



## Credit Union Deductions (2019 and later tax years)

Corporation's name	Business number	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;">Tax year-end</td> <td style="border-bottom: 1px solid black;">Year</td> <td style="border-bottom: 1px solid black;">Month</td> <td style="border-bottom: 1px solid black;">Day</td> </tr> <tr> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> </tr> </table>	Tax year-end	Year	Month	Day				
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- If you are a credit union, use this schedule to calculate:
  - the deduction from income for bonus interest payments and payments for allocations in proportion to borrowing under subsection 137(2)
  - the preferred-rate amount under subsection 137(4.3) for provincial income tax purposes in British Columbia, Ontario or Saskatchewan
  - the preferred-rate amount for Manitoba under subsection 7(4.2) of the Manitoba Income Tax Act
- All legislative references are to the Income Tax Act, unless otherwise stated
- The expressions **allocation in proportion to borrowing**, **bonus interest payment**, and **maximum cumulative reserve** are defined in subsection 137(6)
- You can deduct bonus interest payments and payments for allocations in proportion to borrowing; if:
  - the payments are made to the credit union's members within the tax year, or within the following 12 months
  - the payments were not deductible under subsection 137(2) in calculating the income of the credit union for the previous tax year
- For more information, see Guide T4012, T2 Corporation – Income Tax Guide
- If you need more space, attach additional copies of this schedule

### Part 1 – Deduction for the tax year

Interest payable by all members of class	Amount of money borrowed by all members of class	Allocation in proportion to borrowing
<b>100</b>	<b>200</b>	<b>300</b>

**Total allocations in proportion to borrowing** **305** \_\_\_\_\_

Interest payable to all members of class	Amount of money on deposit by all members of class	Bonus interest payments
<b>110</b>	<b>210</b>	<b>310</b>

**Total bonus interest payments** **315** \_\_\_\_\_

**Total (line 305 plus line 315)** \_\_\_\_\_ **1A**

Enter amount 1A on line 315 of Schedule 1, Net Income (Loss) for Income Tax Purposes.

**Part 2 – Saskatchewan****Complete this portion if you have a permanent establishment in Saskatchewan**

Taxable income for the tax year (from line 360 of the T2 Corporation Income Tax Return) .....	<b>500</b>	_____	
4/3 × maximum cumulative reserve at the end of the tax year .....	<b>600</b>	_____	
Preferred-rate amount at the end of the previous tax year, including any transfers (amount 2D) .....		_____	2A
<b>Total</b> (line 600 <b>minus</b> amount 2A, if negative, enter "0") .....		_____	<b>▶</b> 2B
Line 500 or amount 2B, whichever is less .....		_____	2C
Enter amount 2C at amount 1F of Schedule 411, Saskatchewan Corporation Tax Calculation.			
Preferred-rate amount at the end of the previous tax year <sup>1</sup> .....	<b>700</b>	_____	
Preferred-rate amount transferred on amalgamation or wind-up .....	<b>750</b>	_____	
	<b>Subtotal</b> (line 700 <b>plus</b> line 750)	_____	2D
Small business deduction for the tax year (line 430 of the T2 return) .....		_____	2E
Amount 2E _____ × $\frac{\text{Number of days in the tax year before 2019}}{\text{Number of days in the tax year}}$ ÷ 18% =		_____	2F
Amount 2E _____ × $\frac{\text{Number of days in the tax year after 2018}}{\text{Number of days in the tax year}}$ ÷ 19% =		_____	2G
	<b>Subtotal</b> (amount 2F <b>plus</b> amount 2G)	_____	<b>▶</b> 2H
<b>Preferred-rate amount at the end of the tax year</b> (amount 2D <b>plus</b> amount 2H) .....	<b>800</b>	_____	

<sup>1</sup> Your preferred-rate amount at the end of the previous tax year is the amount from line 800 of Schedule 17 from the previous tax year or nil if this is your first year after incorporation.

## Part 3 – Ontario and British Columbia

## Complete this portion if you have a permanent establishment in Ontario or British Columbia

Taxable income for the tax year (from line 360 of the T2 Corporation Income Tax Return) .....	<b>501</b>	
4/3 × maximum cumulative reserve at the end of the tax year .....	<b>601</b>	
Preferred-rate amount at the end of the previous tax year, including any transfers (amount 3G) .....	3A	
<b>Total</b> (line 601 <b>minus</b> amount 3A, if negative, enter "0") .....	▶	3B
Line 501 or amount 3B, whichever is less .....		3C
Amount on line 400, 405, 410 and 427 or 428 of the T2 return, whichever is the least <sup>2</sup> .....	<b>626</b>	
<b>Total</b> (amount 3C <b>minus</b> line 626, if negative, enter "0") .....		3D
Amount 3D _____ × $\frac{\text{Number of days in the tax year before 2019}}{\text{Number of days in the tax year}}$ × 18% = _____		3E
Amount 3D _____ × $\frac{\text{Number of days in the tax year after 2018}}{\text{Number of days in the tax year}}$ × 19% = _____		3F
<b>Total</b> (amount 3E <b>plus</b> amount 3F) <b>651</b>		
Preferred-rate amount at the end of the previous tax year <sup>3</sup> .....	<b>701</b>	
Preferred-rate amount transferred on amalgamation or wind-up .....	<b>751</b>	
<b>Subtotal</b> (line 701 <b>plus</b> line 751) .....	▶	3G
Small business deduction for the tax year (line 430 of the T2 return) .....		3H
Line 651 .....		3I
<b>Total</b> (amount 3H <b>plus</b> amount 3I) .....		3J
Amount 3J _____ × $\frac{\text{Number of days in the tax year before 2019}}{\text{Number of days in the tax year}}$ ÷ 18% = _____		3K
Amount 3J _____ × $\frac{\text{Number of days in the tax year after 2018}}{\text{Number of days in the tax year}}$ ÷ 19% = _____		3L
<b>Subtotal</b> (amount 3K <b>plus</b> amount 3L) .....	▶	3M
<b>Preferred-rate amount at the end of the tax year</b> (amount 3G <b>plus</b> amount 3M) .....	<b>801</b>	

<sup>2</sup> Use line 427 for tax years starting before 2019. Use line 428 for tax years starting after 2018.

<sup>3</sup> Your preferred-rate amount at the end of the previous tax year is the amount from line 801 of Schedule 17 from the previous tax year or nil if this is your first year after incorporation.

**Part 4 – Manitoba**

**Complete this portion if you have a permanent establishment in Manitoba**

Taxable income for Manitoba for the tax year (amount 1A from Schedule 383, Manitoba Corporation Tax Calculation) . . . **502** \_\_\_\_\_

4/3 × maximum cumulative reserve at the end of the tax year . . . . . **602** \_\_\_\_\_

Preferred-rate amount at the end of the previous tax year, including any transfers (amount 4R) . . . . . 4A \_\_\_\_\_

**Total** (line 602 minus amount 4A, if negative, enter "0") \_\_\_\_\_ ▶ \_\_\_\_\_ 4B

Line 502 or amount 4B, whichever is less . . . . . \_\_\_\_\_ 4C

**Period before 2019**

Amount 1F from Schedule 383 . . . . . \_\_\_\_\_ 4D

**Subtotal** (amount 4C minus amount 4D, if negative, enter "0") \_\_\_\_\_ 4E

Amount 4E \_\_\_\_\_ ×  $\frac{\text{Number of days in the tax year before 2019}}{\text{Number of days in the tax year}}$  = \_\_\_\_\_ ▶ \_\_\_\_\_ 4F

**Period after 2018**

Amount 4C . . . . . \_\_\_\_\_ 4G

Amount 1L from Schedule 383 . . . . . \_\_\_\_\_ 4H

**Total** (amount 4G minus amount 4H, if negative, enter "0") \_\_\_\_\_ 4I

Amount 4I \_\_\_\_\_ ×  $\frac{\text{Number of days in the tax year in 2019}}{\text{Number of days in the tax year}}$  × 80% = \_\_\_\_\_ 4J

Amount 4I \_\_\_\_\_ ×  $\frac{\text{Number of days in the tax year in 2020}}{\text{Number of days in the tax year}}$  × 60% = \_\_\_\_\_ 4K

Amount 4I \_\_\_\_\_ ×  $\frac{\text{Number of days in the tax year in 2021}}{\text{Number of days in the tax year}}$  × 40% = \_\_\_\_\_ 4L

Amount 4I \_\_\_\_\_ ×  $\frac{\text{Number of days in the tax year in 2022}}{\text{Number of days in the tax year}}$  × 20% = \_\_\_\_\_ 4M

**Subtotal** (total of amounts 4J to 4M) \_\_\_\_\_ ▶ \_\_\_\_\_ 4N

**Total** (Amount 4F plus amount 4N) \_\_\_\_\_ 4O

Amount 4O \_\_\_\_\_ × 12% . . . . . = **652** \_\_\_\_\_

Enter amount from line 652 at amount 3E of Schedule 383, Manitoba Corporation Tax Calculation.

Amount 4D \_\_\_\_\_ ×  $\frac{\text{Number of days in the tax year before 2019}}{\text{Number of days in the tax year}}$  = \_\_\_\_\_ 4P

Amount 4H \_\_\_\_\_ ×  $\frac{\text{Number of days in the tax year after 2018}}{\text{Number of days in the tax year}}$  = \_\_\_\_\_ 4Q

Preferred-rate amount at the end of the previous tax year . . . . . **702** \_\_\_\_\_

Preferred-rate amount transferred on amalgamation or wind-up . . . . . **752** \_\_\_\_\_

**Subtotal** (line 702 plus line 752) \_\_\_\_\_ 4R

Amount 4P . . . . . \_\_\_\_\_ 4S

Amount 4Q . . . . . \_\_\_\_\_ 4T

Amount 4O . . . . . \_\_\_\_\_ 4U

**Preferred-rate amount at the end of the tax year** (total of amounts 4R, 4S, 4T and 4U) . . . . . ▶ **802** \_\_\_\_\_