



## Low Rate Income Pool (LRIP) Calculation (2019 and later tax years)

Corporation's name	Business number	Tax year-end Year      Month      Day
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- Use this schedule to calculate the balance of the low rate income pool (LRIP) at any time in the tax year if you are a corporation resident in Canada that is:
  - a corporation **other** than a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC)
  - a corporation that elected under subsection 89(11) not to be a CCPC
- When an eligible dividend was paid or there was a change in the LRIP balance in the tax year, file this schedule with your T2 Corporation Income Tax Return. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- All legislative references are to the Income Tax Act and the Income Tax Regulations.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.

### Part 1 – Low rate income pool (LRIP)

LRIP at the end of the immediately previous tax year .....	<b>100</b>	
Aggregate investment income of a corporation that has elected under subsection 89(11) not to be a CCPC (line 440 of the T2 return of the previous tax year) .....	<b>140</b>	× 80% = <b>150</b>
Investment corporation deduction (line 620 of the T2 return of the previous tax year) .....		× 4 = <b>160</b>
Subtotal (add lines 100, 150, and 160)	<b>190</b>	

### Part 2 – LRIP and excessive eligible dividend designations during the tax year

Complete this part if you paid an eligible dividend in the tax year.

<b>200</b> Date <sup>1</sup> (yyyy/mm/dd)	<b>210</b> Total dividends <sup>2</sup> receivable in the year before the date on line 200 that are deductible under section 112	<b>220</b> Total adjustments for amalgamations, wind-ups, or on ceasing to be a CCPC <sup>3</sup>	<b>230</b> Subtotal (add lines 190, 210, and 220)	<b>240</b> Total dividends <sup>4</sup> payable in the year before the date on line 200	<b>250</b> Total of excessive eligible dividend designations made before the date on line 200
1.					
2.					
3.					
4.					
5.					

<b>260</b> LRIP as of the date on line 200 (line 230 minus the total of line 240 and line 250)	<b>270</b> Total eligible dividends paid on the date on line 200	<b>280</b> Excessive eligible dividend designation (lesser of lines 260 and 270)
1.		
2.		
3.		
4.		
5.		

- 1 Enter on line 200 each date where:
  - an eligible dividend was paid in the year
  - an adjustment was made as a result of an amalgamation or the wind-up of a subsidiary or on ceasing to be a CCPC (by an election or otherwise)
- 2 Taxable dividends from a corporation resident in Canada (other than eligible dividends)
- 3 Complete the worksheets in Parts 4 to 6 separately for each predecessor, each subsidiary involved in the wind-up, and when the corporation ceases to be a CCPC or DIC. Add up the adjustments for this date and enter on line 220.
- 4 Includes taxable dividends (other than an eligible dividend, a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1), or a dividend deductible under subsection 130.1(1))

**Total excessive eligible dividend designations in the tax year** (total of all amounts in column 280)   A

Enter amount A at amount C of Schedule 55.

**Part 3 – LRIP closing balance**

Amount from line 190 in Part 1 .....		B
Total dividends <sup>5</sup> receivable in the tax year that are deductible under section 112 .....	<b>510</b>	
Total adjustments for amalgamations, wind-ups, or on ceasing to be a CCPC <sup>6</sup> .....	<b>520</b>	
Subtotal (line 510 <b>plus</b> line 520)	▶	C
Subtotal (amount B <b>plus</b> amount C)		D
Total dividends <sup>7</sup> payable in the tax year .....	<b>540</b>	
Total excessive eligible dividend designations in the tax year (amount A in Part 2) .....		E
Subtotal (line 540 <b>plus</b> amount E)	▶	F
LRIP at the end of the tax year (amount D <b>minus</b> amount F) (if negative, enter "0") .....	<b>590</b>	

5 Taxable dividends from a corporation resident in Canada (other than eligible dividends)

6 Complete the worksheets in Parts 4 to 6 separately for each predecessor, each subsidiary involved in the wind-up, and when the corporation ceases to be a CCPC or DIC.

7 Includes taxable dividends (other than an eligible dividend, a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1), or a dividend deductible under subsection 130.1(1))



**Part 5 – Worksheet for adjustment when a corporation is formed as a result of an amalgamation**

- Complete this part if the corporation was formed as a result of an amalgamation or merger of two or more corporations, one or more of which is a taxable Canadian corporation. Complete a separate worksheet for **each** predecessor.
- This adjustment to the LRIP can be made at any time in the tax year.
- The last tax year was its tax year that ended immediately before the amalgamation.
- Keep a copy of this calculation for your records, in case we ask to see it later.

**For a predecessor corporation that was a CCPC or a DIC in its tax year that ended immediately before the amalgamation**

Cost amount to the predecessor of all property immediately before the end of its last tax year .....	_____	1
The predecessor's cash on hand immediately before the end of its last tax year .....	_____	2
Total of subsection 111(1) losses that would have been deductible in computing the predecessor's taxable income for its last tax year if the predecessor had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for its last tax year:		
Non-capital losses .....	_____	3
Net capital losses .....	_____	4
Farm losses .....	_____	5
Restricted farm losses .....	_____	6
Limited partnership losses .....	_____	7
Subtotal ( <b>add</b> amounts 3 to 7) .....	_____ ▶	8
Total of all amounts deducted under subsection 111(1) in computing the predecessor's taxable income for its last tax year:		
Non-capital losses .....	_____	9
Net capital losses .....	_____	10
Farm losses .....	_____	11
Restricted farm losses .....	_____	12
Limited partnership losses .....	_____	13
Subtotal ( <b>add</b> amounts 9 to 13) .....	_____ ▶	14
Unused and unexpired losses at the end of the predecessor's last tax year (amount 8 <b>minus</b> amount 14) (if negative, enter "0") .....	_____ ▶	15
Subtotal ( <b>add</b> amounts 1, 2, and 15) .....	_____ ▶	16
All of the predecessor's debts and other obligations to pay that were outstanding immediately before the end of its last tax year .....	_____	17
Paid up capital of all the predecessor's issued and outstanding shares of capital stock immediately before the end of its last tax year .....	_____	18
All of the predecessor's reserves deducted in its last tax year .....	_____	19
The predecessor's capital dividend account immediately before the end of its last tax year if the corporation is <b>not</b> a private corporation in its first tax year .....	_____	20
The predecessor's general rate income pool (GRIP) at the end of its last tax year (if negative, use brackets) .....	_____	21
Eligible dividends paid in its last tax year .....	_____	22
Excessive eligible dividend designations made in its last tax year .....	_____	23
Subtotal (amount 22 <b>minus</b> amount 23) (if negative, enter "0") .....	_____ ▶	24
Subtotal (amount 21 <b>minus</b> amount 24) (if negative, use brackets) .....	_____ ▶	25
Subtotal ( <b>add</b> amounts 17, 18, 19, 20, and 25) (if negative, use brackets) .....	_____ ▶	26
Adjustment for a predecessor corporation that was a CCPC or a DIC in its last tax year (amount 16 <b>minus</b> amount 26) (if negative, enter "0") .....	_____	27
<b>For a predecessor corporation that was neither a CCPC nor a DIC in its tax year that ended immediately before the amalgamation</b>		
LRIP at the end of its last tax year .....	_____	28
<b>Adjustment for a predecessor corporation involved in an amalgamation</b> (amount 27 <b>plus</b> amount 28) .....	_____	29
Calculate amount 29 for <b>each</b> predecessor.		

**Part 6 – Worksheet for adjustment when a corporation has wound-up a subsidiary**

- Complete this part if the corporation is the parent corporation (parent) that is neither a CCPC nor a DIC in a tax year and has, in the year, received all or substantially all of the assets on dissolution or wind-up of a subsidiary. Complete a separate worksheet for **each** subsidiary involved in the wind-up.
- This adjustment to the parent's LRIP can be made at any time in the tax year that is at or after the end of the subsidiary's last tax year.
- The last tax year for the subsidiary was its tax year during which its assets were distributed to the parent corporation on the wind-up.
- Keep a copy of this calculation for your records in case we ask to see it later.

**For a subsidiary that was a CCPC or a DIC in its last tax year**

Cost amount to the subsidiary of all property immediately before the end of its last tax year	_____	1
The subsidiary's cash on hand immediately before the end of its last tax year	_____	2
Total of subsection 111(1) losses that would have been deductible in computing the subsidiary's taxable income for its last tax year if the subsidiary had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for its last tax year:		
Non-capital losses	_____	3
Net capital losses	_____	4
Farm losses	_____	5
Restricted farm losses	_____	6
Limited partnership losses	_____	7
Subtotal (add amounts 3 to 7)	_____ ▶	8
Total of all amounts deducted under subsection 111(1) in computing the subsidiary's taxable income for the last tax year:		
Non-capital losses	_____	9
Net capital losses	_____	10
Farm losses	_____	11
Restricted farm losses	_____	12
Limited partnership losses	_____	13
Subtotal (add amounts 9 to 13)	_____ ▶	14
Unused and unexpired losses at the end of the subsidiary's last tax year (amount 8 <b>minus</b> amount 14) (if negative, enter "0")	_____ ▶	15
Subtotal (add amounts 1, 2, and 15)	_____ ▶	16
All of the subsidiary's debts and other obligations to pay that were outstanding immediately before the end of its last tax year	_____	17
Paid up capital of all the subsidiary's issued and outstanding shares of capital stock immediately before the end of its last tax year	_____	18
All of the subsidiary's reserves deducted in its last tax year	_____	19
The subsidiary's capital dividend account immediately before the end of its last tax year if the parent is <b>not</b> a private corporation in the tax year	_____	20
The subsidiary's general rate income pool (GRIP) at the end of its last tax year (if negative, use brackets)	_____	21
Eligible dividends paid in its last tax year	_____	22
Excessive eligible dividend designations made in its last tax year	_____	23
Subtotal (amount 22 <b>minus</b> amount 23) (if negative, enter "0")	_____ ▶	24
Subtotal (amount 21 <b>minus</b> amount 24) (if negative, use brackets)	_____ ▶	25
Subtotal (add amounts 17, 18, 19, 20, and 25) (if negative, use brackets)	_____ ▶	26
Adjustment for a subsidiary that was a CCPC or a DIC in its last tax year (amount 16 <b>minus</b> amount 26) (if negative, enter "0")	_____	27
<b>For a subsidiary that was neither a CCPC nor a DIC in its last tax year</b>		
LRIP at the end of its last tax year	_____	28
<b>Adjustment for a subsidiary involved in a wind-up</b> (amount 27 <b>plus</b> amount 28)	_____	29

Calculate amount 29 for **each** subsidiary.