

Newfoundland and Labrador Corporation Tax Calculation (2020 and later tax years)

Corporation's name	Business number	Tax year-end Year Month Day
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- Use this schedule if your corporation had a **permanent establishment** (as defined in section 400 of the federal Income Tax Regulations) in Newfoundland and Labrador, and had taxable income earned in the year in Newfoundland and Labrador, and its offshore area.
- This schedule is a worksheet only and is not required to be filed with your T2 Corporation Income Tax Return.

Part 1 – Income subject to the lower and higher tax rate for Newfoundland and Labrador and its offshore area

Taxable income for Newfoundland and Labrador <small>Note 1</small>		1A
Income eligible for the lower tax rate for Newfoundland and Labrador and its offshore area:		
Line 400 of the T2 return		1B
Line 405 of the T2 return		1C
Line 428 of the T2 return		1D
Amount 1B, 1C, or 1D, whichever is the least		1E
Amount 1E _____ × Taxable income for Newfoundland and Labrador <small>Note 1</small> _____ =		1F
Taxable income for all provinces <small>Note 2</small>		
Income subject to the higher tax rate for Newfoundland and Labrador and its offshore area (amount 1A minus amount 1F) ...		1G

Note 1 If your corporation had a permanent establishment only in Newfoundland and Labrador or in its offshore area, enter the taxable income from line 360 of the T2 return. Otherwise, enter the total of the taxable incomes allocated to both jurisdictions in Newfoundland and Labrador (the province itself and its offshore area) 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.

Part 2 – Newfoundland and Labrador tax before credits and Newfoundland and Labrador offshore tax

Tax at the lower rate for Newfoundland and Labrador and its offshore area:		
Amount 1F _____ × 3%		2A
Tax at the higher rate for Newfoundland and Labrador and its offshore area:		
Amount 1G _____ × 15%		2B
Tax for Newfoundland and Labrador and its offshore area (amount 2A plus amount 2B)		2C
Permanent establishment in only one jurisdiction		
<small>If the taxable income is allocated only to Newfoundland and Labrador, or to the Newfoundland and Labrador offshore area, and your corporation is not claiming a Newfoundland and Labrador tax credit, enter amount 2C on line 760 of the T2 return. If your corporation is claiming a credit, enter amount 2C on line 200 or 205 of Schedule 5, whichever applies.</small>		
Permanent establishment in more than one jurisdiction		
<small>If the corporation has taxable income allocated to both Newfoundland and Labrador and its offshore area, calculate the following:</small>		
Amount 2C _____ ×	Taxable income for Newfoundland and Labrador offshore area	
	Taxable income for Newfoundland and Labrador plus taxable income for Newfoundland and Labrador offshore area	2D
Newfoundland and Labrador offshore tax – enter amount 2D on line 205 of Schedule 5.		
Newfoundland and Labrador tax before credits (amount 2C minus amount 2D)		2E
<small>Enter amount 2E on line 200 of Schedule 5.</small>		