



Ontario Corporation Tax Calculation (2019 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 a **permanent establishment** (as defined in section 400 of the federal Income Tax Regulations) in Ontario at any time in the tax year and had Ontario taxable income in the year.
- Legislative references are to the federal Income Tax Act and Income Tax Regulations.
- This schedule is a worksheet only and is not required to be filed with your T2 Corporation Income Tax Return.

Part 1 – Ontario basic income tax

Ontario taxable income Note 1	_____	1A
Ontario basic rate of tax for the year	_____ %	1B
Ontario basic income tax (amount 1A multiplied by amount 1B) Note 2	=====	1C

- Note 1** If your corporation had a permanent establishment only in Ontario, enter the amount from line 360 or amount Z, whichever applies, from page 3 of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.
- Note 2** If your corporation had a permanent establishment in more than one jurisdiction, or is claiming an Ontario tax credit in addition to Ontario basic income tax, or Ontario corporate minimum tax or Ontario special additional tax on life insurance corporations payable, enter amount 1C on line 270 of Schedule 5, Tax Calculation Supplementary – Corporations. Otherwise, enter it on line 760 of the T2 return.

Part 2 – Ontario small business deduction (OSBD)

Complete this part if your corporation claimed the federal small business deduction under subsection 125(1).

Line 400 of the T2 return	=====	2A	
Line 405 of the T2 return	=====	2B	
If your tax year starts before 2019, line 427 of the T2 return	=====	2C	
If your tax year starts after 2018			
Line 410 of the T2 return	_____	2D	
Line 415 of the T2 return	_____	2E	
Amount 2D _____ × Amount 2E _____ = _____		2F	
Line 515 of the T2 return	_____	2G	
Subtotal (amount 2D minus amount 2F minus amount 2G)	=====	▶ 2H	
Amount 2A, 2B, and 2C or 2H, whichever is the least	=====	▶	2I
Ontario domestic factor (ODF):	$\frac{\text{Taxable income for Ontario } \text{Note 3}}{\text{Taxable income for all provinces } \text{Note 4}} =$	_____	2J
Amount 2I multiplied by amount 2J		=====	2K
Ontario taxable income (amount 1A)		=====	2L
Ontario small business income (amount 2K or 2L, whichever is the least)		=====	▶ 2M
Ontario small business deduction for the year			
Amount 2M _____ × 8%		= _____	2N

Enter amount 2N on line 402 of Schedule 5.

- Note 3** Enter amount 1A.
- Note 4** Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

