

## Ontario Corporate Minimum Tax (2009 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> </table>	Tax year-end			Year	Month	Day
Tax year-end								
Year	Month	Day						

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  - 1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
  - 2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  - 3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  - 4) a congregation or business agency to which section 143 of the federal Act applies;
  - 5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  - 6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

### Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	<b>112</b>	
Share of total assets from partnership(s) and joint venture(s) *	<b>114</b>	
Total assets of associated corporations (amount from line 450 on Schedule 511)	<b>116</b>	
Total assets (total of lines 112 to 116) <span style="float: right;">=====</span>		
Total revenue of the corporation for the tax year **	<b>142</b>	
Share of total revenue from partnership(s) and joint venture(s) **	<b>144</b>	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	<b>146</b>	
Total revenue (total of lines 142 to 146) <span style="float: right;">=====</span>		

The corporation is subject to CMT if:

- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than \$5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than \$10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than \$50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than \$100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

**\* Rules for total assets**

- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

**\*\* Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

**Part 2 – Adjusted net income/loss for CMT purposes**

Net income/loss per financial statements *	210	_____
<b>Add</b> (to the extent reflected in income/loss):		
Provision for current income taxes/cost of current income taxes	220	_____
Provision for deferred income taxes (debits)/cost of future income taxes	222	_____
Equity losses from corporations	224	_____
Financial statement loss from partnerships and joint ventures	226	_____
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230	_____
<b>Other additions</b> (see <a href="#">note</a> below):		
Share of adjusted net income of partnerships and joint ventures **	228	_____
Total patronage dividends received, not already included in net income/loss	232	_____
281 _____	282	_____
283 _____	284	_____
	Subtotal	_____ <b>A</b>
<b>Deduct</b> (to the extent reflected in income/loss):		
Provision for recovery of current income taxes/benefit of current income taxes	320	_____
Provision for deferred income taxes (credits)/benefit of future income taxes	322	_____
Equity income from corporations	324	_____
Financial statement income from partnerships and joint ventures	326	_____
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330	_____
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332	_____
Gain on donation of listed security or ecological gift	340	_____
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342	_____
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344	_____
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346	_____
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348	_____
<b>Other deductions</b> (see <a href="#">note</a> below):		
Share of adjusted net loss of partnerships and joint ventures **	328	_____
Tax payable on dividends under subsection 191.1(1) of the federal Act multiplied by 3	334	_____
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336	_____
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338	_____
381 _____	382	_____
383 _____	384	_____
385 _____	386	_____
387 _____	388	_____
389 _____	390	_____
	Subtotal	_____ <b>B</b>
Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)	490	_____

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.  
 If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

**Note**  
 In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

- exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
- include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.  
 These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

\* **Rules for net income/loss**  
 – Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

**Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)**

- Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.
- Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.
- Corporations, other than insurance corporations, should report net income from line 9999 of the GIF1 (Schedule 125) on line 210.

\*\* The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

\*\*\* A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

\*\*\*\* A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

\*\*\*\*\* A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

**Part 3 – CMT payable**

Adjusted net income for CMT purposes (line 490 in Part 2, if positive) ..... **515** \_\_\_\_\_

**Deduct:**

CMT loss available (amount R from Part 7) ..... \_\_\_\_\_

**Minus:** Adjustment for an acquisition of control \* ..... **518** \_\_\_\_\_

Adjusted CMT loss available ..... **▶** \_\_\_\_\_ C

Net income subject to CMT calculation (if negative, enter "0") ..... **520** \_\_\_\_\_

Amount from line 520 \_\_\_\_\_ ×  $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}} \times 4\% =$  \_\_\_\_\_ 1

Amount from line 520 \_\_\_\_\_ ×  $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}} \times 2.7\% =$  \_\_\_\_\_ 2

Subtotal (amount 1 plus amount 2) ..... \_\_\_\_\_ 3

Gross CMT: amount on line 3 above × OAF \*\* ..... **540** \_\_\_\_\_

**Deduct:**

Foreign tax credit for CMT purposes \*\*\* ..... **550** \_\_\_\_\_

CMT after foreign tax credit deduction (line 540 minus line 550) (if negative, enter "0") ..... \_\_\_\_\_ D

**Deduct:**

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) ..... \_\_\_\_\_

Net CMT payable (if negative, enter "0") ..... \_\_\_\_\_ E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

\* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

\*\*\* Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

**\*\* Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

$$\frac{\text{Ontario taxable income ****}}{\text{Taxable income *****}} = \underline{\hspace{2cm}}$$

**Ontario allocation factor** ..... \_\_\_\_\_ F

\*\*\*\* Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were \$1,000.

\*\*\*\*\* Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

**Part 4 – Calculation of CMT credit carryforward**

CMT credit carryforward at the end of the previous tax year *	_____	G
<b>Deduct:</b>		
CMT credit expired *	600 _____	
CMT credit carryforward at the beginning of the current tax year * (see note below)	_____ ▶ 620 _____	
<b>Add:</b>		
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)	_____ 650 _____	
CMT credit available for the tax year (amount on line 620 plus amount on line 650)	_____	H
<b>Deduct:</b>		
CMT credit deducted in the current tax year (amount P from Part 5)	_____	I
	Subtotal (amount H minus amount I)	J _____
<b>Add:</b>		
Net CMT payable (amount E from Part 3)	_____	
SAT payable (amount O from Part 6 of Schedule 512)	_____	
	Subtotal	K _____ ▶
CMT credit carryforward at the end of the tax year (amount J plus amount K)	_____ 670 _____	L

\* For the first harmonized T2 return filed with a tax year that includes days in 2009:  
 – do not enter an amount on line G or line 600;  
 – for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

**Note:** If you entered an amount on line 620 or line 650, complete Part 6.

**Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable**

CMT credit available for the tax year (amount H from Part 4)	_____	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	_____ 1	
For a corporation that is not a life insurance corporation:		
CMT after foreign tax credit deduction (amount D from Part 3)	_____ 2	
For a life insurance corporation:		
Gross CMT (line 540 from Part 3)	_____ 3	
Gross SAT (line 460 from Part 6 of Schedule 512)	_____ 4	
The <b>greater</b> of amounts 3 and 4	_____ 5	
	<b>Deduct:</b> line 2 or line 5, whichever applies: _____ 6	
	Subtotal (if negative, enter "0")	N _____ ▶
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	_____	
<b>Deduct:</b>		
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 minus line 450 from Schedule 5)	_____	
	Subtotal (if negative, enter "0")	O _____ ▶
CMT credit deducted in the current tax year (least of amounts M, N, and O)	_____	P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? 675 1 Yes  2 No

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

**Part 6 – Analysis of CMT credit available for carryforward by year of origin**

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

\* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

\*\* Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

**Part 7 – Calculation of CMT loss carryforward**

CMT loss carryforward at the end of the previous tax year \* . . . . . Q

**Deduct:**

CMT loss expired \* . . . . . 700

CMT loss carryforward at the beginning of the tax year \* (see note below) . . . . . 720

**Add:**

CMT loss transferred on an amalgamation under section 87 of the federal Act \*\* (see note below) . . . . . 750

CMT loss available (line 720 plus line 750) . . . . . R

**Deduct:**

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . . . S

Subtotal (if negative, enter "0")

**Add:**

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if negative) (enter as a positive amount) . . . . . 760

CMT loss carryforward balance at the end of the tax year (amount S plus line 760) . . . . . 770 T

\* For the first harmonized T2 return filed with a tax year that includes days in 2009:  
 – do not enter an amount on line Q or line 700;  
 – for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.  
 For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

\*\* Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

**Note:** If you entered an amount on line 720 or line 750, complete Part 8.

**Part 8 – Analysis of CMT loss available for carryforward by year of origin**

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

\* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

\*\* Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

\*\*\* The total of these two columns must equal the total of the amounts entered on lines 720 and 750.