



Prince Edward Island 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 style="text-align: center;">Year</td> <td style="text-align: center;">Month</td> <td style="text-align: center;">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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- Use this schedule if your corporation had a **permanent establishment** (as defined in section 400 of the federal Income Tax Regulations) in Prince Edward Island, and had taxable income earned in the year in Prince Edward Island.
- This schedule is a worksheet only and does not have to be filed with your T2 Corporation Income Tax Return.

Part 1 – Income subject to Prince Edward Island lower and higher tax rates

Taxable income for Prince Edward Island Note 1		1A
Income eligible for the Prince Edward Island lower tax rate:		
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 Prince Edward Island Note 1 _____ =		1F
	Taxable income for all provinces Note 3	
Income subject to Prince Edward Island higher tax rate (amount 1A minus amount 1F)		1G

Note 1 If your corporation had a permanent establishment only in Prince Edward Island, enter the taxable income from line 360 of the T2 return. Otherwise, enter the taxable income allocated to Prince Edward Island 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 – Prince Edward Island tax before credits

Prince Edward Island tax at the lower rate:					
Amount 1F _____	×	$\frac{\text{Number of days in the tax year before January 1, 2019}}{\text{Number of days in the tax year}}$	×	4%	= _____ 2A
Amount 1F _____	×	$\frac{\text{Number of days in the tax year after December 31, 2018 and before January 1, 2020}}{\text{Number of days in the tax year}}$	×	3.5%	= _____ 2B
Amount 1F _____	×	$\frac{\text{Number of days in the tax year after December 31, 2019}}{\text{Number of days in the tax year}}$	×	3%	= _____ 2C
Prince Edward Island tax at the lower rate (amount 2A plus amount 2B plus amount 2C) _____					▶ _____ 2D
Prince Edward Island tax at the higher rate:					
Amount 1G _____	×	16%	=	_____ 2E	
Prince Edward Island tax before credits (amount 2D plus amount 2E) Note 4					_____ 2F

Note 4 If your corporation had a permanent establishment in more than one jurisdiction, or is claiming a Prince Edward Island tax credit, enter amount 2F on line 210 of Schedule 5. Otherwise, enter it on line 760 of the T2 return.