



Prince Edward Island Corporation Tax Calculation 2019 and later tax years

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|--------------------|-----------------|--------------------------------|
| Corporation's name | Business number | Tax year-end Year Month Day |
|--------------------|-----------------|--------------------------------|

- 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 does not have to be filed with your T2 Corporation Income Tax Return.



Part 1 – Income subject to Prince Edward Island lower and higher tax rates


Taxable income for Prince Edward Island **Note 1** 1A

Income eligible for the Prince Edward Island lower tax rate:

Line 400 of the T2 return 1B

Line 405 of the T2 return 1C

427 or line 428 of the T2 return **Note 3** 1D

Amount 1B, 1C, or 1D, whichever is the least 1E

Amount 1E × Taxable income for Prince Edward Island **Note 1** = 1F

Taxable income for all provinces **Note 2**

Income subject to Prince Edward Island higher tax rate (amount 1A minus amount 1F) 1G

Note 1 If your corporation had 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.

Note 2 Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Note 3 If your tax year starts before 2019, use line 427, if your tax year starts after 2018, use line 428.

Part 2 – Prince Edward Island tax before credits

Prince Edward Island tax at the lower rate:

Amount 1F × $\frac{\text{Number of days in the tax year before January 1, 2019}}{\text{Number of days in the tax year}}$ × 4% = 2A

Amount 1F × $\frac{\text{Number of days in the tax year after December 31, 2018 and before January 1, 2020}}{\text{Number of days in the tax year}}$ × 3.5% = 2B

Amount 1F × $\frac{\text{Number of days in the tax year after December 31, 2019}}{\text{Number of days in the tax year}}$ × 3% = 2C

Total Prince Edward Island tax at the lower rate (amount 2A plus amount 2B plus amount 2C) 2D

Prince Edward Island tax at the higher rate:

Amount 1G × 16% = 2E

Prince Edward Island tax before credits (amount 2D plus amount 2E) **Note 3** 2F

Note 3 If your corporation had a permanent establishment in more than one jurisdiction, or is claiming a Prince Edward Island tax credit, enter amount 2F on line 210 of Schedule 5. Otherwise, enter it on line 760 of the T2 return.