



Prince Edward Island Corporation Tax Calculation (2016 and later tax years)

Protected B
when completed

Name of corporation	Business number	Year	Tax year-end Month	Day
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- Use this schedule if your corporation had a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in Prince Edward Island, and had taxable income earned in the year in Prince Edward Island.
- This schedule is a worksheet only and is not required to be filed with your *T2 Corporation Income Tax Return*.

Part 1 – Calculation of income subject to Prince Edward Island lower and higher tax rates

Taxable income for Prince Edward Island * A

Income eligible for the Prince Edward Island lower tax rate:

Amount from line 400 of the T2 return B

Amount from line 405 of the T2 return C

Amount from line 427 of the T2 return D

Amount B, C, or D, whichever is the least E

For credit unions only:

Amount from line F of Schedule 17, *Credit Union Deductions* F

Total (amount E **plus** amount F) G

Amount G × $\frac{\text{Taxable income for Prince Edward Island}^*}{\text{Taxable income for all provinces}^{**}}$ = H

Income subject to Prince Edward Island higher tax rate (amount A **minus** amount H) I

Enter amount H and/or amount I on the applicable line(s) in Part 2.

* If the corporation has a permanent establishment only in Prince Edward Island, enter the taxable income from line 360 of the T2 return. Otherwise, enter the taxable income allocated to Prince Edward Island from column F in Part 1 of Schedule 5, *Tax Calculation Supplementary – Corporations*.

** Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 2 – Calculation of Prince Edward Island tax before credits

Prince Edward Island tax at the lower rate:

Amount H × 4.5% = J

Prince Edward Island tax at the higher rate:

Amount I × 16% = K

Prince Edward Island tax before credits (amount J **plus** amount K) * L

* If the corporation has a permanent establishment in more than one jurisdiction, or is claiming a Prince Edward Island tax credit, enter amount L on line 210 of Schedule 5. Otherwise, enter it on line 760 of the T2 return.