



## Newfoundland and Labrador Corporation Tax Calculation (2019 and later tax years)

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

- 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 Note 1 ..... 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 427 or 428 of the T2 return Note 2 ..... 1D

Amount 1B, 1C, or 1D, whichever is the least ..... 1E

Amount 1E \_\_\_\_\_ × Taxable income for Newfoundland and Labrador Note 1 \_\_\_\_\_ = ..... 1F

Taxable income for all provinces Note 3

**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** If your tax year starts before 2019, use line 427. If your tax year starts after 2018, use line 428.

**Note 3** 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**

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.

**Permanent establishment in more than one jurisdiction**

If the corporation has taxable income allocated to both Newfoundland and Labrador and its offshore area, calculate the following:

Amount 2C \_\_\_\_\_ ×  $\frac{\text{Taxable income for Newfoundland and Labrador and its offshore area}}{\text{Taxable income for Newfoundland and Labrador plus taxable income for Newfoundland and Labrador and its offshore area}}$  = ..... 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

Enter amount 2E on line 200 of Schedule 5.