Line 37 minus line 44	=			45

