



Saskatchewan Manufacturing and Processing Profits Tax Reduction (2020 and later tax years)

Corporation's name	Business number	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="3" 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</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;"> </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 all of the following:
 - a **permanent establishment** (as defined under subsection 400(2) of the Regulations) in Saskatchewan at any time in the year
 - taxable income earned in the year in Saskatchewan
 - **Canadian manufacturing and processing profits**, as defined under subsection 125.1(3) of the Act, earned in Saskatchewan.
- All legislative references are to the federal Income Tax Act and the federal Income Tax Regulations.
- Canadian manufacturing and processing profits earned in Saskatchewan include profits from generating or producing electrical energy or steam for sale in Saskatchewan.
- This schedule is a worksheet only. You do not need to file it with your T2 Corporation Income Tax Return.

Part 1 – Income eligible for the Saskatchewan manufacturing and processing profits tax reduction

Canadian manufacturing and processing profits (line 200 of Schedule 27) Note 1	_____	1A
Amount 1E from Schedule 411 Note 2	_____	1B
Excess (amount 1A minus amount 1B, if negative enter 0)	_____	1C
Taxable income (line 360 of the T2 return)	_____	1D
Amount 1E from Schedule 411 Note 2	_____	1E
Aggregate investment income (line 440 of the T2 return) Note 2	_____	1F
Federal foreign business income tax credit (line 636 of the T2 return) Note 3	_____ × 4 = _____	1G
Subtotal (add amounts 1E to 1G)	_____ ▶	1H
Excess (amount 1D minus amount 1H, if negative, enter 0)	_____	1I
Amount 1C or 1I, whichever is less	_____	1J

- Note 1:** If your corporation only generated or produced electrical energy or steam for sale in Saskatchewan, use the amount from line 210 of Schedule 27.
- Note 2:** Applies only if your corporation was a Canadian-controlled private corporation throughout the tax year.
- Note 3:** Calculate the amount of federal foreign business income tax credit deductible at line 636 of the T2 return without reference to the corporate tax reductions under section 123.4 of the Act.

Part 2 – Saskatchewan manufacturing and processing profits tax reduction

Amount 1J	×	Taxable income earned in Saskatchewan	=	_____	2A
		Taxable income earned in all provinces Note 4			
Taxable income earned in Saskatchewan		Taxable income earned in all provinces Note 4	× 2%	=	_____
					2B
Saskatchewan manufacturing and processing profits tax reduction (amount 2A multiplied by amount 2B)					_____
Enter amount 2C on line 626 of Schedule 5, Tax Calculation Supplementary – Corporations.					

- Note 4:** Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.