



Prince Edward Island Corporation Tax Calculation (2021 and later tax years)

Corporation's name	Business number	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="3" style="text-align: center; border-bottom: 1px solid black;">Tax year-end</td> </tr> <tr> <td style="text-align: center; border-bottom: 1px solid black;">Year</td> <td style="text-align: center; border-bottom: 1px solid black;">Month</td> <td style="text-align: center; border-bottom: 1px solid black;">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									

- Use this schedule if your corporation had a **permanent establishment** (as defined in section 400 of the federal Income Tax Regulations) in Prince Edward Island, and had taxable income earned in the year in Prince Edward Island.
- This schedule is a worksheet only and does not have to be filed with your T2 Corporation Income Tax Return.

Part 1 – Income subject to Prince Edward Island lower and higher tax rates

Taxable income for Prince Edward Island ¹		1A
Income eligible for the Prince Edward Island lower tax rate:		
Line 400 of the T2 return		1B
Line 405 of the T2 return		1C
Line 428 of the T2 return		1D
Amount 1B, 1C or 1D, whichever is the least		1E
Amount 1E _____ × Taxable income for Prince Edward Island ¹ _____	=	1F
	Taxable income for all provinces ²	
Income subject to Prince Edward Island higher tax rate (amount 1A minus amount 1F)		1G

1: If your corporation had a permanent establishment only in Prince Edward Island, enter the taxable income from line 360 of the T2 return. Otherwise, enter the taxable income allocated to Prince Edward Island from column F in Part 1 of Schedule 5, Tax Calculation Supplementary – Corporations.

2: Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 2 – Prince Edward Island tax before credits

Prince Edward Island tax at the lower rate:												
Amount 1F _____	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Number of days in the tax year after December 31, 2019 and before January 1, 2021</td> <td style="text-align: center;">×</td> <td style="text-align: center;">3%</td> <td style="text-align: center;">=</td> <td style="width: 20%;"></td> </tr> <tr> <td style="text-align: center;">Number of days in the tax year</td> <td colspan="4"></td> </tr> </table>	Number of days in the tax year after December 31, 2019 and before January 1, 2021	×	3%	=		Number of days in the tax year					2A
Number of days in the tax year after December 31, 2019 and before January 1, 2021	×	3%	=									
Number of days in the tax year												
Amount 1F _____	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Number of days in the tax year after December 31, 2020 and before January 1, 2022</td> <td style="text-align: center;">×</td> <td style="text-align: center;">2%</td> <td style="text-align: center;">=</td> <td></td> </tr> <tr> <td style="text-align: center;">Number of days in the tax year</td> <td colspan="4"></td> </tr> </table>	Number of days in the tax year after December 31, 2020 and before January 1, 2022	×	2%	=		Number of days in the tax year					2B
Number of days in the tax year after December 31, 2020 and before January 1, 2022	×	2%	=									
Number of days in the tax year												
Amount 1F _____	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Number of days in the tax year after December 31, 2021</td> <td style="text-align: center;">×</td> <td style="text-align: center;">1%</td> <td style="text-align: center;">=</td> <td></td> </tr> <tr> <td style="text-align: center;">Number of days in the tax year</td> <td colspan="4"></td> </tr> </table>	Number of days in the tax year after December 31, 2021	×	1%	=		Number of days in the tax year					2C
Number of days in the tax year after December 31, 2021	×	1%	=									
Number of days in the tax year												
Prince Edward Island tax at the lower rate (amount 2A plus amount 2B, plus amount 2C) _____ ▶												
Prince Edward Island tax at the higher rate:												
Amount 1G _____	× 16%	=	2E									
Prince Edward Island tax before credits (amount 2D plus amount 2E) ³			2F									

3: If your corporation had a permanent establishment in more than one jurisdiction, or is claiming a Prince Edward Island tax credit, enter amount 2F on line 210 of Schedule 5. Otherwise, enter it on line 760 of the T2 return.