Revenue Canada   Revenu Canada

FORWARD-AVERAGING SUPPLEMENT FOR 1997 – MULTIPLE JURISDICTIONS

Use this form to calculate your 1997 tax and credit if **all** of the following apply:

- you resided in a province or territory on December 31, 1997 (if you ceased to reside in Canada during 1997, use the last day you resided in Canada);

- all or part of your business income for the year was earned and is allocable to a permanent establishment outside that province or territory, or outside Canada; and

- you elected to include part or all of your accumulated forward-averaging amount in your income for 1997.

Attach a completed copy of this form to your 1997 income tax return. If minimum tax applies, also attach completed copies of Form T691, *Calculation of Minimum Tax*, and Form T691A, *Minimum Tax Supplement – Multiple Jurisdictions*. In all other cases, also attach a completed Form T2203, *Calculation of Tax for 1997 – Multiple Jurisdictions*.

If, as the legal representative of a deceased person, you are making an election under subsection 120.1(2) of the *Income Tax Act*, attach a completed Form T541, *Forward Averaging Tax Credits – Deceased Individuals*. Increase the amount of the federal tax before the federal individual surtax (line 23 of Form T2203) by the amount from line 9 of Form T541. To determine the additional provincial tax, multiply the amount on line 9 of Form T541 by the percentage of income allocated to the jurisdiction from the chart in Part 1 of Form T2203. Multiply the result by the provincial tax rate that applies.

Part 1 – Forward-averaging tax credit

Federal forward-averaging tax credit from line 13 of Form T581 . . . . _____ | **1**

Allocating federal and provincial forward-averaging tax credit

Column 1	Column 2	Column 3	Column 4	Column 5
Jurisdiction	% of tax credit allocated to the jurisdiction from column 5 of the chart in Part 1 of Form T2203 or Form T691A	Federal forward-averaging tax credit allocated to jurisdiction (line 1 x column 2)	Provincial tax rate	Provincial forward-averaging tax credit allocated to jurisdiction (column 3 x column 4)
Newfoundland			69%	**A**
Prince Edward Island			59.5%	**B**
Nova Scotia			58.5%	**C**
New Brunswick			63%	**D**
Quebec		**E**	N/A	N/A
Ontario			48%	**F**
Manitoba			52%	
Saskatchewan			50%	
Alberta			45.5%	
British Columbia			51%	**G**
Yukon Territory			50%	**H**
Northwest Territories			45%	
Other (outside Canada)		**I**	N/A	N/A
Totals	100%			
		This total must equal line 1.		Enter this total on line 7.

Federal forward-averaging tax credit from line 1 . . . . _____ | **2**

Multiply amount I in column 3 in the table above by 52% . . . . + _____ | **3**

Adjusted federal forward-averaging tax credit: Add line 2 and line 3 * . . . . = _____ | **4**

Refundable Quebec abatement from line 13 below, if the amount is negative . . . . − _____ | **5**

Federal forward-averaging tax credit: Line 4 minus line 5 . . . . = _____ | **6**

Provincial forward-averaging tax credit from column 5 . . . . + _____ | **7**

Add line 6 and line 7. Enter the result on line 478 of your return . . . . **Forward-averaging tax credit** = _____ | **8**

* Deduct the amount on line 4 when you calculate the federal individual surtax (line 28 of Form T2203, and line 8 on Form T691A).

Refundable Quebec abatement

Enter the amount from line 37 of Form T2203 or line 6 of Form T691A, whichever applies . . . . _____ | **9**

Deceased persons only: Multiply the part of line 9 of Form T541 that is allocated to Quebec by 16.5% . . . . + _____ | **10**

Add line 9 and line 10 . . . . = _____ | **11**

Multiply amount E in column 3 in the table above by 16.5% . . . . − _____ | **12**

Line 11 minus line 12 . . . . **Refundable Quebec abatement** = _____ | **13**

Enter the amount from line 13 on line 440 of your return.
If the amount on line 13 is negative, enter "0" on line 440 of your return and enter the negative amount on line 5 above.

Part 2 – Provincial and territorial tax

Manitoba, Saskatchewan, Alberta, and the Northwest Territories

If you made a T541 election for a deceased person, multiply the part of line 9 of Form T541 that is allocated to the province or territory by the provincial or territorial tax rate that applies. Increase the provincial or territorial tax on Form T2203 by this amount.

Newfoundland

Multiply basic federal tax allocated to Newfoundland (from the chart in Part 2 of Form T2203 or Form T691A) by 69%		**14**
Line 14 minus amount A on page 1 of this form *	**15**	
Newfoundland surtax: (line 15 _____ minus $7,900) x 10% = ...	+	**16**
Adjusted Newfoundland income tax	=	**17**
Residents of Newfoundland: Provincial foreign tax credit, if any, from Form T2036	–	**18**
Newfoundland tax: Enter this amount on line 38 of Form T2203 or, if minimum tax applies, on line 17 of Form T691A	=	**19**

* If you made a T541 election, increase the amount on lines 15 and 19 by 69% of the part of line 9 of Form T541 that is allocated to Newfoundland.

Prince Edward Island

Multiply basic federal tax allocated to Prince Edward Island (from the chart in Part 2 of Form T2203 or Form T691A) by 59.5%		**20**
Line 20 minus amount B on page 1 of this form *	**21**	
P.E.I. surtax: (line 21 _____ minus $5,200) x 10% = ...	+	**22**
Adjusted Prince Edward Island income tax	=	**23**
Residents of Prince Edward Island: Provincial foreign tax credit, if any, from Form T2036	–	**24**
Prince Edward Island tax: Enter this amount on line 39 of Form T2203 or, if minimum tax applies, on line 18 of Form T691A	=	**25**

* If you made a T541 election, increase the amount on lines 21 and 25 by 59.5% of the part of line 9 of Form T541 that is allocated to Prince Edward Island.

Nova Scotia

Multiply basic federal tax allocated to Nova Scotia (from the chart in Part 2 of Form T2203 or Form T691A) by 58.5%		**26**
Line 26 minus amount C on page 1 of this form *	**27**	
Nova Scotia surtax: (line 27 _____ minus $10,000) x 10% = ...	+	**28**
Adjusted Nova Scotia income tax: **		
Enter this amount on line 40 of Form T2203 or, if minimum tax applies, on line 19 of Form T691A *	=	**29**

* If you made a T541 election, increase the amount on line 27 by 58.5% of the part of line 9 of Form T541 that is allocated to Nova Scotia. If the deceased was not a resident of Nova Scotia, also increase the amount on line 29.

** **Residents of Nova Scotia:** Enter this amount on line 5 of Form T1C (N.S.) TC, and use that form to complete the calculation of Nova Scotia tax. If you made a T541 election, increase the Nova Scotia tax (line 23 of Form T1C (N.S.) TC) by 58.5% of the part of line 9 of Form T541 that is allocated to Nova Scotia. Enter the result on line 40 of Form T2203 or, if minimum tax applies, on line 19 of Form T691A.

New Brunswick

Multiply basic federal tax allocated to New Brunswick (from the chart in Part 2 of Form T2203 or Form T691A) by 63%		**30**
Line 30 minus amount D on page 1 of this form *	**31**	
New Brunswick surtax: (line 31 _____ minus $13,500) x 8% = ...	+	**32**
Adjusted New Brunswick income tax	=	**33**
Residents of New Brunswick: Provincial foreign tax credit, if any, from Form T2036	–	**34**
New Brunswick tax: Enter this amount on line 41 of Form T2203 or, if minimum tax applies, on line 20 of Form T691A	=	**35**

* If you made a T541 election, increase the amount on lines 31 and 35 by 63% of the part of line 9 of Form T541 that is allocated to New Brunswick.

Ontario

Multiply basic federal tax allocated to Ontario (from the chart in Part 2 of Form T2203 or Form T691A) by		**36**
Line 36 minus amount F on page 1 of this form *	**37**	
Ontario Fair Share Health Care Levy:		
(line 37 _____ minus $4,555) x 20% = ...	+	**38**
(line 37 _____ minus $6,180) x 26% = ...	+	**39**
Adjusted Ontario tax: Add lines 36, 38, and 39. **		
Enter the result on line 42 of Form T2203 or, if minimum tax applies, on line 21 of Form T691A *	=	**40**

* If you made a T541 election, increase the amount on line 37 by 48% of the part of line 9 of Form T541 that is allocated to Ontario. If the deceased was not a resident of Ontario, also increase the amount on line 40 above.

** **Residents of Ontario:** Enter this amount on line 7 of Form T1C (ONT.) TC, and use that form to complete the calculation of Ontario tax. If you made a T541 election, increase the Ontario tax (line 22 of Form T1C (ONT.) TC) by 48% of the part of line 9 of Form T541 that is allocated to Ontario. Enter the result on line 42 of Form T2203 or, if minimum tax applies, on line 21 of Form T691A.

British Columbia

Multiply basic federal tax allocated to British Columbia (from the chart in Part 2 of Form T2203 or Form T691A) by 51%		**41**
Residents of British Columbia: Provincial foreign tax credit, if any, from Form T2036	–	**42**
Adjusted British Columbia income tax: Line 41 minus line 42. Enter the result on line 5 of Form T1C (B.C.) TC	=	**43**
Line 43 minus amount G on page 1 of this form *	**44**	
British Columbia surtax: (line 44 _____ minus $5,300) x 30% = ...		**45**
(line 44 _____ minus $8,745) x 24.5% = ...	+	**46**
Add line 45 and line 46, and enter the result on line 8 of Form T1C (B.C.) TC. Use that form to complete the calculation of British Columbia tax.* Enter the result on line 46 of Form T2203 or, if minimum tax applies, on line 25 of Form T691A	=	**47**

* If you made a T541 election, increase the amount on line 44 above and line 14 of Form T1C (B.C.) TC by 51% of the part of line 9 of Form T541 that is allocated to B.C.

Yukon Territory

Multiply basic federal tax allocated to the Yukon Territory (from the chart in Part 2 of Form T2203 or Form T691A) by 50% . . .		**48**
Line 48 minus amount H on page 1 of this form *	**49**	
Yukon Territory surtax: (line 49 _____ minus $6,000) x 5% = ...	+	**50**
Adjusted Yukon Territory tax	=	**51**
Residents of the Yukon Territory: Territorial foreign tax credit, if any, from Form T2036	–	**52**
Yukon Territory tax: Enter this amount on line 47 of Form T2203 or, if minimum tax applies, on line 26 of Form T691A	=	**53**

* If you made a T541 election, increase the amount on lines 49 and 53 by 50% of the part of line 9 of Form T541 that is allocated to the Yukon Territory.