



Saskatchewan Manufacturing and Processing Profits Tax Reduction (2018 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 under subsection 400(2) of the Regulations) in Saskatchewan at any time in the year
 - taxable income earned in the year in Saskatchewan, and
 - **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

Period before January 1, 2018

Canadian manufacturing and processing profits (line 200 of Schedule 27, Calculation of Canadian Manufacturing and Processing Profits Deduction) Note 1		A
Amount E1 from Schedule 411, Saskatchewan Corporation Tax Calculation (2018 tax year) Note 2		B
Excess (amount A minus amount B, if negative enter "0")		C
Taxable income (line 360 of the T2 return)		D
Amount E1 from Schedule 411 (2018 tax year) Note 2	E	
Aggregate investment income (line 440 of the T2 return) Note 2	F	
Federal foreign business income tax credit (line 636 of the T2 return) Note 3	G	
Subtotal (add amounts E to G) ▶		H
Excess (amount D minus amount H, if negative, enter "0")		I
Amount C or I, whichever is less		J

Period after December 31, 2017

Canadian manufacturing and processing profits (line 200 of Schedule 27) Note 1		K
Amount E2 from Schedule 411 (2018 tax year) or amount 1E from Schedule 411 (2019 and later tax years), whichever applies Note 2		L
Excess (amount K minus amount L, if negative enter "0")		M
Taxable income (line 360 of the T2 return)		N
Amount E2 from Schedule 411 (2018 tax year) or amount 1E from Schedule 411 (2019 and later tax years), whichever applies Note 2	O	
Aggregate investment income (line 440 of the T2 return) Note 2	P	
Federal foreign business income tax credit (line 636 of the T2 return) Note 3	Q	
Subtotal (add amounts O to Q) ▶		R
Excess (amount N minus amount R, if negative, enter "0")		S
Amount M or S, whichever is less		T

- 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 1 – Income eligible for the Saskatchewan manufacturing and processing profits tax reduction (continued)

Amount J	_____	×	$\frac{\text{Number of days before January 1, 2018}}{\text{Number of days in the tax year}}$	_____	=	_____	U		
Amount T	_____	×	$\frac{\text{Number of days after December 31, 2017}}{\text{Number of days in the tax year}}$	_____	=	_____	V		
Income eligible for the Saskatchewan manufacturing and processing profits tax reduction (amount U plus amount V)								<u> </u> <u> </u>	W

Part 2 – Saskatchewan manufacturing and processing profits tax reduction

Amount W	_____	×	$\frac{\text{Taxable income earned in Saskatchewan}}{\text{Taxable income earned in all provinces Note 4}}$	_____	=	_____	X		
	$\frac{\text{Taxable income earned in Saskatchewan}}{\text{Taxable income earned in all provinces Note 4}}$	_____	×	2%	=	_____	Y		
Saskatchewan manufacturing and processing profits tax reduction (amount X multiplied by amount Y)								<u> </u> <u> </u>	Z

Enter amount Z 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.