



Credit Union Deductions (2021 and later tax years)

Corporation's name	Business number	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 2px;">Tax year-end</td> <td style="text-align: center; padding: 2px;">Year</td> <td style="text-align: center; padding: 2px;">Month</td> <td style="text-align: center; padding: 2px;">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				
Tax year-end	Year	Month	Day							

- 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 or Ontario
 - the preferred-rate amount for Manitoba under subsection 7(4.2) of the Manitoba Income Tax Act
- All legislative references are to the federal 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
100	200	300

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
110	210	310

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 – 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)	501	_____	
4/3 × maximum cumulative reserve at the end of the tax year	601	_____	
Preferred-rate amount at the end of the previous tax year, including any transfers (amount 2E)		_____	2A
Total (line 601 minus amount 2A, if negative, enter "0")		_____	2B
Line 501 or amount 2B, whichever is less		_____	2C
Amount on line 400, 405, 410 and 428 of the T2 return, whichever is the least	626	_____	
Total (amount 2C minus line 626, if negative, enter "0")		_____	2D
Amount 2D _____ × 19% =	651	_____	
Preferred-rate amount at the end of the previous tax year ¹	701	_____	
Preferred-rate amount transferred on amalgamation or wind-up	751	_____	
Subtotal (line 701 plus line 751)		_____	2E
Small business deduction for the tax year (line 430 of the T2 return)		_____	2F
Line 651		_____	2G
Total (amount 2F plus amount 2G)		_____	2H
Amount 2H _____ ÷ 19% =		_____	2I
Preferred-rate amount at the end of the tax year (amount 2E plus amount 2I)	801	_____	

¹ 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 3 – 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 3K) _____ 3A

Total (line 602 **minus** amount 3A, if negative, enter "0") _____ ▶ _____ 3B

Line 502 or amount 3B, whichever is less _____ 3C

Amount 1E from Schedule 383 _____ 3D

Total (amount 3C **minus** amount 3D, if negative, enter "0") _____ 3E

Amount 3E _____ × $\frac{\text{Number of days in the tax year in 2020}}{\text{Number of days in the tax year}}$ × 60% = _____ 3F

Amount 3E _____ × $\frac{\text{Number of days in the tax year in 2021}}{\text{Number of days in the tax year}}$ × 40% = _____ 3G

Amount 3E _____ × $\frac{\text{Number of days in the tax year in 2022}}{\text{Number of days in the tax year}}$ × 20% = _____ 3H

Total (total of amounts 3F to 3H) _____ ▶ _____ 3I

Amount 3I _____ × 12% = **652** _____

Enter amount from line 652 at amount 2B of Schedule 383, Manitoba Corporation Tax Calculation.

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) _____ 3J

Amount 1F from Schedule 383 _____ 3K

Amount 3I _____ 3L

Preferred-rate amount at the end of the tax year (total of amounts 3J, 3K and 3L) ▶ **802** _____