

Saskatchewan Farm and Small Business Capital Gains Tax Credit (Trusts)

- This tax credit applies only to spousal or common-law partner trusts that are resident in Saskatchewan on the last day of the trust's 2015 tax year and that have not elected to defer the deemed disposition date. The credit can only be claimed in the year the beneficiary spouse or common-law partner died. The credit does not apply to joint spousal or common-law partner or alter ego trusts.
- Do not** complete this form if:
 - for testamentary trusts or grandfathered inter vivos trusts, the taxable income on line 56 of the T3 return is \$44,028 or less; **or**
 - the total of lines 1 and 2 on T3 Schedule 1, and lines 1, 2, 10, and 11 on T3 Schedule 2, is zero or negative.
- On this form, **qualified taxable capital gains** are the net taxable capital gains from the disposition of (or reserves from) qualified farm property (QFP) and qualified small business corporation shares (QSBCS).
- Attach a copy of this form to the *T3 Trust Income Tax and Information Return*.

Step 1 – Eligible taxable capital gains

Qualified taxable capital gains

Taxable capital gains included on line 01 of the T3 return				1
Deemed dispositions (line 11 of the T3 return)	+			2
Subtotal (line 1 plus line 2)	=			3
Net capital losses of other years (line 52 of the T3 return)	-			4
Total (line 3 minus line 4)	=			5
Capital gains (losses) included on lines 1 and 2 of T3 Schedule 1, and lines 1 and 2 of Form T1055 (do not include amounts related to dispositions of fishing property)			6	
Capital gains (losses) from reserves on QFP and QSBCS (lines 1, 2, 10, and 11 of T3 Schedule 2)	+		7	
Subtotal (line 6 plus line 7)	=		8	
Line 8 multiplied by 1/2	x	1/2	=	9
Deemed total taxable capital gains on disposition of eligible capital property: QFP (included on line 07 of the T3 return)	+			10
Taxable capital gains on qualified farm property and qualified small business corporation shares Line 9 plus line 10 (if negative, enter "0")	=			11
Amount from line 5 or line 11, whichever is less .				12
Total of amounts from lines 930 and 9301 of T3 Schedule 9 (do not include amounts related to dispositions of fishing property)	-			13
Qualified taxable capital gains (line 12 minus line 13) If the amount is negative or zero, no credit is allowed – do not continue.	=			14

Eligible taxable capital gains

Qualified taxable capital gains (enter the amount from line 14 above)				15
Capital gains deductions (line 53 of the T3 return)	-			16
Eligible taxable capital gains (line 15 minus line 16) If the amount is negative or zero, no credit is allowed – do not continue.	=			17

Step 2 – Adjusted Saskatchewan tax

Taxable income from line 56 of the T3 return				18
Eligible taxable capital gains (line 17 above)	-			19
Adjusted taxable income (line 18 minus line 19)	=			20

Testamentary trusts or grandfathered inter vivos trusts

Use the amount from line 20 to determine which **one** of the following columns you have to complete.

	\$44,028 or less	more than \$44,028, but not more than \$125,795	more than \$125,795	
If the amount from line 20 is:				
Enter the amount from line 20 above.	21			21
Base amount	22			22
Line 21 minus line 22	23			23
Tax rate	24	x		24
Multiply line 23 by line 24.	25	=		25
Tax on base amount	26	+		26
Saskatchewan tax on adjusted taxable income (line 25 plus line 26)	27	=		27

Inter vivos trusts (other than grandfathered)

Saskatchewan tax on adjusted taxable income line 20		x	15% =				28
Tax on adjusted taxable income (line 27 or line 28, whichever applies)					29		
Tax on eligible taxable capital gains line 17		x	11% =		30		
Adjusted Saskatchewan tax (line 29 plus line 30)		=			31	▶	

Step 3 – Tax credit

Saskatchewan tax on taxable income from line 8 or line 9 of Form T3SK, <i>Saskatchewan Tax</i> , whichever applies				32
Adjusted Saskatchewan tax (line 31 above)	-			33
Saskatchewan farm and small business capital gains tax credit (line 32 minus line 33) Enter this amount on line 14 of Form T3SK.	=			34