

Income Tax *continued from Page 2*

Calculation of Specified Rate for Surtax

Line 94 on page 5 of the 2001 CT23 or page 3 of the 2001 CT8

		Number of Days in Taxation Year			
- - - -	5.0% X	Days after Dec. 31, 1999 and before Oct. 1, 2001	Total Days	= +	93
		76	73		
- - - -	4.333% X	Days after Sept. 30, 2001 and before Jan 1, 2003	Total Days	= +	95
		28	73		
- - - -	3.667% X	Days after Dec 31, 2002 and before Jan 1, 2004	Total Days	= +	96
		31	73		
Specified rate of surtax for Taxation Year		93	+ 95	+ 96	= 94

Transfer to 94 on page 5 of the 2001 CT23, or page 3 of the 2001 CT8

Manufacturing and Processing Profits Credit Line 160 on page 6 of the 2001 CT23

		Number of Days in Taxation Year			
From 143 on page 6 of the 2001 CT23	X From 30	Days before Oct. 1, 2001	Total Days	= +	153
	Ontario Allocation	152	73		
From 143 on page 6 of the 2001 CT23	X From 30	Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days	= +	154
	Ontario Allocation	28	73		
From 143 on page 6 of the 2001 CT23	X From 30	Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days	= +	155
	Ontario Allocation	31	73		
M&P claim for taxation year		153	+ 154	+ 155	= 160

Transfer to 160 on page 6 of the 2001 CT23

Calculation of Capital Tax for all corporations except Financial Institutions.

This 2001/2002 Update Form replaces the Capital Tax Calculations on pages 10-13 in the 2001 CT23.

- Important:** If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only **Section A** below.
- OR** If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in **Section B** of the Update Form and select and complete the one specific subsection (e.g. B4) that applies to the corporation.
- OR** If the corporation IS a member of an associated group and/or partnership, complete **Section C** of the Update Form. Next review, and if applicable, complete **Section D** of the Update Form. If **Section D** is not applicable review **Section E** of this Update Form and complete the applicable subsection: either **E1** or **E2**. Note: if the corporation is a member of a connected partnership, please refer to the 2001 CT23 guide for additional instructions before completing the capital tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution.

Enter NIL in 550 on page 13 of the 2001 CT23 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership.

- B1.** If the taxation year end is before January 1, 2001 and 430 and 480 on page 10 of the 2001 CT23 are both \$1,000,000 or less, enter NIL in 550 on page 13 of the 2001 CT23 and complete the return from that point.
- B2.** If the taxation year end is after December 31, 2000 and 430 and 480 on page 10 of the 2001 CT23 are both \$1,500,000 or less, enter NIL in 550 on page 13 of the 2001 CT23 and complete the return from that point.
- B3.** If the taxation year commences after September 30, 2001 and 430 and 480 on page 10 of the 2001 CT23 are both \$3,000,000 or less, enter NIL in 550 on page 13 of the 2001 CT23 and complete the return from that point.
- B4.** If taxable capital, 470 on page 10 of the 2001 CT23, is \$2,000,000 or less, enter NIL in 550 on page 13 of the 2001 CT23 and complete the return from that point.

continued on Page 4

Capital Tax Calculation *continued from Page 3*

B5. If taxable capital, [470] on page 10 of the 2001 CT23, exceeds **\$2,000,000** but is **\$5,000,000 or less**, complete the following calculations and transfer the total From [508] of this 2001/2002 Update Form to [543] on page 13 of the 2001 CT23, and complete the return from that point.

▼ **Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001**

+ (a) From [470] _____ • X 0.3% = + [490] _____

Deduct:

[\$2,800,000 - [From [470] _____] • X 0.75% = - [493] _____

If 2,800,000 - [470] is negative, enter NIL in [493]

([506] = [490] - [493]) = [506] _____ • X From [30] [| | | | |] % X [553] _____ = + [507] _____

Ontario Allocation ****365 (366 if leap year)**

Days in taxation year after Dec 31, 1999 and before Jan 1, 2001

▼ **Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001**

+ (b) From [470] _____ • X 0.3% = + [490] _____

Deduct:

[\$3,200,000 - [From [470] _____] • X 0.5% = - [495] _____

If 3,200,000 - [470] is negative, enter NIL in [495]

([509] = [490] - [495]) = [509] _____ • X From [30] [| | | | |] % X [558] _____ = + [522] _____

Ontario Allocation ****365 (366 if leap year)**

Days in taxation year after Dec. 31, 2000 and before Oct. 1, 2001

▼ **Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001**

+ (c) Capital Tax for that portion of a taxation year after September 30, 2001 for a corporation whose taxable capital is \$5,000,000 or less and that is not associated, is NIL. - - - - - + [NIL] _____

= Total Capital Tax for the taxation year [507] + [522] - - - - - = [508] _____

Transfer to [543] on page 13 of the 2001 CT23 and complete the return from that point

B6. If taxable capital, [470] on page 10 of the 2001 CT23 exceeds **\$5,000,000**, complete the following calculations and transfer the amount From [508] of this 2001/2002 Update Form to [543] on page 13 of the 2001 CT23, and complete the return from that point.

▼ **Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001**

+ (a) From [470] _____ • X From [30] [| | | | |] % X 0.3% X [559] _____ - - - - - = + [502] _____

Ontario Allocation ****365 (366 if leap year)**

Days in taxation year before October 1, 2001

▼ **Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001**

+ (b) + From [470] _____

- 5,000,000 _____

= [471] _____ • X From [30] [| | | | |] % X 0.3% X [560] _____ = + [523] _____

Ontario Allocation ****365 (366 if leap year)**

Days in taxation year after September 30, 2001

= Total Capital Tax for the taxation year [502] + [523] - - - - - = [508] _____

Transfer to [543] on page 13 of the 2001 CT23 and complete the return from that point

Capital Tax Calculation *continued from Page 4*

SECTION C

If the corporation is a member of an associated group and/or partnership, complete the following two aggregate taxable capital calculations as applicable, and () (Yes)

Note: Calculation #2 is not required if the taxation year commences after September 30, 2001.

Taxable Capital From on page 10 of the 2001 CT23 - - - - - + From

Calculation 1

Determine aggregate taxable capital of an associated group and/or partnership having a permanent establishment in Canada

Names of associated corporations or related partners having a permanent establishment in Canada (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (If applicable)	Taxation Year End	Taxable Capital
<input type="text"/>	<input type="text"/>	<input type="text"/>	+ <input type="text" value="531"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	+ <input type="text" value="532"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	+ <input type="text" value="533"/>
+ Aggregate Taxable Capital <input type="text" value="470"/> + <input type="text" value="531"/> + <input type="text" value="532"/> + <input type="text" value="533"/> , etc. - - - - -			= <input type="text" value="540"/>

If above is \$5,000,000 or less, the corporation's Capital Tax for the portion of the taxation year after September 30, 2001, is NIL. Enter NIL in in E1(c) or E2(b) on page 6 of this Update form, as applicable.

If above is greater than \$5,000,000, the corporation must compute its share of the \$5,000,000 exemption below in order to calculate its Capital Tax for the portion of the taxation year after September 30, 2001.

From ÷ From X 5,000,000 - - - - - =

Transfer to Section E2(b) on page 6 of this 2001/2002 Update Form

Calculation 2

Determine aggregate taxable capital of an associated group and/or partnership that does NOT have a permanent establishment in Canada

Names of Canadian & Foreign associated corporations or related partners with no permanent establishment in Canada (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (If applicable)	Taxation Year End	Taxable Capital
<input type="text"/>	<input type="text"/>	<input type="text"/>	+ <input type="text" value="511"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	+ <input type="text" value="512"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	+ <input type="text" value="513"/>
+ <input type="text" value="511"/> + <input type="text" value="512"/> + <input type="text" value="513"/> , etc. - - - - -			= <input type="text" value="514"/>
Total Aggregate Taxable Capital <input type="text" value="540"/> + <input type="text" value="514"/> - - - - -			= <input type="text" value="520"/>

If above is greater than \$2,000,000, and less than \$3,200,000 and a portion of the taxation year is before October 1, 2001, the corporation must compute the following ratio.

From ÷ From - - - - - =

Transfer to section E1(a) and/or (b) as applicable, on page 6 of this 2001/2002 Update Form

Note: cannot exceed 1.00000

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, above, is \$2,000,000 or less.

Enter NIL in on page 13 of the 2001 CT23 and complete the return from that point.

SECTION E

DOLLARS ONLY

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, [520] on page 5 of this 2001/2002 Update Form, exceeds \$2,000,000.

E1. If total aggregate taxable capital [520] on page 5 of this 2001/2002 Update Form, exceeds \$2,000,000 but is \$3,200,000 or less, complete the following calculations and transfer the total From [508] of this 2001/2002 Update Form to [543] on page 13 of the 2001 CT23, and complete the return from that point.

▼ Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 1999 and before January 1, 2001

(a) From [470] X 0.3% = + [490]

Deduct: $\left[\$2,800,000 - \text{From [520]} \right] \times 0.75\% \times \left[\frac{\text{From [521]} - [493]}{[506]} \right] = - [493]$

([506] = [490] - [493]) = [506] X [30] % X [553] = + [507]

Ontario Allocation **365 (366 if leap year)

If 2,800,000 - [520] is negative, enter NIL in [493]

Days in taxation year after Dec. 31, 1999 and before Jan. 1, 2001

▼ Calculation: Portion of Capital Tax relating to the days in the taxation year after December 31, 2000 and before October 1, 2001

(b) From [470] X 0.3% = + [490]

Deduct: $\left[\$3,200,000 - \text{From [520]} \right] \times 0.5\% \times \left[\frac{\text{From [521]} - [495]}{[509]} \right] = - [495]$

([509] = [490] - [495]) = [509] X [30] % X [557] = + [522]

Ontario Allocation **365 (366 if leap year)

If 3,200,000 - [520] is negative, enter NIL in [495]

Days in taxation year after Dec. 31, 2000 and before Oct. 1, 2001

▼ Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(c) Capital tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose total aggregate taxable capital ([540] on page 5 of this 2001/2002 Update Form) is \$5,000,000 or less, is NIL. Enter NIL = + [523]

Total Capital Tax for the taxation year [507] + [522] + [523] = [508]

Transfer to [543] on page 13 of the 2001 CT23 and complete the return from that point

E2. If the total aggregate taxable capital [520] on page 5 of this 2001/2002 Update Form, exceeds \$3,200,000 complete the following calculations and transfer the amount From [508] to [543] on page 13 of the 2001 CT23, and complete the return from that point.

▼ Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

(a) From [470] X From [30] % X 0.3% X [555] = + [502]

Ontario Allocation **365 (366 if leap year)

Days in taxation year before Oct. 1, 2001

▼ Calculation: Portion of Capital Tax relating to the days in the taxation year after September 30, 2001

(b)+ From [470] - From [541] (Section C) = [471] X From [30] % X 0.3% X [560] = + [523]

Ontario Allocation **365 (366 if leap year)

Days in taxation year after September 30, 2001

Total Capital Tax for the taxation year [502] + [523] = [508]

Transfer to [543] on page 13 of the 2001 CT23 and complete the return from that point

Add-Back to Income re: Management Fees, etc. to Non-arms Length Non-residents

Line [613] on page 15 of the 2001 CT23 or page 9 of the 2001 CT8

Number of Days in Taxation Year

Days after May 1, 2000 and before Jan. 1, 2001 Total Days

[612] X 5/14.5 X $\left[\frac{[24]}{[73]} \right] = + [631]$

Days after Dec. 31, 2000 and before Oct. 1, 2001 Total Days

[612] X 5/14.0 X $\left[\frac{[26]}{[73]} \right] = + [632]$

Days after Sept. 30, 2001 and before Jan. 1, 2003 Total Days

[612] X 5/12.5 X $\left[\frac{[28]}{[73]} \right] = + [633]$

Days after Dec. 31, 2002 and before Jan. 1, 2004 Total Days

[612] X 5/11.0 X $\left[\frac{[31]}{[73]} \right] = + [634]$

Total add-back amount for Management fees, etc. [631] + [632] + [633] + [634] = [613] *Transfer to [613] on page 15 of the 2001 CT23, or page 9 of the 2001 CT8*