



# NEWFOUNDLAND CORPORATE TAX REDUCTION FOR NEW SMALL BUSINESSES

|                     |                |                   |       |      |
|---------------------|----------------|-------------------|-------|------|
| Name of corporation | Account number | Taxation year-end |       |      |
|                     |                | Day               | Month | Year |
|                     |                |                   |       |      |

- The Newfoundland corporate tax reduction for new small businesses applies to the first three taxation years of a newly incorporated Canadian-controlled private corporation incorporated in Newfoundland after April 2, 1987 and before April 3, 1991.
- The corporation has to be a Canadian-controlled private corporation throughout the year and maintain a permanent establishment in Newfoundland at any time during the year.
- The corporation can never have been associated with any other corporation since its date of incorporation. However, associated corporations may have their ineligibility waived by the provincial Minister of Finance.
- Corporations can only claim this reduction if they are, for this taxation year, eligible to claim a federal small business deduction under subsection 125(1) of the federal *Income Tax Act*.
- Corporations have to file one completed copy of this form and the certified application form issued by the province with the T2 *Corporation Income Tax Return*.

### Calculation of Newfoundland corporate tax reduction for new small businesses

|  |       |       |   |       |       |       |     |
|--|-------|-------|---|-------|-------|-------|-----|
| Least of amounts from lines 223, 225, and 227 of the small business deduction calculation on page 3 of the T2 return ..... |       | _____ | (A)   |       |       |       |     |
| Amount A   | _____ | X     | $\frac{\text{Taxable income earned in Newfoundland}}{\text{Taxable income earned in all provinces}}$                    | _____ | =     | _____ | (B) |
| Amount B   | _____ | X     | $\frac{\text{Number of days in the taxation year before January 1, 1993}}{\text{Number of days in the taxation year}}$  | _____ | X 10% | _____ | (C) |
| Amount B   | _____ | X     | $\frac{\text{Number of days in the taxation year after December 31, 1992}}{\text{Number of days in the taxation year}}$ | _____ | X 5%  | _____ | (D) |
| Newfoundland corporate tax reduction<br>Total of amounts C and D .....   |       |       |   | _____ |       | (E)   |     |

Enter amount E on line **669** of Schedule T2S-TC.

### Certification

Signature only required if this form is filed separately from signed T2 return.

I, \_\_\_\_\_, certify that the information given on this form is, to the best of my knowledge, correct and complete. (Please print)

|      |                                |                    |
|------|--------------------------------|--------------------|
|      |                                |                    |
| Date | Signature of authorized person | Position or office |