



**ALBERTA SMALL BUSINESS DEDUCTION**  
**- AT1 SCHEDULE 1**  
*The Alberta Corporate Tax Act*

CAN: \_\_\_\_\_

Taxation Year Ending: \_\_\_\_\_

For corporations which were Canadian-controlled private corporations throughout the taxation year and which had income from active businesses carried on in Canada. Report all monetary values in dollars; DO NOT include cents.

**Association for Purposes of the Alberta Small Business Deduction**

Is the corporation associated with one or more Canadian-controlled private corporations? \_\_\_\_\_

|     |     |    |
|-----|-----|----|
| 001 | Yes | No |
|     |     |    |

If "Yes", complete AREA A on page 2.

**Alberta Small Business Deduction**

Income from active businesses carried on in Canada as reported on the T2 line 400\* OR on Schedule 12, line 106 \_\_\_\_\_

|     |  |
|-----|--|
| 003 |  |
|-----|--|

Deduct: Royalty Tax Deduction for the year (Schedule 5, line 021) \_\_\_\_\_

|     |  |
|-----|--|
| 005 |  |
|-----|--|

Balance line 003 minus line 005 (if negative, enter "0") \_\_\_\_\_

|     |  |
|-----|--|
| 007 |  |
|-----|--|

Taxable Income (less adjustments for foreign tax credits and amounts included in Amount Taxable in Alberta not subject to Alberta corporate income tax. See Guide for calculation details) \_\_\_\_\_

|     |  |
|-----|--|
| 009 |  |
|-----|--|

Deduct: Royalty Tax Deduction for the year (Schedule 5, line 021) \_\_\_\_\_

|     |  |
|-----|--|
| 011 |  |
|-----|--|

Balance line 009 minus line 011 (if negative, enter "0") \_\_\_\_\_

|     |  |
|-----|--|
| 013 |  |
|-----|--|

Complete AREA B on page 2 to determine the base amount used to calculate the Alberta Small Business Threshold \_\_\_\_\_

|     |  |
|-----|--|
| 015 |  |
|-----|--|

\* If the corporation has income (loss) from partnership(s) with fiscal period(s) ending after March 31, 2001, then the Income from active businesses must be recalculated for Alberta purposes by increasing the business limit at column G on page 2 of federal Schedule 7 to \$300,000 on April 1, 2001, \$350,000 on April 1, 2002, \$400,000 on April 1, 2003, \$430,000 on April 1, 2007, \$460,000 on April 1, 2008 and \$500,000 on April 1, 2009, prorating the increase by the number of days in the partnership's fiscal period straddling March 31, 2001, March 31, 2002, March 31, 2003, March 31, 2007, March 31, 2008 and March 31, 2009.

**Income Eligible for the Alberta Small Business Deduction**

Corporations with permanent establishments only in Alberta, ignore lines 019, 020 and 021 and go directly to the table below.

Other corporations complete the following:

Amount reported on federal Schedule 5, line 127 \_\_\_\_\_

|     |  |
|-----|--|
| 019 |  |
|-----|--|

Amount reported on federal Schedule 5, line 167 \_\_\_\_\_

|     |  |
|-----|--|
| 020 |  |
|-----|--|

**Alberta Small Business Allocation Factor:**

If both line 019 and line 020 are "0", enter the Alberta Allocation Factor from Alberta Schedule 2.

If either line 019 or line 020 have a value greater than zero and the corporation is filing under ITA Regulation 402, 403, 404, 405, 408, 409 or 411, then the Alberta Allocation Factor from Schedule 2 must be calculated to reduce Amount B by the amount at line 019 and to reduce Amount D by the amount at line 020. If the corporation is filing under any other ITA Regulation, then enter the Allocation Factor calculated on Schedule 2 directly onto line 021 \_\_\_\_\_

|     |  |
|-----|--|
| 021 |  |
|-----|--|

**Calculation of the Alberta Small Business Deduction**

| A<br>Days in Taxation Year                         | B<br>Percentage | C<br>Alberta Small Business Threshold<br>Line 015 X (B) | D<br>Least of amounts:<br>007, 013 and C | E<br>D X line 021* | F<br>SBD Rate | G<br>Alberta Small Business Deduction<br>E X (A/Total A) X F |
|--|-----------------|---|--|--------------------|---------------|--|
| After March 31, 2009<br>& before July 1, 2015:     | 250%            |   |  |                    | .070          |  |
| After June 30, 2015<br>& before January 1, 2017:   | 250%            |   |  |                    | .090          |  |
| After December 31, 2016<br>& before July 1, 2019:  | 250%            |   |  |                    | .100          |  |
| After June 30, 2019:<br>& before January 1, 2020:  | 250%            |   |  |                    | .090          |  |
| After December 31, 2019:<br>& before July 1, 2020: | 250%            |   |  |                    | .080          |  |
| After June 30, 2020:                               | 250%            |   |  |                    | .060          |  |

Total Days in the Taxation Year:

\* If the corporation only has a permanent establishment in Alberta, use "1" as the value for line 021 in the calculation of column E.

**Alberta Small Business Deduction:**

Total of column G \_\_\_\_\_

|     |  |
|-----|--|
| 031 |  |
|-----|--|

Enter this amount on AT1 page 2, line 070

**AREA A - Agreement Among Associated Corporations****Allocation Agreement:**

To arrive at the Alberta Small Business Threshold, the "base amount" of \$200,000 is used to determine the allocation among associated corporations. It is hereby agreed that the \$200,000 base amount for the year is to be allocated as shown below for the taxation year \_\_\_\_\_.

| <b>041</b><br>Name of the<br>Associated Canadian-controlled<br>Private Corporations | <b>043</b><br>Alberta Corporate<br>Account Number (CAN),<br>if applicable | <b>044</b><br>Percentage of the<br>Business Limit ** | <b>045</b><br>Allocation of the<br>Base Amount ***<br>(\$200,000 X % in Col 044) |
|---|---|--|--|
|   |   |  |  |
|   |   |  |  |
|   |   |  |  |
| <b>Totals:</b>  |   | <b>100%</b>  | <b>\$ 200,000</b>  |

\* The percentage in Column B in the Calculation of the Alberta Small Business Deduction on page 1, adjusts the base amount for changes to the Alberta Small Business Threshold. The Alberta Small Business Threshold after March 31, 2009 is \$500,000. See Information Circular CT-17 for more information.

\*\* This percentage **must** be the same as that used to determine the business limit on the federal Schedule 23, form T2 SCH23 for all taxation years ending after December 4, 2002. The total of all percentages cannot exceed 100%.

\*\*\* The amount in column 045 must be rounded to the nearest dollar; rounding up at \$.50 and over.

**AREA B - Determination of the Value for Line 015**

The base amount to be used by a corporation for line 015 on page 1, is \$200,000 or its allocated base amount as specified in AREA A, **adjusted**, if required, as follows:

- (i) **Prorated Base Amount for Short Taxation Year:** If the taxation year is shorter than 51 weeks, the corporation's base amount is the amount allocated to it multiplied by the ratio that the number of days in the year is to 365.
- (ii) **Reduction for Large Corporations:** If in the preceding year, the associated group (Canadian-controlled private or not) had total taxable capital employed in Canada exceeding \$10,000,000 the base amount of each associated corporation is reduced or eliminated.

Enter \$200,000 or, if associated, the corporation's allocated base amount from AREA A \_\_\_\_\_ (a)

**If adjustments are not required, enter Amount (a) on line 015 on page 1.**

- (i) **Prorated Base Amount for Short Taxation Year:**

Amount (a) X Number of days in tax year ÷ 365 days \_\_\_\_\_ (b)

**If the corporation has a short tax year but the associated group had total taxable capital employed in Canada less than \$10,000,000, enter Amount (b) on line 015 on page 1.**

- (ii) **Reduction for Large Corporations:**

(1) where the corporation is not associated with any other corporations  
in both the current or previous taxation year \_\_\_\_\_ A X  $\frac{B}{\$11,250}$  \_\_\_\_\_ (c)

(2) where the corporation is not associated with any other corporations in the  
current taxation year but was associated in the previous taxation year \_\_\_\_\_ A X  $\frac{C}{\$11,250}$  \_\_\_\_\_ (c)

(3) where the corporation is associated with another corporation in the current year A X  $\frac{D}{\$11,250}$  \_\_\_\_\_ (c)

A is the small business threshold otherwise determined, adjusted if necessary for a short taxation year

B is the lesser of \$11,250 and (0.225% X Total taxable capital employed in Canada for the prior taxation year minus \$10,000,000)

C is the lesser of \$11,250 and (0.225% X Total taxable capital employed in Canada for the current taxation year minus \$10,000,000)

D is the lesser of \$11,250 and (0.225% X Total taxable capital employed in Canada of each corporation in the associated group for its last tax year ending in the preceding calendar year minus \$10,000,000)

**Passive Income Limit Reduction:**

Adjusted aggregate investment income from Line 417 of the T2 \_\_\_\_\_ less \$50,000 = \_\_\_\_\_ (d)

Amount (lesser of a or b) \_\_\_\_\_ X (d) \_\_\_\_\_ = \_\_\_\_\_ (e)

Subtotal (greater of c and e): \_\_\_\_\_ (f)

Reduced business limit for tax years starting before 2019 (lesser of amounts a or b minus amount c) \_\_\_\_\_ (g)

Reduced business limit for tax years starting after 2018 (lesser of amounts a or b minus amount f) \_\_\_\_\_ (h)

Business Limit the CCPC assigns per Line 515 of the federal T2 ÷ 2.5 \_\_\_\_\_ (i)

Reduced business limit after assignment for tax years starting before 2019 (amount g minus amount i) \_\_\_\_\_ (j)

Reduced business limit after assignment for tax years starting after 2018 (amount h minus amount i) \_\_\_\_\_ (k)

**Enter Amount (j) or (k) on line 015 on page 1.**