



## Federal and Provincial or Territorial Foreign Income Tax Credits and Federal Logging Tax Credit (2019 and later tax years)

**Protected B**  
when completed

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> </tr> <tr> <td style="text-align: center; border-bottom: 1px solid black;">Year      Month      Day</td> </tr> <tr> <td style="text-align: center;">               </td> </tr> </table>	Tax year-end	Year      Month      Day	
Tax year-end					
Year      Month      Day					

- Corporations resident in Canada at any time in the year and authorized foreign banks can use this schedule to claim a federal foreign non-business income tax credit, a federal foreign business income tax credit, or a provincial or territorial foreign non-business income tax credit.
- Corporations can use this schedule to claim a federal logging tax credit.
- Calculate the foreign income tax credits for each country separately. Attach another schedule if the corporation is claiming credits for more than five countries.
- Calculate the provincial/territorial foreign non-business income tax credits for each country and province or territory separately.
- Unless otherwise noted, all legislative references are to the Income Tax Act and the Income Tax Regulations.
- For more information on Foreign Tax Credit, see Income Tax Folio S5-F2-C1, Foreign Tax Credit.

### Part 1 – Federal foreign non-business income tax credit

<b>Column 1A</b> Country of source of foreign non-business income  <b>100</b>	<b>Column 1B</b> Net foreign non-business income earned in the year <small>Note 1</small>  <b>110</b>	<b>Column 1C</b> Foreign non-business income tax paid for the year <small>Note 2</small>  <b>120</b>	<b>Column 1D</b> Foreign non-business income tax paid, deducted from income under subsection 20(12)  <b>130</b>	<b>Column 1E</b> Column 1C – column 1D

<b>Column 1F</b> Adjusted net income (amount from line 600 in Part 6)  <b>140</b>	<b>Column 1G</b> Part I tax otherwise payable (amount from line 610 in Part 7)  <b>150</b>	<b>Column 1H</b> (Column 1B × column 1G) ÷ column 1F (column 1H cannot be more than column 1G)  <b>160</b>	<b>Column 1I</b> Deductible credit: lesser of column 1E or column 1H  <b>180</b>
<b>Total deductible federal foreign non-business income tax credit</b>			

Enter the total deductible federal foreign non-business income tax credit, or a lesser amount, on line 632 of the T2 return.

**Note 1:** Do not include income that is exempt from tax in Canada under an income tax treaty, dividends received from foreign affiliates, or tax-exempt income as defined in subsection 126(7). Net foreign non-business income is the excess of qualifying income over qualifying losses, which are determined according to subsection 126(9).

**Note 2:** Do not include tax paid to a foreign government on income that is exempt from tax in Canada under an income tax treaty; foreign tax paid on dividends received from foreign affiliates; or any foreign tax that may reasonably be regarded as relating to an amount that any other person or partnership has received, or is entitled to receive, from that government.

Do not include tax paid for property (other than capital property) from which the corporation is not expected to realize a profit.

Do not include tax paid that is in excess of the limit and paid for dividends or interest on a share or debt obligation held for one year or less.

Do not include tax for amounts received or receivable for eligible loans.

**Part 2 – Federal foreign business income tax credit**

<b>Column 2A</b> Country in which foreign business income was earned <b>200</b>	<b>Column 2B</b> Net foreign business income earned in the year <i>Note 3</i> <b>210</b>	<b>Column 2C</b> Foreign business income tax paid for the year <i>Note 4</i> <b>220</b>	<b>Column 2D</b> Unused foreign income tax credits from previous tax years <b>230</b>	<b>Column 2E</b> Total of columns 2C and 2D

<b>Column 2F</b> Adjusted net income (amount from line 600 in Part 6)	<b>Column 2G</b> Part I tax otherwise payable (amount from line 620 in Part 8)	<b>Column 2H</b> Part I tax otherwise payable minus foreign non-business income tax credits claimed	<b>Column 2I</b> (Column 2B × column 2G) ÷ column 2F	<b>Column 2J</b> Deductible credit: the least of columns 2E, 2H, or 2I <b>280</b>

**Total deductible federal foreign business income tax credit**

Enter the total deductible federal foreign business income tax credit, or a lesser amount, on line 636 of the T2 return.

**Note 3:** Do not include income that is exempt from tax in Canada under an income tax treaty and tax-exempt income as defined in subsection 126(7). Net foreign business income is the excess of qualifying income over qualifying losses, which are determined according to subsection 126(9).

**Note 4:** Do not include tax paid to a foreign government on income that is exempt from tax in Canada under an income tax treaty. Also exclude any foreign tax that may reasonably be regarded as relating to an amount that any other person or partnership has received or is entitled to receive from that government.

Do not include tax paid for property (other than capital property) from which the corporation is not expected to realize a profit.

Do not include tax paid that is in excess of the limit and paid for dividends and interest on a share or debt obligation held for one year or less.

**Part 3 – Continuity of unused federal foreign business income tax credits**

<b>Column 3K</b> Country in which foreign business income was earned <b>345</b>	<b>Column 3L</b> Balance at end of the previous tax year	<b>Column 3M</b> <i>Note 5</i> Amount expired in the year <b>348</b>	<b>Column 3N</b> Opening balance (column 3L – column 3M) <b>350</b>	<b>Column 3O</b> Credits transferred on an amalgamation or the wind-up of a subsidiary <b>360</b>

**Note 5:** An unused federal foreign business income tax credit expires after 10 tax years.

<b>Column 3P</b> Foreign business income tax paid for the year (from column 2C in Part 2)	<b>Column 3Q</b> Foreign business income tax credit deductible in the year (cannot be more than column 2J in Part 2)	<b>Column 3R</b> Carryback to previous years (total of columns 4V, 4W, and 4X in Part 4)	<b>Column 3S</b> Closing balance (column 3N + column 3O + column 3P – column 3Q – column 3R) <b>380</b>

**Part 4 – Request for a federal foreign business income tax credit carryback**

Column 4T Country in which foreign business income was earned <b>900</b>	Column 4U Unused foreign business income tax credit (Columns 3P - 3Q, in Part 3)	Column 4V Carryback to 1st previous tax year <i>Note 6</i> <b>901</b>	Column 4W Carryback to 2nd previous tax year <i>Note 6</i> <b>902</b>	Column 4X Carryback to 3rd previous tax year <i>Note 6</i> <b>903</b>

**Note 6:** Total of carry-back (amounts from columns 4V, 4W, and 4X) cannot be more than the unused foreign business income tax credit (amount from column 4U).

**Part 5 – Federal logging tax credit**

Column 5A Province	Column 5B Income from logging under Regulation 700	Column 5C Column 5B × 6 2/3%	Column 5D Logging tax paid on income in column 5B	Column 5E Column 5D × 2/3	Column 5F Lesser of columns 5C or 5E
British Columbia	<b>500</b>		<b>510</b>		
Quebec	<b>520</b>		<b>530</b>		

**Total** \_\_\_\_\_ 5G

6 2/3% of taxable income (or, for non-residents, 6 2/3% of taxable income earned in Canada) \_\_\_\_\_ 5H

**Federal logging tax credit** – Lesser of amounts 5G and 5H. . . . . **580** \_\_\_\_\_

Enter line 580 or a lesser amount on line 640 of the T2 return.

**Part 6 – Adjusted net income**

**To be completed by all corporations other than an authorized foreign bank**

Net income for income tax purposes (line 300 of the T2 return) (if negative, enter "0") . . . . . \_\_\_\_\_ 6A

Net capital losses claimed under paragraph 111(1)(b) (line 332 of the T2 return) . . . . . \_\_\_\_\_ 6B

Taxable dividends deductible under sections 112 and 113 . . . . . \_\_\_\_\_ 6C

Prospector's and grubstaker's shares (line 350 of the T2 return) . . . . . \_\_\_\_\_ 6D

Subtotal (add amounts 6B to 6D) \_\_\_\_\_ **▶** \_\_\_\_\_ 6E

Subtotal (amount 6A **minus** amount 6E) (if negative, enter "0") \_\_\_\_\_ 6F

Amount added to taxable income for foreign tax deductions under section 110.5 (line 355 of the T2 return) . . . . . \_\_\_\_\_ 6G

Total (amount 6F **plus** amount 6G) \_\_\_\_\_ 6H

**To be completed by an authorized foreign bank only**

Taxable income earned in Canada (line 360 of the T2 return) (if negative, enter "0") . . . . . \_\_\_\_\_ 6I

Income from its Canadian banking business (line 300 of the T2 return) (if negative, enter "0"). . . . . \_\_\_\_\_ 6J

Amount added to taxable income for foreign tax deductions under subparagraph 115(1)(a)(vii) (line 355 of the T2 return) . . . . . \_\_\_\_\_ 6K

Subtotal (amount 6J **plus** amount 6K) \_\_\_\_\_ **▶** \_\_\_\_\_ 6L

Amount 6I or amount 6L, whichever is less . . . . . \_\_\_\_\_ 6M

**Adjusted net income** (amount 6H or amount 6M, whichever is applicable) . . . . . **600** \_\_\_\_\_

If you need more space, attach additional schedules.

**Part 7 – Part I tax otherwise payable (foreign non-business income tax credit)**

Base amount of Part 1 tax (line 550 of the T2 return) . . . . .	_____	7A
Federal tax abatement (line 608 of the T2 return) . . . . .	_____	7B
Investment corporation deduction (line 620 of the T2 return) . . . . .	_____	7C
General tax reduction (line 639 of the T2 return) . . . . .	_____	7D
Subtotal (add amounts 7B to 7D)	=====	7E
Recapture of investment tax credit (line 602 of the T2 return) . . . . .	_____	7F
Refundable tax on Canadian-controlled private corporation's (CCPC) investment income (line 604 of the T2 return) . . . . .	_____	7G
Subtotal (add amount 7F and amount 7G)	=====	7H
<b>Part I tax otherwise payable (foreign non-business income tax credit)</b> (amount 7A minus amount 7E plus amount 7H) . . . . .	_____	610

**Part 8 – Part I tax otherwise payable (foreign business income tax credit)**

Base amount of Part 1 tax (line 550 of the T2 return) . . . . .	_____	8A
Investment corporation deduction (line 620 of the T2 return) . . . . .	_____	8B
General tax reduction for CCPCs (line 638 of the T2 return) . . . . .	_____	8C
General tax reduction (line 639 of the T2 return) . . . . .	_____	8D
Subtotal (add amounts 8B to 8D)	=====	8E
Recapture of investment tax credit (line 602 of the T2 return) . . . . .	_____	8F
<b>Part I tax otherwise payable (foreign business income tax credit)</b> (amount 8A minus amount 8E plus amount 8F) . . . . .	_____	620

**Part 9 – Provincial or territorial foreign tax credit**

- Use Part 9 to calculate your provincial or territorial foreign tax credit.
- Complete a separate calculation for each province or territory for which you are claiming the credit. If you have foreign non-business income from more than one country, complete a separate calculation for each country and total these calculations to determine the credit for the applicable province or territory.

Province or territory for which you are claiming this credit . . . \_\_\_\_\_

Country of source of foreign non-business income . . . . . \_\_\_\_\_

**Foreign non-business income tax available for provincial or territorial foreign tax credit:**

Foreign non-business income tax paid for the year (amount from column 1C in Part 1) . . . . . \_\_\_\_\_ 9A

Foreign non-business income tax paid, deducted from income under subsection 20(12) (amount from column 1D in Part 1) . . . . . \_\_\_\_\_ 9B

Subtotal (amount 9A **minus** amount 9B) \_\_\_\_\_ 9C

Federal foreign non-business income tax credit deductible (amount from column 11 in Part 1) . . . . . \_\_\_\_\_ 9D

Foreign non-business income tax credit available (amount 9C **minus** amount 9D) . . . . . \_\_\_\_\_ 9E

**Note:** If amount 9E is "0", no provincial or territorial foreign tax credit may be claimed in respect of the foreign country.

$$\text{Amount 9E} \times \frac{\text{taxable income earned in the province or territory \textit{Note 7}}}{\text{taxable income \textit{Note 8}}} = \text{_____} \text{ 9F}$$

**Limit on amount of foreign non-business income tax that can be claimed:**

Net foreign non-business income earned in the year (amount from column 1B in Part 1) . . . . . \_\_\_\_\_ 9G

$$\text{Amount 9G} \times \text{provincial or territorial tax rate \textit{Note 9}} = \text{_____} \text{ 9H}$$

$$\text{Amount 9H} \times \frac{\text{taxable income earned in the province or territory \textit{Note 7}}}{\text{taxable income \textit{Note 10}}} = \text{_____} \text{ 9I}$$

**Provincial or territorial foreign tax credit** (lesser of amount 9F or amount 9I) . . . . . \_\_\_\_\_ 9J

Enter amount 9J on the corresponding line in Part 2 of Schedule 5, Tax Calculation Supplementary – Corporations. If you have more than one calculation of the credit for a province or territory, enter the total credits calculated on the corresponding line in Part 2 of Schedule 5.

For Ontario, if the corporation is not a life insurance corporation, also enter amount 9J on line 550 of Schedule 510, Ontario Corporate Minimum Tax.

**Note 7:** Enter the amount allocated to the province or territory in column F from Part 1 of Schedule 5. For Nova Scotia and Newfoundland and Labrador, include their offshore areas. For Ontario, if the corporation's taxable income is nil, calculate the amount in column F as if the taxable income were \$1,000.

**Note 8:** Do not include taxable income earned outside Canada. For Ontario, if the corporation's taxable income is nil, enter "1,000."

**Note 9:** For all provinces and territories except Ontario, use the higher tax rate. If the rate has changed during the tax year, use the average rate based on the number of days in the tax year before and after the change. For Ontario, use the basic rate of tax calculated in Part 1 of Schedule 500, Ontario Corporation Tax Calculation.

**Note 10:** Enter the amount from line 360 or amount Z, whichever applies, from page 3 of the T2 Corporation Income Tax Return. For Ontario, if the corporation's taxable income is nil, enter "1,000."