Ontario

Ministry of Finance
Corporations Tax
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

Ontario Manufacturing and Processing Profits Credit

Schedule 27

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End

For use by a corporation where the active business income is greater than $250,000.

Calculation of Ontario Eligible Canadian profits

$$\frac{\text{MC} + \text{ML}}{\text{C} + \text{L}} \times \text{ADJUBI} = \text{ECP}$$

Transfer to box 120 *of the CT23*

Where:

MC = Cost of manufacturing and processing capital from federal Schedule T2SCH27, plus farming, fishing, logging and mining.

C = Cost of capital from federal Schedule T2SCH27.

ML = Cost of manufacturing and processing labour from federal Schedule T2SCH27, plus farming, fishing, logging and mining labour.

L = Cost of labour from federal T2SCH27.

ECP = Eligible Canadian Profits.

ADJUBI = Adjusted Business Income

Net Income for Ontario	+	A
Deduct: Foreign Business Income (from T2SCH7)	–	
Taxable Capital Gains minus Allowable Capital Losses (from T2SCH7)	–	
Net Property Income (from T2SCH7)	–	
Personal Service Business Income (from T2SCH7)	–	
Other	–	
Net Resource Income from Oil and Gas Operations (Add: % of prescribed resource loss and refund interest, federal Regulation 5203(4))	–	
Income (loss) from active business for Ontario	=	B

A = ADJUBI where the corporation has no investment or dividend income.

B = ADJUBI where the corporation has dividend and/or investment income.

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