



## Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculations (2016 and later tax years)

Corporation's name	Business number	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="3" style="text-align: center; font-size: small;">Tax year-end</td> </tr> <tr> <td style="text-align: center; font-size: x-small;">Year</td> <td style="text-align: center; font-size: x-small;">Month</td> <td style="text-align: center; font-size: x-small;">Day</td> </tr> <tr> <td style="text-align: center;">     </td> <td style="text-align: center;">   </td> <td style="text-align: center;">     </td> </tr> </table>	Tax year-end			Year	Month	Day			
Tax year-end											
Year	Month	Day									

- Corporations must use this schedule to report:
  - non-taxable dividends under section 83;
  - deductible dividends under subsection 138(6);
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a),(a.1), (b) or (d); or
  - taxable dividends paid in the tax year that qualify for a dividend refund (see page 3).
- All legislative references are to the federal *Income Tax Act*.
- The calculations in this schedule apply only to private or subject corporations.
- A recipient corporation is **connected** with a payer corporation at any time in a tax year, if at that time the recipient corporation:
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- If you need more space, continue on a separate schedule.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.

### Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
- Complete columns B, C, D, H and I **only if** the payer corporation is **connected**.

#### Important instructions to follow if the payer corporation is connected

- If your corporation's tax year-end is different than that of the **connected** payer corporation, dividends could have been received from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information according to each tax year of the payer corporation.
- When completing column J and K use the **special calculations provided in the notes**.

	A Name of payer corporation (from which the corporation received the dividend)	B Enter 1 if payer corporation is <b>connected</b>	C Business Number of <b>connected</b> corporation
	<b>200</b>	<b>205</b>	<b>210</b>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			

	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYY/MM/DD	E Non-taxable dividends under section 83	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1), (b), or (d) <sup>note 1</sup>	G Dividends included in column F that was received <b>before 2016</b>
	<b>220</b>	<b>230</b>	<b>240</b>	<b>241</b>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				

**Total of column E** \_\_\_\_\_  
(enter amount on line 402 of Schedule 1)

**Total of column F** \_\_\_\_\_  
(include this amount on line 320 of the T2 Return)

<sup>1</sup> If taxable dividends are received, enter the amount in column 240, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column 270 or column 275 as applicable according to the date received. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

**Part 1 – Dividends received in the tax year (continued)**

	H Total taxable dividends paid by <b>connected</b> payer corporation (for tax year in column D)  <b>250</b>	I Dividend refund of the <b>connected</b> payer corporation (for tax year in column D) <sup>note 2</sup>  <b>260</b>	J Part IV tax before deductions. Dividends (from column G) received <b>before 2016 multiplied</b> by 33 1/3% <sup>note 3</sup>  <b>270</b>	K Part IV tax before deductions. Dividends received <b>after 2015</b> (column F <b>minus</b> column G) <b>multiplied</b> by 38 1/3% <sup>note 4</sup>  <b>275</b>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				

**Total of column J** \_\_\_\_\_  
(enter amount on line a in Part 2)

**Total of column K** \_\_\_\_\_  
(enter amount on line b in Part 2)

- 2 If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.
- 3 For dividends received **before** 2016 from **connected** corporations, Part IV tax on dividends is equal to: column G **multiplied** by column I **divided** by column H.
- 4 For dividends received **after** 2015 from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by the result of column F **minus** column G.

**Part 2 – Calculation of Part IV tax payable**

Part IV tax on dividends received **before** 2016, before deductions (total of column J in part 1) . . . . . \_\_\_\_\_ a  
 Part IV tax on dividends received **after** 2015, before deductions (total of column K in part 1) . . . . . \_\_\_\_\_ b  
 Part IV tax before deductions (amount a **plus** amount b) . . . . . \_\_\_\_\_ **L**

**Deduct:**  
 Part IV.I tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) . . . . . **320** \_\_\_\_\_  
 Subtotal (amount L **minus** line 320) \_\_\_\_\_ **M**

**Deduct:**  
 Current-year non-capital loss claimed to reduce Part IV tax . . . . . **330** \_\_\_\_\_ c  
 Non-capital losses from previous years claimed to reduce Part IV tax . . . . . **335** \_\_\_\_\_ d  
 Current-year farm loss claimed to reduce Part IV tax . . . . . **340** \_\_\_\_\_ e  
 Farm losses from previous years claimed to reduce Part IV tax . . . . . **345** \_\_\_\_\_ f  
 Total losses applied against Part IV tax (total of amounts c to f) \_\_\_\_\_ g

**If your tax year begins after December 31, 2015:**  
 Amount g **multiplied** by 38 1/3% . . . . . \_\_\_\_\_ h

**If your tax year begins before January 1, 2016:**  
 Amount b or M whichever is less . . . . . \_\_\_\_\_ ÷ 38 1/3% = \_\_\_\_\_ 1  
 Amount 1 or g, whichever is less . . . . . \_\_\_\_\_ 2  
 Amount g **minus** amount 2 . . . . . \_\_\_\_\_ 3  
 Amount 2 \_\_\_\_\_ × 38 1/3% = \_\_\_\_\_ i  
 Amount 3 \_\_\_\_\_ × 33 1/3% = \_\_\_\_\_ j  
 Subtotal (amount i **plus** amount j) \_\_\_\_\_ k

Amount h or amount k, whichever applies depending on your tax year start date . . . . . \_\_\_\_\_ **N**

**Part IV tax payable** (amount M **minus** amount N, if negative enter "0") . . . . . **360** \_\_\_\_\_  
 (enter amount on line 712 of the T2 return)

**Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund**

If your corporation's tax year-end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information according to each tax year of the recipient corporation.

O Name of connected recipient corporation	P Business Number	Q Tax year-end of connected recipient corporation in which the dividends in column R were received YYYY/MM/DD	R Taxable dividends paid to connected corporations
<b>400</b>	<b>410</b>	<b>420</b>	<b>430</b>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			

Total of column R \_\_\_\_\_

Total taxable dividends paid in the tax year to other than connected corporations ..... **450** \_\_\_\_\_

**Total taxable dividends paid in the tax year that qualify for a dividend refund**  
(total of column R plus line 450) ..... **460** \_\_\_\_\_

**Part 4 – Total dividends paid in the tax year**

Complete this part if the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460) is different from the total dividends paid in the tax year.

Total dividends paid in the tax year ..... **500** \_\_\_\_\_

**Deduct:**

Dividends paid out of capital dividend account ..... **510** \_\_\_\_\_

Capital gains dividends ..... **520** \_\_\_\_\_

Dividends paid on shares described in subsection 129(1.2) ..... **530** \_\_\_\_\_

Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year ..... **540** \_\_\_\_\_

Subtotal (total of lines 510 to 540) \_\_\_\_\_ ▶ \_\_\_\_\_ S

**Total taxable dividends paid in the tax year that qualify for a dividend refund** (Line 500 minus amount S) \_\_\_\_\_ T