



## Dividends Received, Taxable Dividends Paid, and Part IV 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; border-bottom: 1px solid black;">Tax year-end</td> <td style="text-align: center; border-bottom: 1px solid black;">Month</td> <td style="text-align: center; border-bottom: 1px solid black;">Day</td> </tr> <tr> <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> </tr> </table>	Tax year-end	Month	Day	Year	Month	Day			
Tax year-end	Month	Day									
Year	Month	Day									

- Corporations must use this schedule to report:
  - non-taxable dividends under section 83
  - deductible dividends under subsection 138(6)
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (a.1), (b) or (d)
  - taxable dividends paid in the tax year that qualify for a dividend refund (see page 3)
- All legislative references are to the federal Income Tax Act.
- The calculations in this schedule apply only to private or subject corporations.
- A payer corporation is **connected** with a recipient corporation at any time in a tax year, if at that time the recipient corporation meets either of the following conditions:
  - it controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b)
  - it owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation
- If you need more space, continue on a separate schedule.
- File this schedule with your T2 Corporation Income Tax Return.

### Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
  - Complete columns B, C, D, H and I **only if** the payer corporation is **connected**.
- Important instructions to follow if the payer corporation is connected**
- If your corporation's tax year-end is different than that of the **connected** payer corporation, dividends could have been received from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information according to each tax year of the payer corporation.
  - When completing column J and K use the **special calculations provided in the notes**.

A Name of payer corporation (from which the corporation received the dividend)	B Enter 1 if payer corporation is <b>connected</b>	C Business Number of <b>connected</b> corporation
<b>200</b>	<b>205</b>	<b>210</b>

D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYYMMDD	E Non-taxable dividends under section 83	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1), (b), or (d) <sup>note 1</sup>	G Eligible dividends included in column F
<b>220</b>	<b>230</b>	<b>240</b>	<b>242</b>

**Total of column E** \_\_\_\_\_  
(enter amount on line 402 of Schedule 1)

Taxable dividends received from connected corporations (total amounts from column F with code 1 in column B) ..... 1A

Taxable dividends received from non-connected corporations (total amounts from column F with no code in column B) ..... 1B

Subtotal (amount 1A **plus** amount 1B, include this amount on line 320 of the T2 Return) ..... 1C

Eligible dividends received from connected corporations (total amounts from column G with code 1 in column B) ..... 1D

Eligible dividends received from non-connected corporations (total amounts from column G with no code in column B) ..... 1E

<sup>1</sup> If taxable dividends are received, enter the amount in column F, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column J or column K whichever one applies. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

**Part 1 – Dividends received in the tax year (continued)**

H Total taxable dividends paid by <b>connected</b> payer corporation (for tax year in column D) <b>250</b>	I Dividend refund of the <b>connected</b> payer corporation (for tax year in column D) <sup>note 2</sup> <b>260</b>	J Part IV tax for eligible dividends. Dividends (from column G) <b>multiplied</b> by 38 1/3% <sup>note 3</sup> <b>265</b>	K Part IV tax before deductions. Dividends (from column F) <b>multiplied</b> by 38 1/3% <sup>note 4</sup> <b>275</b>

Part IV tax before deductions on taxable dividends received from connected corporations (total amounts from column K with code 1 in column B) .....	1F	_____
Part IV tax before deductions on taxable dividends received from non-connected corporations (total amounts from column K with no code in column B) .....	1G	_____
Subtotal (amount 1F <b>plus</b> amount 1G)	▶	1H
Part IV tax on eligible dividends received from connected corporations (total amounts from column J with code 1 in column B) .....	1I	_____
Part IV tax on eligible dividends received from non-connected corporations (total amounts from column J with no code in column B) .....	1J	_____
Subtotal (amount 1I <b>plus</b> amount 1J)	▶	1K
Part IV tax before deductions on taxable dividends (other than eligible dividends) (amount 1H <b>minus</b> amount 1K) .....	1L	_____

<sup>2</sup> If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

<sup>3</sup> For eligible dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column G.

<sup>4</sup> For taxable dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column F.

**Part 2 – Calculation of Part IV tax payable**

Part IV tax on dividends received before deductions (amount 1H in part 1) .....	2A	_____
Part IV tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) .....	<b>320</b>	_____
Subtotal (amount 2A <b>minus</b> line 320)	▶	2B
Current-year non-capital loss claimed to reduce Part IV tax .....	<b>330</b>	_____
Non-capital losses from previous years claimed to reduce Part IV tax .....	<b>335</b>	_____
Current-year farm loss claimed to reduce Part IV tax .....	<b>340</b>	_____
Farm losses from previous years claimed to reduce Part IV tax .....	<b>345</b>	_____
Total losses applied against Part IV tax (total of lines 330 to 345)	2C	_____
Amount 2C <b>multiplied</b> by 38 1/3% .....	2D	_____
<b>Part IV tax payable</b> (amount 2B <b>minus</b> amount 2D, if negative enter "0") .....	<b>360</b>	_____

(enter amount on line 712 of the T2 return)

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTOH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations <sup>note 5</sup> (amount 1F in part 1) .....	2E	_____
Amount 4A from Schedule 43 .....	2F	_____
<b>Part IV tax payable on taxable dividends received from connected corporations</b> (amount 2E <b>minus</b> amount 2F, if negative enter "0") .....	2G	_____

(enter at amount L on page 7 of the T2 return)

<sup>5</sup> To the extent of a dividend refund to the connected payer corporation from its eligible refundable dividend tax on hand (ERDTOH). Otherwise, the amount 2E is nil.

**Part 2 – Calculation of Part IV tax payable (continued)**

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTOH) at the end of the tax year.

Part IV tax on eligible dividends received from non-connected corporations (amount 1J in part 1) ..... 2H

Amount 4C from Schedule 43 ..... 2I

**Part IV tax payable on eligible dividends received from non-connected corporations** (amount 2H minus amount 2I, if negative enter "0") ..... 2J

(enter at amount M on page 7 of the T2 return)

**Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund**

If your corporation's tax year-end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information according to each tax year of the recipient corporation.

L Name of connected recipient corporation  <b>400</b>	M Business Number  <b>410</b>	N Tax year-end of connected recipient corporation in which the dividends in column O were received YYYYMMDD  <b>420</b>	O Taxable dividends paid to connected corporations  <b>430</b>	P Eligible dividends included in column O  <b>440</b>

(Total of column O) (Total of column P)

Total taxable dividends paid in the tax year to other than connected corporations ..... **450**

Eligible dividends included in line 450 ..... **455**

Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column O plus line 450) ..... **460**

Total eligible dividends paid in the tax year (total of column P plus line 455) ..... **465**

Total non-eligible taxable dividends paid in the tax year (line 460 minus line 465) ..... **470**

Complete this part to determine the following amounts in order to calculate the dividend refund.

Line 465 multiplied by 38 1/3% ..... 3A  
(enter at amount AA on page 7 of the T2 return)

Line 470 multiplied by 38 1/3% ..... 3B  
(enter at amount DD on page 7 of the T2 return)

**Part 4 – Total dividends paid in the tax year**

Complete this part if the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460) is different from the total dividends paid in the tax year.

Total dividends paid in the tax year ..... **500**

Dividends paid out of capital dividend account ..... **510**

Capital gains dividends ..... **520**

Dividends paid on shares described in subsection 129(1.2) ..... **530**

Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year ..... **540**

Subtotal (total of lines 510 to 540) ..... **▶** 4A

**Total taxable dividends paid in the tax year that qualify for a dividend refund** (Line 500 minus amount 4A) ..... 4B