



CALCULATION OF PART VI.1 TAX DEDUCTION

- For use by corporations claiming a deduction in respect of tax payable under Part VI.1 of the Income Tax Act on taxable dividends (other than excluded dividends) paid on taxable preferred shares in the 1989 and 1990 taxation years where the taxation year commences before 1990.
- File one completed copy of this form with the corporation's 1989 and/or 1990 T2 return, as applicable.
- The term "Part VI.1 dividends paid" in this form refers to taxable dividends (other than excluded dividends) paid on taxable preferred shares.

Name of Corporation	Account Number	Taxation Year End		
		Day	Month	Year
				1 9

AREA 1 – FOR 1989 TAXATION YEARS WHERE NO PART VI.1 TAX LIABILITY HAS BEEN TRANSFERRED FROM A RELATED CORPORATION

Part VI.1 tax payable (amount in line 133 of the T2 return) X 5/2 = (A)

Enter amount (A) on line 120 on page 1 of the T2 return.

AREA 2 – FOR 1989 TAXATION YEARS WHERE A PART VI.1 TAX LIABILITY HAS BEEN TRANSFERRED FROM A RELATED CORPORATION (TRANSFEROR) IN RESPECT OF PART VI.1 DIVIDENDS PAID IN THE TRANSFEROR'S TAXATION YEAR AND AFTER 1989

Part VI.1 tax payable (amount in line 133 of the T2 return) X 5/2 = (A)

Total Part VI.1 tax liability transferred from related corporation(s)
(amount (I) on form T761) (B)

Part VI.1 dividends paid by the transferor in its taxation year and after 1989 in
excess of its dividend allowance for the year (C)

Part VI.1 dividends paid by the transferor in its taxation year in excess of its dividend
allowance for the year (D)

Amount (B) X $\frac{\text{Amount (C)}}{\text{Amount (D)}}$ X 1/4 = (E)

Part VI.1 tax deduction: Amount (A) minus amount (E) = (F)

Enter amount (F) on line 120 on page 1 of the T2 return.

AREA 3 – FOR 1990 TAXATION YEARS COMMENCING BEFORE 1990

Part VI.1 tax payable (amount in line 133 of the T2 return) X 9/4 = (A)

Part VI.1 tax liability excluding amounts transferred from related corporations
(amount (D), (F) and (H) on form T761) (B)

Part VI.1 dividends paid by the corporation in the taxation year and
before 1990 (C)

Part VI.1 dividends paid by the corporation in the taxation year in excess of its
dividend allowance (D)

Amount (B) X $\frac{\text{Lesser of (C) and (D)}}{\text{Amount (D)}}$ X 1/4 = (E)

Part VI.1 tax liability transferred from related corporation(s)
(amount (I) on form T761) (F)

Part VI.1 dividends paid by the transferor in its taxation year and
before 1990 (G)

Part VI.1 dividends paid by the transferor in its taxation year in excess of its dividend
allowance for the year (H)

Amount (F) X $\frac{\text{Lesser of (G) and (H)}}{\text{Amount}}$ X 1/4 = (I)

Part VI.1 tax deduction: Total of amount (A), (E) and (I) = (J)

Enter amount (J) at line 120 on page 1 of the T2 return.