



**Applies only to Taxation Years
Ending on or after October 1, 2001**

The 2001 Ontario Budget and the Premier's October 1, 2001 announcement contained tax changes affecting the CT23 Short-Form returns, listed below:

- 1 Decrease in the General Ontario Corporate Income Tax Rate;
- 2 Incentive Deduction for Small Business Corporations.

If your corporation is filing a tax return for a taxation year ending on or after October 1, 2001 and either item above applies to your corporation, you must use the calculations below and attach the Update to your tax return. Do not use the calculations in the corresponding sections on the 2001 version of the CT23 Short-Form return for these items.

Originally these measures were announced in the 2001 Ontario Budget and received legislative authority, through Bill 45, which received Royal Assent on June 29, 2001. The acceleration of these measures as announced by the Premier

on October 1, 2001 received legislative authority through Bill 127.

The Premier's announcement on October 1, 2001 accelerated a number of tax rate cuts that were to take effect January 1, 2002, to a new effective date of October 1, 2001. The items that directly impact the CT23 Short-Form are the general income tax rate for corporations being cut from 14% to 12.5% effective October 1, 2001 and the consequential adjustments to the Incentive Deduction for Small Business Corporations.

Income Tax Line on page 4 of the 2001 CT23 Short-Form

DOLLARS ONLY

		Number of Days in Taxation Year	
Taxable Income		Days after May 1, 2000 and before Jan. 1, 2001	Total Days
From <input type="text" value="10"/> <input type="text" value="0000000000"/> X <input type="text" value="30"/> <input type="text" value="100000000000"/> % X 14.5% X		<input type="text" value="24"/> <input type="text" value="0000000000"/> ÷ <input type="text" value="73"/> <input type="text" value="0000000000"/>	= + <input type="text" value="25"/> <input type="text" value="0000000000"/>
	Ontario Allocation		
From <input type="text" value="10"/> <input type="text" value="0000000000"/> X <input type="text" value="30"/> <input type="text" value="100000000000"/> % X 14.0% X		Days after Dec. 31, 2000 and before Oct. 1, 2001	Total Days
	Ontario Allocation	<input type="text" value="26"/> <input type="text" value="0000000000"/> ÷ <input type="text" value="73"/> <input type="text" value="0000000000"/>	= + <input type="text" value="27"/> <input type="text" value="0000000000"/>
From <input type="text" value="10"/> <input type="text" value="0000000000"/> X <input type="text" value="30"/> <input type="text" value="100000000000"/> % X 12.5% X		Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days
	Ontario Allocation	<input type="text" value="28"/> <input type="text" value="0000000000"/> ÷ <input type="text" value="73"/> <input type="text" value="0000000000"/>	= + <input type="text" value="29"/> <input type="text" value="0000000000"/>
From <input type="text" value="10"/> <input type="text" value="0000000000"/> X <input type="text" value="30"/> <input type="text" value="100000000000"/> % X 11.0% X		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days
	Ontario Allocation	<input type="text" value="31"/> <input type="text" value="0000000000"/> ÷ <input type="text" value="73"/> <input type="text" value="0000000000"/>	= + <input type="text" value="32"/> <input type="text" value="0000000000"/>
Income Tax Payable (before deduction of tax credits)		<input type="text" value="25"/> + <input type="text" value="27"/> + <input type="text" value="29"/> + <input type="text" value="32"/>	= <input type="text" value="40"/> <input type="text" value="0000000000"/>
			Transfer to <input type="text" value="40"/> on page 4 of the 2001 CT23 Short-Form

Calculation of IDSBC Rate Line on page 4 of the 2001 CT23 Short-Form

		Number of Days in Taxation Year	
- - - 7.5% X		Days after Dec. 31, 1999 and before Oct. 1, 2001	Total Days
		<input type="text" value="76"/> <input type="text" value="0000000000"/> ÷ <input type="text" value="73"/> <input type="text" value="0000000000"/>	= + <input type="text" value="77"/> <input type="text" value="0000000000"/>
- - - 6.5% X		Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days
		<input type="text" value="28"/> <input type="text" value="0000000000"/> ÷ <input type="text" value="73"/> <input type="text" value="0000000000"/>	= + <input type="text" value="79"/> <input type="text" value="0000000000"/>
- - - 5.5% X		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days
		<input type="text" value="31"/> <input type="text" value="0000000000"/> ÷ <input type="text" value="73"/> <input type="text" value="0000000000"/>	= + <input type="text" value="89"/> <input type="text" value="0000000000"/>
IDSBC Rate for Taxation Year		<input type="text" value="77"/> + <input type="text" value="79"/> + <input type="text" value="89"/>	= <input type="text" value="78"/> <input type="text" value="0000000000"/>
			Transfer to <input type="text" value="78"/> on page 4 of the 2001 CT23 Short-Form