



Ministry of Revenue
Corporations Tax
33 King Street West
PO Box 620
Oshawa ON L1H 8E9

Claim Form for Capital Tax Elimination for Manufacturing and Resource Activities

This form is valid for taxation years ending after December 31, 2006 and before January 1, 2009

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation year end Y Y Y Y M M D D
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Eligibility Requirements for the Capital Tax Elimination/Reduction

Legislation introduced in the 2008 Ontario Budget provides for the retroactive elimination of capital tax, effective January 1, 2007, for Ontario corporations primarily engaged in manufacturing or resource activities.

Corporations whose Ontario manufacturing labour costs represent 50% or more of their total Ontario labour costs are exempt from capital tax.

For corporations whose Ontario manufacturing labour costs comprise less than 50% but more than 20% of their total Ontario labour costs, the capital tax is reduced proportionately on a straight-line basis.

The capital tax elimination applies to a qualifying corporation if it, or a successor corporation, has employees reporting to a permanent establishment in Ontario on March 25, 2008. A corporation, or a successor corporation, is considered to have a permanent establishment in Ontario on March 25, 2008 if, before that date, the corporation or the successor corporation has remitted to the Receiver General for Canada amounts deducted or withheld under subsection 153(1) of the *Income Tax Act* (Canada) in respect of salaries and wages paid to its employees of that permanent establishment for the period that includes March 25, 2008.

Please refer to Information Notice 6029 for further information relating to this measure.

Instructions for completing the form

Eligibility

If you are claiming a deduction for a 2007 taxation year, did the corporation, or its successor corporation, have a permanent establishment in Ontario on March 25, 2008?

Yes No

If yes, please complete Section A below. If no, the corporation is **not** eligible for the capital tax reduction.

If you are claiming a deduction for a 2008 taxation year that includes days in 2007, did the corporation, or its successor corporation, have a permanent establishment in Ontario on March 25, 2008?

Yes No

If yes, please complete Section A. If no, please complete Section B.

If you are claiming a deduction for a taxation year that does not include days in 2007, please complete Section A.

Section A

Calculation of Capital Tax Reduction

Ontario manufacturing labour cost for the taxation year	- - - - -	1	<input type="text"/>
Total Ontario labour cost for the taxation year	- - - - -	2	<input type="text"/>
1 ÷ 2	- - - - -	= 3	<input type="text"/>

Enter result as a decimal rounded to 2 places.

A. If **3** is 0.2 or less, the capital tax reduction is NIL.

B. If **3** is 0.5 or more, calculate the capital tax reduction as follows:

From CT23, page 12 Capital Tax <input type="text"/> 543	<input type="text"/>	x	Days in taxation year after December 31, 2006 <input type="text"/> Number of days in taxation year <input type="text"/>	= 5	<input type="text"/>
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Include amount at **546** on page 12 of CT23

C. If **3** is more than 0.2 but less than 0.5, calculate the capital tax reduction as follows:

From CT23, page 12 Capital Tax <input type="text"/> 543	<input type="text"/>	x	$\frac{(\text{3} - 0.2)}{0.3}$	x	Days in taxation year after December 31, 2006 <input type="text"/> Number of days in taxation year <input type="text"/>	= 6	<input type="text"/>
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Include amount at **546** on page 12 of CT23

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Section B

Calculation of Capital Tax Reduction

Ontario manufacturing labour cost for the taxation year - - - - - 7

Total Ontario labour cost for the taxation year - - - - - 8

7 ÷ 8 - - - - - = 9

Enter result as a decimal rounded to 2 places.

A. If 9 is 0.2 or less, the capital tax reduction is NIL.

B. If 9 is 0.5 or more, calculate the capital tax reduction as follows:

From CT23, page 12 x $\frac{\text{Days in taxation year after December 31, 2007} \text{ }}{\text{Number of days in taxation year} \text{$ = 11

Capital Tax 543 x $\frac{\text{Days in taxation year after December 31, 2007} \text{$ = 11

Include amount at 546 on page 12 of CT23

C. If 9 is more than 0.2 but less than 0.5, calculate the capital tax reduction as follows:

From CT23, page 12 x $\frac{(\text{9 - 0.2)}{0.3}$ x $\frac{\text{Days in taxation year after December 31, 2007} \text{$ = 12

Capital Tax 543 x $\frac{(\text{9 - 0.2)}{0.3}$ x $\frac{\text{Days in taxation year after December 31, 2007} \text{$ = 12

Include amount at 546 on page 12 of CT23

Certification

I am an authorized signing officer of the corporation. I certify that the information provided in this form has been examined by me and is correct, complete and in agreement with the books and records of the corporation.

Name <i>(Please print)</i>	Title	Signature	Date