

**PART XIV – ADDITIONAL TAX ON NON-RESIDENT CORPORATIONS**
(2009 and later tax years)

Name of corporation	Business Number	Year	Tax year-end Month	Day
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- Complete this schedule if you are a non-resident corporation that earned income from a business carried on in Canada.
- All legislative references on this schedule are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 219(1.1) modifies the meaning of the term "taxable Canadian property" and subsection 219(8) defines the term "qualified related corporation" for the purpose of the Part XIV tax.
- In this schedule, "qualified property" means property that was used to gain or produce income from a business carried on in Canada before being transferred to a qualified related corporation.
- No Part XIV tax is payable for a tax year by a non-resident corporation that was throughout the year either:
 - a corporation whose principal business was transporting persons or goods, communications, or mining iron ore in Canada;
 - an insurance corporation, unless it ceases to carry on all or substantially all of its insurance business in Canada in the tax year or it elects under subsection 219(4) in prescribed form to pay the additional tax; or
 - a corporation exempt from tax under section 149.

(Report all amounts in Canadian funds.)**Part 1 – Base amount with additions (adjusted taxable income)**

Taxable income earned in Canada for the year (line 360 or amount Z if applicable, on page 3 of the T2 return)		A
Deduct: Excluded gains per subsection 219(1.1)	099	B
Base amount (amount A minus amount B) (if negative, enter "0")	100	C
Add:		
Taxable dividends deducted under section 112 and paragraph 115(1)(e)	101	D
Taxable capital gains from a disposition of a taxable Canadian property other than excluded gains deducted at line 099 above	103	E
Deduct the total of:		
Allowable capital losses on disposition of taxable Canadian property	104	
Net capital losses of other years that are deductible in the current year	105	
Subtotal (line 104 plus line 105)	106	F
Excess (amount E minus amount F) (if negative, enter "0")	107	G
Grant or credit received in the year as a reimbursement of royalty income related to crown resources that was not included in the base amount for a previous tax year that began before 1996	108	H
If the corporation disposed of qualified property in the year to a Canadian corporation that was, immediately after the disposition, its qualified related corporation, in return for consideration that includes a share, provide the following details of the disposition:		
Fair market value of the qualified property	109	
Deduct: Proceeds of disposition of the property	110	
Excess (line 109 minus line 110) (if negative, enter "0")	111	I
Allowance for investments in property in Canada claimed in the previous tax year	112	J
Base amount with additions (add amounts C, D, G, H, I, and J)	113	

Part 2 – Deductions from the base amount

Federal tax payable under Parts I and VI
(total of lines 700 and 720 from the T2 return) **114** _____

Provincial and territorial income tax payable before refundable tax credits
(this amount should **not** include Ontario special additional tax on life
insurance corporations or any provincial capital taxes) **115** _____

Total tax payable (line 114 **plus** line 115) **K**

Amount K _____ × $\frac{\text{Base amount (line 100 on page 1)}}{\text{Taxable income earned in Canada (amount A on page 1)}}$ = **116** _____ **L**

Non-deductible interest and penalties on federal, provincial, or territorial income tax payable **117** _____ **M**

Allowance for investments in property in Canada claimed for the year
(amount from line 223 on page 4 or line 665 on page 5) **118** _____ **N**

If the corporation disposed of qualified property in the year to a Canadian corporation (referred to as the "purchaser")
that was, immediately after the disposition, its qualified related corporation, in return for consideration that includes a
share of the purchaser, provide the following details of the disposition:

Fair market value of the qualified property **120** _____ **O**

Deduct the total of:

Increase in paid-up capital for the shares of the purchaser **121** _____

Fair market value of the consideration that is not a share **122** _____

Subtotal (line 121 **plus** line 122) **P**

Excess (amount O **minus** amount P) (if negative, enter "0") **123** _____ **Q**

Deductions from the base amount (add amounts L, M, N, and Q) **124** _____

Part 3 – Part XIV tax payable

Base amount with additions
(amount from line 113 on page 1) **R**

Deduct: Deductions from the base amount
(amount from line 124 above) **S**

Net base amount
(amount R **minus** amount S) (if negative, enter "0") **125** _____ **T**

Exemption of accumulated earnings claimed, based on a tax treaty with certain
foreign countries (cannot be more than amount at line 510 below) **500** _____ **U**

Taxable base amount (amount T **minus** amount U) (if negative, enter "0") **P**

Tax rate (tax treaties with other countries may allow a lower rate) × 25%

Part XIV tax payable **126** _____

Enter the amount from line 126 at line 728 on page 8 of the T2 return.

Part 4 – Continuity of exemption of accumulated earnings

If a corporation is resident in a country with which Canada has an income tax treaty, the treaty may provide an exemption on the first \$500,000
of accumulated earnings (refer to the applicable income tax treaty).

Unused exemption of accumulated earnings at the end of the previous tax year (line 520 from the previous year's
Schedule 20 – cannot be more than \$500,000)* **510** _____ **V**

Deduct: Exemption of accumulated earnings claimed this year (amount from line 500 above) **W**

Closing balance for the exemption of accumulated earnings (amount V **minus** amount W) **520** _____

*If this is the first time the corporation is subject to Part XIV tax, enter \$500,000.

Part 5 – Regulation 808 – Allowance for investments in property in Canada claimed for the year**This part does not apply to an authorized foreign bank (see Part 6).**

Throughout Part 5, if the amount is negative, enter "0".

Cost amount at the end of the year of land owned in Canada (other than excluded land) for gaining or producing income from a business carried on in Canada	200	_____	A
Cost amount immediately after the end of the year of depreciable property owned in Canada for gaining or producing income from a business carried on in Canada	201	_____	B
Cumulative eligible capital immediately after the end of the year, for each business carried on in Canada, multiplied by 4/3	202	_____	C
For a corporation other than a principal-business corporation: Canadian exploration and development expenses not deducted in computing income for the year or for a previous year, plus the cumulative Canadian exploration expense at the end of the year, minus any deduction claimed for the year under subsection 66.1(3)	203	_____	D
Cumulative Canadian development expense at the end of the year, minus any deduction claimed for the year under subsection 66.2(2)	204	_____	E
Cumulative Canadian oil and gas property expense at the end of the year, minus any deduction claimed for the year under subsection 66.4(2)	205	_____	F
Cost amount at the end of the year of each debt receivable as a result of the disposition of property described at lines 200, 201, and 202	206	_____	G
Cost amount at the end of the year of each property (other than a Canadian resource property) described in the inventory for a business carried on in Canada	207	_____	H
Cost amount at the end of the year of each debt receivable (other than a debt referred to at line 206 or a bad debt) for which an amount has been included in income for the year or for a previous year from a business carried on in Canada, or for a loan made by the corporation where any part of its business carried on in Canada was the lending of money	208	_____	I
Cash balance at the end of the year, plus cost amount at the end of the year, of each bond, debenture, bill, note, mortgage, or similar obligation that was issued by an arm's length person resident in Canada and that matures within one year of acquisition	210	_____	
Total of the cost amount of the property described at line 210 at the end of each month in the year, divided by the number of months in that year, multiplied by 4/3	211	_____	
Allowable liquid assets (line 210 or 211, whichever is less)	212	_____	J
Subtotal (add amounts A to J)	213	=====	K

Continued on page 4

Part 5 – Regulation 808 – Allowance for investments in property in Canada claimed for the year (continued)

Deduct:

Reserves for doubtful debts, certain guarantees, or unpaid amounts deducted in computing income for the year from a business carried on in Canada **214** _____ L

Reserves for capital gains deducted in the year for a debt referred to at line 206 **215** _____ M

Amount owing as a result of an acquisition of property described at lines 200, 201, and 207, an expense made as described at lines 203, 204, and 205, an eligible capital expenditure, or any other expense made that was deducted in computing income for the year or for a previous year, from a business carried on in Canada **216** _____ N

Proportion of the amount owing on account of an interest-bearing obligation, equal to the interest paid or payable on the obligation that is deductible, or would otherwise be deductible, in computing income for the year from a business carried on in Canada, **divided** by the total interest paid or payable on the obligation for the year **217** _____ O

Unpaid federal Part I tax, excluding the lesser of the two following amounts: the tax on taxable capital gains that exceed allowable capital losses from the disposition of taxable Canadian property not used or held in the course of carrying on a business in Canada; and the tax on taxable capital gains that exceed allowable capital losses from the disposition of taxable Canadian property **218** _____ P

Unpaid provincial or territorial income tax, excluding the lesser of the two following amounts: the tax on taxable capital gains that exceed allowable capital losses from the disposition of taxable Canadian property not used or held in the course of carrying on a business in Canada; and the tax on taxable capital gains that exceed allowable capital losses from the disposition of taxable Canadian property **219** _____ Q

Subtotal (**add** amounts L to Q) **221** _____ ► _____ R

Qualified investments in property in Canada (amount K from page 3 **minus** amount R) **222** _____

Allowance for investments in property in Canada claimed for the year (claim the lesser of the amount at line 222 and the amount required at line 118 to reduce the base amount to nil) **223** _____

Enter the amount from line 223 on line 118 on page 2.

Part 6 – Regulation 808 – Allowance of an authorized foreign bank for investments in property in Canada claimed for the year

Provide details below. If you need more space, continue on a separate schedule.

A	B	C	D	E	F
Calculation period* end (yyyy/mm/dd)	Bank's assets at the end of the period	5% of amount B	Cost amount at the end of the period**	Bank's liabilities to other persons and partnerships at the end of the period	Bank's branch advances at the end of the period
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					

G	H	I	J	K
Amount E plus amount F	Amount claimed by the bank under clause 20.2(3)(b)(ii)(A) (cannot be greater than amount B minus the total of amount C and amount G)	Amount G plus amount H	Amount D minus amount I (if negative, enter "0")	Greater of amount C and amount J
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				

Total L

Average (amount L divided by the number of calculation periods in column A) **650** M

Deduct: Total of amounts determined on lines 214, 215, 218, and 219, except if the amount is a liability of the bank that has been included in column E for the bank's last calculation period for the year **655** N

Qualified authorized foreign bank investments in property in Canada (amount M **minus** amount N) **660**

Allowance of an authorized foreign bank for investments in property in Canada claimed for the year
(claim the lesser of amount from line 660 and the amount required at line 118 to reduce the base amount to nil) **665**

Enter the amount from line 665 on line 118 on page 2.

* As defined in subsection 20.2(1) of the Act.

** Total of the cost amount to the bank, at the end of the period (or, in the case of depreciable property or eligible capital property, immediately after the end of the year) of each asset for the bank's Canadian banking business that is an asset recorded in the books of account of the business in the required manner for the branch financial statements (within the meaning assigned by subsection 20.2(1) of the Act) for the year.