Provincial or territorial foreign tax credit

- Use this page to calculate your provincial or territorial foreign tax credit.

- Complete a separate calculation for each province or territory for which you are claiming the credit. If you have foreign non-business income from more than one country, complete a separate calculation for each country and total these calculations to determine the credit for the applicable province or territory.

Province or territory for which you are claiming this credit _____

Country of source of foreign non-business income _____

Part 9 – Calculation of provincial or territorial foreign tax credit

Foreign non-business income tax available for provincial or territorial foreign tax credit:

Foreign non-business income tax paid for the year (amount from column C in Part 1) . . . . _____ A

Deduct:

Foreign non-business income tax paid, deducted from income
under subsection 20(12) (amount from column D in Part 1) . . . . _____ B

Subtotal (amount A **minus** amount B) (amount from column E in Part 1) _____ C

Federal foreign non-business income tax credit deductible (amount from column I in Part 1) . . . . . _____ D

Foreign non-business income tax credit available (amount C **minus** amount D) . . . . _____ E

Note: If amount E is zero, no provincial or territorial foreign tax credit may be claimed in respect of the foreign country.

Amount E _____ × $\dfrac{\text{taxable income earned in the province or territory *}}{\text{taxable income **}}$ _____ = ... _____ F

Limit on amount of foreign non-business income taxes that can be claimed:

Net foreign non-business income earned in the year (amount from column B in Part 1) . . . . _____ G

Amount G _____ × provincial or territorial tax rate _____% *** . . . . _____ H

Amount H _____ × $\dfrac{\text{taxable income earned in the province or territory *}}{\text{taxable income ****}}$ _____ = ... _____ I

Provincial or territorial foreign tax credit (lesser of amount F and amount I) . . . . _____ J

Enter amount J on the corresponding line in Part 2 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you have more than one calculation of the credit for a province or territory, enter the total credits calculated on the corresponding line in Part 2 of Schedule 5.

For Ontario, if the corporation is not a life insurance corporation, also enter amount J on line 550 of Schedule 510, *Ontario Corporate Minimum Tax*.

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* Enter the amount allocated to the province or territory in column F from Part 1 of Schedule 5. For Nova Scotia and Newfoundland and Labrador, include their respective offshore areas. For Ontario, if the corporation's taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

** Exclude taxable income earned outside Canada. For Ontario, if the corporation's taxable income is nil, enter "1,000."

*** For all provinces and territories except Ontario, use the higher tax rate. If the rate has changed during the tax year, use the average rate based on the number of days in the tax year before and after the change. For Ontario, use the basic rate of tax calculated in Part 1 of Schedule 500, *Ontario Corporation Tax Calculation*.

**** Enter the amount from line 360 or line Z, whichever applies, from page 3 of the *T2 Corporation Income Tax Return*. For Ontario, if the corporation's taxable income is nil, enter "1,000."