



**ONTARIO CAPITAL TAX ON OTHER THAN FINANCIAL INSTITUTIONS
(2009 and later tax years)**

Name of corporation	Business Number	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black; width: 10%; text-align: center;">Year</td> <td style="border-bottom: 1px solid black; width: 10%; text-align: center;">Tax year-end</td> <td style="border-bottom: 1px solid black; width: 10%; text-align: center;">Month</td> <td style="border-bottom: 1px solid black; width: 10%; text-align: center;">Day</td> </tr> </table>	Year	Tax year-end	Month	Day
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- Complete this schedule for a corporation with a permanent establishment in Ontario at any time in the tax year and that is a corporation other than a financial institution. The Ontario capital tax on other than financial institutions is levied under section 64 of the *Taxation Act, 2007* (Ontario).
- The Ontario capital tax is eliminated effective July 1, 2010. You do not have to complete this schedule if the corporation's tax year begins after June 30, 2010. For businesses mainly engaged in qualifying manufacturing and resource activities in Ontario, the capital tax is eliminated effective January 1, 2007.
- To complete this schedule, you have to complete Schedule 33, *Part 1.3 Tax on Large Corporations* (renamed *Taxable Capital Employed in Canada – Large Corporations* for 2010 and later tax years). File completed copies of both schedules with the *T2 Corporation Income Tax Return* within six months of the end of the tax year.
- A corporation is exempt from Ontario capital tax if it was one of the following:
 - 1) a corporation that is liable to the special additional tax according to section 74 of the *Corporations Tax Act* (Ontario);
 - 2) a credit union;
 - 3) a deposit insurance corporation according to section 137.1 of the federal *Income Tax Act*;
 - 4) a family farm corporation for the year as defined by subsection 64(3) of the *Taxation Act, 2007* (Ontario), other than a corporation for which a determination has been made under subsection 31(2) of the federal Act;
 - 5) a family fishing corporation, as defined by subsection 64(3) of the *Taxation Act, 2007* (Ontario); or
 - 6) a corporation exempt from income tax according to section 149 of the federal Act.

Part 1 – Taxable capital of a corporation resident in Canada other than a financial institution

Amount A from Part 1 of Schedule 33	100		
Add:			
Accumulated other comprehensive income at the end of the year	105		
	Subtotal		▶ _____ A
Deduct:			
Amount B from Part 1 of Schedule 33	110		
Amount on line 490 from Part 2 of Schedule 33	115		
	Subtotal		▶ _____ B
Taxable capital (amount A minus amount B) (if negative, enter "0")	120		

Part 2 – Capital deduction

Complete this part only if the corporation is associated.

Are you electing under subsection 83(2) of the *Taxation Act, 2007* (Ontario)? **190** 1 Yes 2 No

If you answered **no** to the question at line 190, complete line 220. If you answered **yes** to the question at line 190, complete line 305 by using Schedule 516, *Capital Deduction Election of Associated Group for the Allocation of Net Deduction*, to calculate the amount to be entered on line 300.

Taxable capital (from line 120) or taxable capital employed in Canada of a corporation that was a non-resident of Canada (from line 790 in Part 4 of Schedule 33) **200** _____ × \$15,000,000 = **Capital deduction** **220** _____

Taxable capital or taxable capital employed in Canada of every corporation with a permanent establishment in Canada and associated for the last tax year * **210** _____

* This amount includes the filing corporation's taxable capital or taxable capital employed in Canada. Do not include an amount from a financial institution or corporation that is exempt from capital tax under Division E of the *Taxation Act, 2007* (Ontario) or Part III of the *Corporations Tax Act* (Ontario).

Allocation of net deduction (from line 600 for the filing corporation from Schedule 516) **300** _____ = **Capital deduction** **305** _____

Ontario allocation factor (OAF) (amount I in Part 3)

Part 3 – Ontario capital tax payable

Taxable capital (enter amount from line 120 in Part 1) or taxable capital employed in Canada of a corporation that was a non-resident of Canada (enter amount from line 790 in Part 4 of Schedule 33), whichever applies **320** _____

Deduct:
 Capital deduction (Enter \$15,000,000 if the corporation is not associated. Otherwise, enter the amount from line 220 or line 305, whichever applies, from Part 2) **B**
 Net amount (line 320 **minus** amount B) (if negative, enter "0") **C**

Note: For days in the tax year after June 30, 2010, the Ontario capital tax rate is 0%.

Amount C _____ × $\frac{\text{Number of days in the tax year before January 1, 2010}}{\text{Number of days in the tax year}}$ × .00225 = _____ **D**

Amount C _____ × $\frac{\text{Number of days in the tax year after December 31, 2009 and before July 1, 2010}}{\text{Number of days in the tax year}}$ × .00150 = _____ **E**

Subtotal (amount D **plus** amount E) _____ **F**

Amount F _____ × OAF (amount on line I) _____ = _____ **G**

Amount G _____ × $\frac{\text{Number of days in the tax year}^*}{365}$ = _____ **H**

Deduct:
 Capital tax credit for manufacturers (enter amount J from Part 4) **350** _____

Ontario capital tax payable (amount H **minus** line 350) (if negative, enter "0") **400** _____

Enter amount from line 400 on line 282 of Schedule 5, *Tax Calculation Supplementary – Corporations*.

* Enter either 365 if there are at least 51 weeks in the tax year, or the number of days in the year, whichever applies.

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 I.
 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 I:

$\frac{\text{Ontario taxable income}^{**}}{\text{Taxable income}^{***}}$ _____ = _____

Ontario allocation factor **I**

** 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 line Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000."

Part 4 – Capital tax credit for manufacturers

$\frac{\text{Ontario manufacturing labour cost}^*}{\text{Total Ontario labour cost}^{**}}$ **405** _____ × 100 = **420** _____ %

If the percentage on line 420 is 20% or less, enter "0" on line J.
 If the percentage on line 420 is at least 50%, enter amount H from Part 3 on line J.
 If the percentage on line 420 is more than 20% but less than 50%, complete the following calculation and enter the result on line J:

$\frac{(\text{percentage from line 420}) - 20\%}{30\%} \times \frac{\text{Amount H from Part 3}}{30\%}$ = _____

Capital tax credit for manufacturers **J**
 Enter amount J on line 350 in Part 3.

* As defined in subsection 83.1(4) of the *Taxation Act, 2007* (Ontario)
 ** As defined in subsection 83.1(5) of the *Taxation Act, 2007* (Ontario)