

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation - Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055 Do not use this area

Identification

Business Number (BN) 001 866529399RC0001

Corporation's name

002 Kingston Electricity Distribution Limited

Has the corporation changed its name since the last time we were notified? 003 1 Yes 2 No X

If Yes, do you have a copy of the articles of amendment? 004 1 Yes 2 No

Address of head office

Has the address changed since the last time we were notified? 010 1 Yes 2 No X

011 1211 John Counter Boulevard

012 City Province, territory, or state

015 Kingston 016 ON

Country (other than Canada) Postal code/ZIP code

017 018 K7L-4X7

Mailing address (if different from head office address)

Has the address changed since the last time we were notified? 020 1 Yes X 2 No

021 c/o Randy Murphy

022 1211 John Counter Boulevard

023 City Province, territory, or state

025 Kingston 026 ON

Country (other than Canada) Postal code/ZIP code

027 028 K7L-4X7

Location of books and records

Has the location of books and records changed since the last time we were notified? 030 1 Yes 2 No X

031 1211 John Counter Boulevard

032 City Province, territory, or state

035 Kingston 036 ON

Country (other than Canada) Postal code/ZIP code

037 038 K7L-4X7

040 Type of corporation at the end of the taxation year

- 1 X Canadian-controlled private corporation (CCPC) 4 Corporation controlled by a public corporation  
2 Other private corporation 5 Other corporation (specify, below)  
3 Public corporation

Has the type of corporation changed during the taxation year, provide the effective date of the change 043 YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start Taxation year-end  
060 2003-01-01 061 2003-12-31  
YYYY/MM/DD YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes 2 No X

If Yes, give the date control was acquired 065 YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes 2 No X

Is this the first year of filing after:

Incorporation? 070 1 Yes 2 No X  
Amalgamation? 071 1 Yes 2 No X

If Yes, complete and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? 072 1 Yes 2 No X

If Yes, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? 076 1 Yes 2 No X

Is this the final return up to dissolution? 078 1 Yes 2 No X

Is the corporation a resident of Canada?

080 1 Yes X 2 No If No, give the country of residence.

081 Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes 2 No X

If Yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

- 085 1 Exempt under paragraph 149(1)(e) or (l)  
2 Exempt under paragraph 149(1)(j)  
3 Exempt under paragraph 149(1)(t)  
4 Exempt under other paragraphs of section 149



**Attachments****Financial statement information:** Use GIF1 schedules 100, 125, and 141.

\* We do not print these schedules.

**Schedules** – Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.

Guide item	Yes	Schedule
Is the corporation related to any other corporations?	150 <input checked="" type="checkbox"/>	9
Does the corporation have any non-resident shareholders?	151 <input type="checkbox"/>	19
29 Is the corporation an associated Canadian-controlled private corporation?	160 <input checked="" type="checkbox"/>	23
30 Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161 <input type="checkbox"/>	49
32 Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162 <input type="checkbox"/>	11
33 If you answered Yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163 <input type="checkbox"/>	44
34 Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input checked="" type="checkbox"/>	14
35 Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	15
37 Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166 <input type="checkbox"/>	T5004
38 Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167 <input type="checkbox"/>	T5013
40 Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168 <input type="checkbox"/>	22
41 Did the corporation have any foreign affiliates during the year?	169 <input type="checkbox"/>	25
42 Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal <i>Income Tax Regulations</i> ?	170 <input type="checkbox"/>	29
43 Has the corporation had any non-arm's length transactions with a non-resident?	171 <input type="checkbox"/>	T106
47 Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172 <input type="checkbox"/>	
46 For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173 <input checked="" type="checkbox"/>	50
55 Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	1
78-81 Has the corporation made any charitable donations, gifts to Canada, a province or a territory, or gifts of cultural or ecological property?	202 <input type="checkbox"/>	2
82, 104 Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
69-76 Is the corporation claiming any type of losses?	204 <input type="checkbox"/>	4
132 Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205 <input type="checkbox"/>	5
56 Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206 <input type="checkbox"/>	6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207 <input type="checkbox"/>	7
57 Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
58 Does the corporation have any property that is eligible capital property?	210 <input checked="" type="checkbox"/>	10
59 Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
60 Is the corporation claiming reserves of any kind?	213 <input type="checkbox"/>	13
61 Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
62 Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217 <input type="checkbox"/>	17
150 Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
131 Was the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
118 Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221 <input type="checkbox"/>	21
155 Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226 <input type="checkbox"/>	26 *
111 Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
121 Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
63 Is the corporation claiming any scientific research and experimental development expenditures?	232 <input type="checkbox"/>	T661
124 Is the corporation subject to gross Part I.3 tax?	233 <input checked="" type="checkbox"/>	33/34/35
124 Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236 <input checked="" type="checkbox"/>	36
124 Is the corporation claiming a surtax credit?	237 <input type="checkbox"/>	37
128 Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
128 Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	42
129 Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243 <input type="checkbox"/>	43
129 Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
125 Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249 <input type="checkbox"/>	46
128 For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250 <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131
153 Is the corporation claiming a film or video production services tax credit refund?	254 <input type="checkbox"/>	T1177
130 Is the corporation subject to Part XIII.1 tax?	255 <input type="checkbox"/>	92 *



## Attachments – continued from page 2

## Guide item

		Yes	Schedule
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	<input type="checkbox"/> 256	<input type="checkbox"/> T1134-A
44	Did the corporation have any controlled foreign affiliates?	<input type="checkbox"/> 258	<input type="checkbox"/> T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	<input type="checkbox"/> 259	<input type="checkbox"/> T1135
44	Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/> 260	<input type="checkbox"/> T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/> 261	<input type="checkbox"/> T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/> 262	<input type="checkbox"/> T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/> 263	<input type="checkbox"/> T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/> 264	<input type="checkbox"/> T1174

## Additional information

Is the corporation inactive? ☐ 280 1 Yes ☐ 2 No ☒ X

Has the major business activity changed since the last return was filed? (enter Yes for first-time filers) ☐ 281 1 Yes ☐ 2 No ☒ X

What is the corporation's major business activity? ☐ 282 \_\_\_\_\_  
(Only complete if Yes was entered at line 281.)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail ☐ 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

<input type="checkbox"/> 284	Electricity	<input type="checkbox"/> 285	100%
<input type="checkbox"/> 286		<input type="checkbox"/> 287	0%
<input type="checkbox"/> 288		<input type="checkbox"/> 289	0%

Did the corporation immigrate to Canada during the taxation year? ☐ 291 1 Yes ☐ 2 No ☒ X

Did the corporation emigrate from Canada during the taxation year? ☐ 292 1 Yes ☐ 2 No ☒ X

## Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL ☐ 300 1,052,950 A

**Deduct:**

Charitable donations from Schedule 2	<input type="checkbox"/> 311	<u>0</u>
Gifts to Canada, a province, or a territory from Schedule 2	<input type="checkbox"/> 312	<u>0</u>
Cultural gifts from Schedule 2	<input type="checkbox"/> 313	<u>0</u>
Ecological gifts from Schedule 2	<input type="checkbox"/> 314	<u>0</u>
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	<input type="checkbox"/> 320	<u>0</u>
Part VI.1 tax deduction from Schedule 43*	<input type="checkbox"/> 325	<u>0</u>
Non-capital losses of preceding taxation years from Schedule 4	<input type="checkbox"/> 331	<u>0</u>
Net-capital losses of preceding taxation years from Schedule 4	<input type="checkbox"/> 332	<u>0</u>
Restricted farm losses of preceding taxation years from Schedule 4	<input type="checkbox"/> 333	<u>0</u>
Farm losses of preceding taxation years from Schedule 4	<input type="checkbox"/> 334	<u>0</u>
Limited partnership losses of preceding taxation years from Schedule 4	<input type="checkbox"/> 335	<u>0</u>
Taxable capital gains or taxable dividends allocated from a central credit union	<input type="checkbox"/> 340	<u>0</u>
Prospector's and grubstaker's shares	<input type="checkbox"/> 350	<u>0</u>
Subtotal		<u>0</u> B

Subtotal (amount A minus amount B) (if negative, enter "0") 1,052,950 C

**Add:**

Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	<input type="checkbox"/> 355	<u>0</u> D
Taxable income (amount C plus amount D)	<input type="checkbox"/> 360	<u>1,052,950</u>
Income exempt under paragraph 149(1)(t)	<input type="checkbox"/> 370	<u>0</u>
<b>Taxable income</b> for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		<u>1,052,950</u> Z

\* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

**Small business deduction****Canadian-controlled private corporations (CCPCs) throughout the taxation year**

Income from active business carried on in Canada from Schedule 7 ..... **400** 1,052,950 A

Taxable income from line 360 on page 3, minus 10/3 of the amount at line 632\* on page 7, minus 3 times the amount at line 636\*\* on page 7, and minus any amount that, because of federal law, is exempt from Part I tax ... **405** 1,052,950 B

**Calculation of the business limit:**

or all CCPCs, calculate the amount at line 4 below.

200,000	x	Number of days in the taxation year before 2003	<u>0</u>	=	.....	<u>0</u>	1
		Number of days in the taxation year	<u>365</u>				
225,000	x	Number of days in the taxation year in 2003	<u>365</u>	=	.....	<u>225,000</u>	2
		Number of days in the taxation year	<u>365</u>				
250,000	x	Number of days in the taxation year in 2004	<u>0</u>	=	.....	<u>0</u>	3
		Number of days in the taxation year	<u>365</u>				
300,000	x	Number of days in the taxation year after 2004	<u>0</u>	=	.....	<u>0</u>	3.1
		Number of days in the taxation year	<u>365</u>				

Add amounts at lines 1, 2, 3, and 3.1 225,000 4

Business limit (see notes 1 and 2 below) ..... **410** 225,000 C

**Notes:** 1. For CCPCs that are not associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

**Business limit reduction:**

Amount C 225,000 x **415**\*\*\* 64,044 D = ..... 1,280,880 E

11,250

Reduced business limit (amount C minus amount E) (if negative, enter "0") ..... **425** 0 F

**Small business deduction** - 16.00% of whichever amount is least: A, B, C, or F ..... **430** 0 G  
(enter amount G on line 9 of page 7)

\* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

\*\* Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

**\*\*\* Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus \$10,000,000).
- If the corporation is not associated with any corporation in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:
  - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
  - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

**Accelerated tax reduction****Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**

Reduced business limit (amount from line 425) ..... 0 x  $\frac{300,000}{\text{line 4 above}}$  = ..... 0 A

Net active business income (amount from line 400) \* ..... 1,052,950 B

Taxable income from line 360 on page 3 minus 3 times the amount at line 636\*\* on page 7, and minus any amount that, because of federal law, is exempt for Part I tax ..... 1,052,950 C

**Deduct:**

Aggregate investment income (amount from line 440 of page 6) ..... 0 D

Amount C minus amount D (if negative, enter "0") ..... 1,052,950 ..... 1,052,950 E

Amount A, B, or E above, whichever is less ..... 0 F

Amount Z from Part 9 of Schedule 27 ..... 0 x 100/7 = ..... 0 G

Amount QQ from Part 13 of Schedule 27 ..... 0 H

Taxable resource income from line 435 of page 5 ..... 0 I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) ..... 0 J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less ..... 0 K

Total of amounts G, H, I, J, and K ..... 0 ..... 0 L

Amount F minus amount L (if negative, enter "0") ..... 0 M

**Accelerated tax reduction** - 7% of amount M (enter amount N on line 637 of page 7) ..... 0 N

\* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

\*\* Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.



**Resource deduction**

Taxable resource income [as defined in subsection 125.11(1)]		435	0	A
Amount A	0	x	Number of days in the taxation year in 2003 365	x 1% = 0 B
			Number of days in the taxation year 365	
Amount A	0	x	Number of days in the taxation year in 2004 0	x 2% = 0 C
			Number of days in the taxation year 365	
Amount A	0	x	Number of days in the taxation year in 2005 0	x 3% = 0 C.1
			Number of days in the taxation year 365	
Amount A	0	x	Number of days in the taxation year in 2006 0	x 5% = 0 C.2
			Number of days in the taxation year 365	
<b>Resource deduction</b> - total of amounts B, C, C.1, and C.2 (enter amount D on line 10 of page 7)		438	0	D

**General tax reduction for Canadian-controlled private corporations****Canadian-controlled private corporations throughout the taxation year**

Taxable income from line 360 on page 3		1,052,950	E
Amount Z from Part 9 of Schedule 27	0	x 100/7 = 0	F
Amount QQ from Part 13 of Schedule 27			G
Taxable resource income from line 435 above			H
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			I
Amount on line 400, 405, 410, or 425 on page 4, whichever is less			J
Aggregate investment income from line 440 of page 6			K
Amount used to calculate the accelerated tax reduction (amount M of page 4)			L
Total of amounts F, G, H, I, J, K, and L		0	0 M
Amount E minus amount M (if negative, enter "0")		1,052,950	N
Amount N	1,052,950	x	Number of days in the taxation year in 2002 0
			Number of days in the taxation year 365
			x 3% = 0 O
Amount N	1,052,950	x	Number of days in the taxation year in 2003 365
			Number of days in the taxation year 365
			x 5% = 52,648 P
Amount N	1,052,950	x	Number of days in the taxation year after 2003 0
			Number of days in the taxation year 365
			x 7% = 0 Q
<b>General tax reduction for Canadian-controlled private corporations</b> - total of amounts O, P, and Q (enter amount R on line 638 of page 7)		52,648	R

**General tax reduction****Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation**

Taxable income from line 360 of page 3		0	S
Amount Z from Part 9 of Schedule 27	0	x 100/7 = 0	T
Amount QQ from Part 13 of Schedule 27			U
Taxable resource income from line 435 above			V
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			W
Total of amounts T, U, V, and W		0	0 X
Amount S minus amount X (if negative, enter "0")			0 Y
Amount Y	0	x	Number of days in the taxation year in 2002 0
			Number of days in the taxation year 365
			x 3% = 0 Z
Amount Y	0	x	Number of days in the taxation year in 2003 365
			Number of days in the taxation year 365
			x 5% = 0 AA
Amount Y	0	x	Number of days in the taxation year after 2003 0
			Number of days in the taxation year 365
			x 7% = 0 BB
<b>General tax reduction</b> - total of amounts Z, AA, and BB (enter amount CC on line 639 of page 7)			0 CC

**Refundable portion of Part I tax****Canadian-controlled private corporations throughout the taxation year**

Aggregate investment income ..... 440 ..... 0 x 26 2/3% = ..... 0 A  
 (amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 ..... 0

**Deduct:**

Foreign investment income ..... 445 ..... 0 x 9 1/3% = ..... 0  
 (amount O from Part 1 of Schedule 7) (if negative, enter "0") ..... 0 B

Amount A minus amount B (if negative, enter "0") ..... 0 C

Taxable income from line 360 on page 3 ..... 1,052,950

**Deduct:**

Amount on line 400, 405, 410, or 425 on page 4, whichever is less ..... 0

Foreign non-business  
income tax credit from  
line 632 of page 7 ..... 0 x 25/9 = ..... 0

Foreign business income  
tax credit from line 636  
of page 7 ..... 0 x 3 = ..... 0

1,052,950 x 26 2/3% = 280,787 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 253,971

**Deduct:** Corporate surtax from line 600 of page 7 ..... 11,793

Net amount ..... 242,178 E

**Refundable portion of Part I tax** – Amount C, D, or E, whichever is less ..... 450 F

**Refundable dividend tax on hand**

Refundable dividend tax on hand at the end of the preceding taxation year ..... 460 ..... 0

**Deduct:** Dividend refund for the previous taxation year ..... 465 ..... 0

..... 0 A

**Add the total of:**

Refundable portion of Part I tax from line 450 above ..... 0

Total Part IV tax payable from line 360 on page 2 of Schedule 3 ..... 0

Net refundable dividend tax on hand transferred from a predecessor  
corporation on amalgamation, or from a wound-up subsidiary corporation ..... 480 ..... 0

**Refundable dividend tax on hand at the end of the taxation year** – Amount A plus amount B ..... 485 ..... 0

**Dividend refund****Private and subject corporations at the time taxable dividends were paid in the taxation year**

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 ..... 0 x 1/3 ..... 0 A

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... 0 B

**Dividend refund** – Amount A or B, whichever is less (enter this amount on line 784 of page 8) ..... 0



**Part I tax**

**Base amount of Part I tax** – 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... **550** 400,121 A

**Corporate surtax calculation**

Base amount from line A above .....	<u>400,121</u>	1
<b>Deduct:</b>		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3 .....	<u>105,295</u>	2
Investment corporation deduction from line 620 below .....	<u>0</u>	3
Federal logging tax credit from line 640 below .....	<u>0</u>	4
Federal qualifying environmental trust tax credit from line 648 below .....	<u>0</u>	5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:

28.00% of taxable income from line 360 of page 3 ...	<u>0</u> a	} <u>0</u> 6
28.00% of taxed capital gains .....	<u>0</u> b	
Part I tax otherwise payable .....	<u>0</u> c	
(line A plus lines C and D minus line F)		
Total of lines 2 to 6 .....	<u>105,295</u>	7
Net amount (line 1 minus line 7) .....	<u>294,826</u>	8

**Corporate surtax** – 4.00% of the amount on line 8 ..... **600** 11,793 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 ..... **602** 0 C

**Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income**  
(for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6 .....	<u>0</u> i
Taxable income from line 360 on page 3 .....	<u>1,052,950</u>
<b>Deduct:</b>	
Amount on lines 400, 405, 410, or 425 of page 4, whichever is less ..	<u>0</u>
Net amount .....	<u>1,052,950</u> ii

**Refundable tax on CCPC's investment income** – 6 2/3% of the lesser of amounts i or ii ..... **604** 0 D

Subtotal (add lines A, B, C, and D) ..... 411,914 E

**Deduct:**

Small business deduction from line 430 of page 4 .....	<u>0</u> 9
Federal tax abatement .....	<b>608</b> <u>105,295</u>
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 .....	<b>616</b> <u>0</u>
Investment corporation deduction .....	<b>620</b> <u>0</u>
(taxed capital gains <b>624</b> <u>0</u> )	
Additional deduction – credit unions from Schedule 17 .....	<b>628</b> <u>0</u>
Federal foreign non-business income tax credit from Schedule 21 .....	<b>632</b> <u>0</u>
Federal foreign business income tax credit from Schedule 21 .....	<b>636</b> <u>0</u>
Accelerated tax reduction from amount N of page 4 .....	<b>637</b> <u>0</u>
Resource deduction from line 438 of page 5 .....	<u>0</u> 10
General tax reduction for CCPCs from amount R of page 5 .....	<b>638</b> <u>52,648</u>
General tax reduction from amount CC of page 5 .....	<b>639</b> <u>0</u>
Federal logging tax credit from Schedule 21 .....	<b>640</b> <u>0</u>
Federal political contribution tax credit .....	<b>644</b> <u>0</u>
Federal political contributions <b>646</b> <u>0</u>	
Federal qualifying environmental trust tax credit .....	<b>648</b> <u>0</u>
Investment tax credit from Schedule 31 .....	<b>652</b> <u>0</u>
Subtotal .....	<u>157,943</u>

157,943 F

**Part I tax payable** – Line E minus line F (enter amount G on line 700 of page 8) ..... 253,971 G

**Summary of tax and credits****Federal tax**

Part I tax payable from page 7	700	253,971
Part I.3 tax payable from Schedule 33, 34, or 35	704	36,800
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
<b>Total federal tax</b>		<b>290,771</b>

**Add provincial and territorial tax:**

Provincial or territorial jurisdiction	750	ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)		
Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	760	0
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0
<b>Total tax payable</b>	770	<b>290,771 A</b>

**Deduct other credits:**

Investment tax credit refund from Schedule 31	780	0
Dividend refund from page 6	784	0
Federal capital gains refund from Schedule 18	788	0
Federal qualifying environmental trust tax credit refund	792	0
Canadian film or video production tax credit refund from Form T1131	796	0
Film or video production services tax credit refund from Form T1177	797	0
Tax withheld at source	800	0
<b>Total payments on which tax has been withheld</b>	801	0
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0
Provincial and territorial capital gains refund from Schedule 18	808	0
Provincial and territorial refundable tax credits from Schedule 5	812	0
Royalties deductible under Syncrude Remission Order	815	0
Tax remitted under Syncrude Remission Order	816	0
Tax instalments paid	840	290,771
<b>Total credits</b>	890	<b>290,771</b>
<b>Balance (line A minus line B)</b>		<b>0</b>

Refund code **894** **1** Overpayment **0****Direct deposit request**

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information **910** \_\_\_\_\_  
Branch number

**914** \_\_\_\_\_ **918** \_\_\_\_\_  
Institution number Account number

If the result is negative, you have an **overpayment**.  
If the result is positive, you have a **balance unpaid**.  
Enter the amount on whichever line applies.  
We do not charge or refund a difference of \$2 or less.

Balance unpaid **0**Enclosed payment **898** **0**

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due?

**896** 1 Yes ☐ 2 No ☒

**Certification**

I, **950** **Keech** Last name in block letters **951** **James** First name in block letters **954** **President** Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

**955** **2005-06-22** Date (yyyy/mm/dd) **956** **613-546-1181** Telephone number

Is the contact person the same as the authorized signing officer? If No, complete the information below **957** 1 Yes ☐ 2 No ☒

**958** **Randy Murphy** Name in block letters **959** **613-546-1181** Telephone number

**Language of correspondence - Langue de correspondance**

**990** Indicate the language of your choice. Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐



Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

**INCOME (LOSS) FOR INCOME TAX PURPOSES**

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements .....	775,176 A
---	-----------

**Additions:**

Provision for income taxes - current .....	101	442,870	
Amortization of tangible assets .....	104	1,454,322	
Amortization of intangible assets .....	106	17,820	
Reserves from financial statements - balance at the end of the year .....	126	871,102	
		-----	
Subtotal of additions .....		2,786,114	2,786,114

**r Additions:****Miscellaneous Other Additions:**

600 Recovery of transition cost previously expensed .....	290	12,690	
601 Reverse 2002 Pre market opening variance .....	291	178,255	
		-----	
Subtotal of Other Additions .....	199	190,945	190,945
		-----	
<b>Total Additions</b>	500	2,977,059	

**Deductions:**

Cost allowance from Schedule 8.....	403	1,639,246	
Cumulative eligible capital deduction from Schedule 10.....	405	807	
Reserves from financial statements-balance at the beginning of the year.....	414	850,783	
		-----	
Subtotal of Deductions.....		2,490,836	2,490,836

**Other Deductions:****Miscellaneous Other Deductions:**

700 Ontario Capital tax.....	390	79,457	
701 Report 2002 interest accrual - prior period adj. ....	391	47,534	
702 Deductible Financing costs.....	392	16,633	
703 Reverse 2002 Post market opening variance.....	393	64,825	
		-----	
Subtotal of Other Deductions.....	499	208,449	208,449
		-----	
<b>Total Deductions</b>	510		2,699,285

<b>Net income (loss) for income tax purposes.....</b>	1,052,950
(enter on line 300 on the T2 return)	=====



# Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class	UCC at Beginning No. [200] [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
3	455,317	0	0	0	0	5	0	0	22,766	432,551
1	4,366,382	78,093	-1,200	0	39,046	4	0	0	176,169	4,267,106
1	2,405,107	0	0	0	0	4	0	0	96,204	2,308,903
1	2,246,284	399,747	-4,221	0	199,873	4	0	0	97,677	2,544,133
1	6,628,912	564,840	-1,070	0	282,420	4	0	0	276,410	6,916,272
1	1,939,863	359,602	-6,050	0	179,801	4	0	0	84,545	2,208,870
10	1,060,892	0	0	0	0	30	0	0	318,268	742,624
8	217,857	117,297	0	0	58,648	20	0	0	55,301	279,853
8	75,216	0	0	0	0	20	0	0	15,043	60,173
12	24,941	555	0	0	277	100	0	0	25,219	277
1	2,729,557	24,494	0	0	12,247	4	0	0	109,672	2,644,379
12	130,888	46,713	0	0	23,356	100	0	0	154,245	23,356
10	47,087	0	0	0	0	30	0	0	14,126	32,961
12	1,085,487	0	0	0	0	100	0	0	189,868	895,619
10	0	24,885	0	0	12,442	30	0	0	3,733	21,152
Total	23,413,790	1,616,226	-12,541	0	808,110		0	0	1,639,246	23,378,229

## RELATED AND ASSOCIATED CORPORATIONS

This schedule is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

Name	Ctry of resi- dence	Business Number (Note)	Rela- tion- ship Code	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of pre- ferred shares owned	Book value of capital stock
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
1425445 Ontario Limited	893404814RC0001	3		0	0.00	0	0.00	0
Corporation of the City of Kin	873300495RC0001	1		0	0.00	0	0.00	0
1425447 Ontario Limited	893404616RC0001	3		0	0.00	0	0.00	0

**Note:** Enter "NR" if a corporation is not registered.

**Relationship code:**

1 - Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

The relationship code represents the relationship that the corporation named has to the filing corporation. For example, if the corporation is the parent corporation of the filing corporation, then the relationship code is "1".

## Schedule 9



Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

## CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

- For use by a corporation that has eligible capital property. For more information, see the "T2 Corporation Income Tax Guide."
- A separate cumulative eligible capital account must be kept for each business.

## Part 1 - Calculation of current year deduction and carry-forward

## Cumulative eligible capital - Balance at the end of the preceding taxation year

(if negative, enter "0") ..... **200** 11,527 A

## Add: Cost of eligible capital property acquired

during the taxation year ..... **222** 0Other adjustments ..... **226** 0

Subtotal (line 222 plus line 226) ..... 0 x 0.75 = 0 B

Non-taxable portion of a non-arm's  
length transferor's gain realized on  
the transfer of an eligible capital  
property to the corporation after  
December 20, 2002. .... **228**

0 x 0.50 = 0 C

amount B minus amount C (if negative, enter "0") ..... 0 D

Amount transferred on amalgamation or wind-up of subsidiary ..... **224** 0 ESubtotal (add amounts A, D, and E) **230** 11,527 F

## Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during

the taxation year ..... **242** 0 G

The gross amount of a reduction in respect of  
a forgiven debt obligation as provided for in  
subsection 80(7) ..... **244**

0 H

Other adjustments ..... **246** 0 I(add amounts G, H, and I) ..... 0 x 0.75 = **248** 0 J

Cumulative eligible capital balance (amount F minus amount J) ..... 11,527 K

(if amount K is negative, enter "0" at line M and proceed to Part 2)

## Cumulative eligible capital for a property no longer

owned after ceasing to carry on that business ..... **249** 0

amount K 11,527

less amount from line 249 0

Current year deduction ..... 11,527 x 7.00% = **250** 807 \*

(line 249 plus line 250) (enter this amount at line 405 of Schedule 1) ..... 807 807 L

## Cumulative eligible capital - Closing balance (amount K minus amount L)

(if negative, enter "0") ..... **300** 10,720 M

\* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

**Part 2 - Amount to be included in income arising from disposition**

(complete this part only if the amount at line K is negative)

Amount from line K (show as a positive amount) ..... 0 N

Total of cumulative eligible capital (CEC) deductions from income  
for taxation years beginning after June 30, 1988 ..... 400 0 1Total of all amounts which reduced CEC in the current or  
prior years under subsection 80(7) ..... 401 0 2Total of CEC deductions claimed for taxation years  
beginning before July 1, 1988 ..... 402 0 3Negative balances in the CEC account that were  
included in income for taxation years beginning  
before July 1, 1988 ..... 408 0 4

Line 3 minus line 4 (if negative, enter "0") ..... 0 0 5

Total of lines 1, 2, and 5 ..... 0 6

Amounts included in income under paragraph 14(1)(b), as that  
paragraph applied to taxation years ending after June 30, 1988  
and before February 28, 2000, to the extent that it is for  
an amount described at line 400 ..... 0 7Amounts at line T from Schedule 10 ending after  
February 27, 2000 ..... 0 8

Subtotal (line 7 plus line 8) ..... 409 0 9

Line 6 minus line 9 (if negative, enter "0") ..... 0 0 O

Line N minus line O (if negative, enter "0") ..... 0 P

Line 5 0 x 1/2 = 0 Q

Line P minus line Q (if negative, enter "0") ..... 0 R

Amount R 0 x 2/3 = 0 S

Amount N or amount O, whichever is less ..... 0 T

Amount to be included in income (amount S plus amount T)  
(enter this amount on line 108 of Schedule 1) ..... 410 0





Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

**AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS  
TO ALLOCATE THE BUSINESS LIMIT**

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

**Column 1:** Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the "Income Tax Act," not to be associated for purposes of the small business deduction.

**Column 2:** Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

**Column 3:** Enter the code that applies to each corporation:

- 1 - associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
- 3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
- 4 - associated non-CCPC
- 5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation"

**Column 4:** Enter the business limit for the year of each corporation in the associated group that is computed at line 4 on page 4 of each respective corporation's T2 return.

**Column 5:** Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

**Column 6:** Enter the business limit allocated to each corporation by multiplying the amount in column 4 times the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A is equal to an amount in one of the following ranges, whichever applies:

- from \$200,001 to \$225,000, if the calendar year to which this agreement applies is 2003;
- from \$225,001 to \$250,000, if the calendar year to which this agreement applies is 2004; or
- from \$250,001 to \$300,000, if the calendar year to which this agreement applies is 2005.

If the calendar year to which this agreement applies is after 2005, ensure that the total at line A does not exceed \$300,000.

**Allocation of the business limit**

Date filed (do not use this area) . . . . .	<input type="text" value="025"/>	Year Month Day
Enter the calendar year to which the agreement applies . . . . .	<input type="text" value="050"/>	Year 2004



## Allocation of the business limit (cont'd)

Is this an amended agreement for the above-noted calendar year that

intended to replace an agreement previously filed by any of

the associated corporations listed below? ..... ☒ 075 [Y/N] [ N ]

1	2	3	4	5	6
Names of associated corporations	Business Number of associated corporations	Association code	Business limit for the year (before the allocation)	Percentage of the business limit	Business limit allocated *
<input type="checkbox"/> 100	<input type="checkbox"/> 200	<input type="checkbox"/> 300	\$	%	\$
Kingston Electricity Distribut	866529399RC0001	1	250,000	100.0000	250,000
See attached				.0000	0
			Total	100.0000	250,000 A
				=====	=====

\* The % of the annual business limit required to maximize the small business deduction is .0000%.

100.0000% of the annual business limit can be attributed to an associated corporation.

## Business limit reduction under subsection 125(5.1)

The business limit reduction is calculated in the small business deduction area of the T2 return.

of the amounts used in this calculation is the "Large corporation tax" at line 415 of the T2 return.

the corporation is a member of an associated group\*\*\* of corporations in the current taxation year, and that taxation year:

- starts before December 21, 2002, the amount at line 415 of the T2 return is equal to the gross Part I.3 tax of each corporation in the associated group\*\*\* for its last taxation year ending in the preceding calendar year. The gross Part I.3 tax is the amount before deducting the surtax credits, which is increased to reflect a full-year tax liability if the taxation year is less than 51 weeks; or
- starts after December 20, 2002, the amount at line 415 of the T2 return is equal to 0.225% x (A - \$10,000,000) where, "A" is the total of taxable capital employed in Canada\*\* of each corporation in the associated group\*\*\* for its last taxation year ending in the preceding calendar year.

\* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's taxation year is less than 51 weeks, prorate the amount in column 6 by the number of days in the taxation year divided by 365, and enter the result on line 410 of the T2 return.

If a CCPC has more than one taxation year ending in a calendar year and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year, the business limit for the second (and subsequent) taxation year(s) will be equal to the business limit allocated for the first taxation year ending in the calendar year.

\*\* "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the "Income Tax Act."

\*\*\* The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

Kingston Electricity Distribution Limited Sch. 023-Supp.  
 Account/Business No.: 866529399RC0001 Year Ended: 2004-12-31  
 AGREEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT

1	2	3	4	5	6	7
			Business limit (before the allo-	Percentage of the business limit %	Business limit allocated \$	Part I.3 Tax
Name of associated corporation [100]	Business Number of associated corporation [200]	Asso- ciation code [300]	cation) cation)			
1425445 Ontario Limited	893404814RC0001	1	250,000	.0000	0	0
Corporation of the City of Kin	873300495RC0001	1	250,000	.0000	0	0
1425447 Ontario Limited	893404616RC0001	1	250,000	.0000	0	0
<b>TOTALS</b>			750,000	.0000	0	0

Schedule 23-Supplementary

Corporate Taxprep / Taxprep des sociétés - TP-10



Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

**F T I.3 TAX ON LARGE CORPORATIONS**

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.3 tax payable before deducting surtax credits (line 820 in Part 5). You should also use and file this schedule if you calculate a **gross Part I.3 tax for the purposes or unused surtax credit** (line 821 in Part 6) and a **current-year unused surtax credit** (line 850 in Part 8).
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal "Income Tax Act" and the "Income Tax Regulations."
- Subsection 181(1) defines the terms "financial institution," "long-term debt," and "reserves."
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- No Part I.3 tax is payable for a taxation year by a corporation that was:
  - 1) a non-resident-owned investment corporation throughout the year;
  - 2) bankrupt [as defined by subsection 128(3)] at the end of the year;
  - 3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
  - 4) exempt from tax under section 149 throughout the year on all of its taxable income;
  - 5) neither resident in Canada nor carrying on a business through a permanent establishment in Canada at any time in the year; or
  - 6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including any related processing) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the "T2 Corporation Income Tax Return" no later than six months from the end of the taxation year.
- This schedule may contain changes that had not yet become law at the time of printing.

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. If the corporation

is a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, "Taxable capital employed in Canada."

**Part 1 - Capital**

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I. . . . .	101	871,102
Capital stock (or members' contributions if incorporated without share capital) . . . . .	103	12,380,619
Retained earnings . . . . .	104	2,684,368
Contributed surplus . . . . .	105	0
Any other surpluses . . . . .	106	0
Deferred unrealized foreign exchange gains . . . . .	107	0
All loans and advances to the corporation . . . . .	108	12,960,781
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations . . . . .	109	5,700,000
Any dividends declared but not paid by the corporation before the end of the year . . . . .	110	0
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year . . . . .	111	0

**Part 1 - Capital (cont'd)**

Proportion of the amount, if any, by which the total of all amounts

note below) for the partnership of which the corporation is

a member at the end of the year exceeds the amount of the partnership's

deferred unrealized foreign exchange losses. . . . . 112 0

Subtotal 34,596,870 34,596,870 A

**Deduct the following amounts:**Deferred tax debit balance at the end of the year. . . . . 121 0

Any deficit deducted in computing its shareholders' equity

(including, for this purpose, the amount of any provision for

the redemption of preferred shares) at the end of the year. . . . . 122 0

Any amount deducted under subsection 135(1) in computing income under

Part I for the year, to the extent that the amount may reasonably be

regarded as being included in any of lines 101 to 112 above. . . . . 123 0

The amount of deferred unrealized foreign exchange losses

at the end of the year. . . . . 124 0

Subtotal 0 0 B

**Capital for the year** (amount A minus amount B) (if negative, enter "0") . . . . . 190 34,596,870**Note:**

Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- If the partnership is a member of another partnership (tiered partnerships), include the amounts of the partnership and tiered partnerships.
- Amounts for the partnership and tiered partnerships are those that would be determined under lines 101, 107, 108, 109, 111, and 112 as if they apply in the same way that they apply to corporations.
- Amounts owing to the member or to other corporations that are members of the partnership are not to be included.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- The proportion of the total amounts is determined by the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

**Part 2 - Investment allowance****Add the carrying value at the end of the year of the following assets of the corporation:**A share of another corporation. . . . . 401 2A loan or advance to another corporation (other than a financial institution). . . . . 402 3,000,000

A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of

another corporation (other than a financial institution). . . . . 403 0Long-term debt of a financial institution. . . . . 404 0A dividend receivable on a share of the capital stock of another corporation. . . . . 405 0

A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or

similar obligation of, a partnership all of the members of which, throughout the year,

were other corporations (other than financial institutions) that were not exempt from

tax under Part I.3 (other than by reason of paragraph 181.1(3)(d)). . . . . 406 0An interest in a partnership (see note 1 below). . . . . 407 0**Investment allowance for the year.** . . . . . 490 3,000,002



**Part 2 - Investment allowance (cont'd)****Notes:**

- 1) Where the corporation has an interest in a partnership or tiered partnerships, consider the following:  
the investment allowance of a partnership is deemed to be the amount calculated at line 490 above,  
at the end of its fiscal period, as if it was a corporation;  
- the total of the carrying value of each asset of the partnership described in the above lines is for  
its last fiscal period ending at or before the end of the corporation's taxation year; and  
- the carrying value of a partnership member's interest at the end of the year is its specified proportion  
[as defined in subsection 248(1)] of the partnership's investment allowance.
- 2) Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend  
payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 [other than by  
reason of paragraph 181.1(3)(d)].
- 3) Where a trust is used as a conduit for loaning money from a corporation to another related corporation  
(other than a financial institution), the loan will be considered to have been made directly from the  
lending corporation to the borrowing corporation, according to subsection 181.2(6).

**Part 3 - Taxable capital**

Capital for the year (line 190) .....	34,596,870	C
Deduct: Investment allowance for the year (line 490) .....	3,000,002	D
<b>Taxable capital for the year</b>		
(amount C minus amount D) (if negative, enter "0") .....	<span style="border: 1px solid black; padding: 0 5px;">500</span>	31,596,868
		=====

**Part 4 - Taxable capital employed in Canada**

1) completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)			Taxable income earned in Canada			Taxable capital employed in Canada	
31,596,868	X		<span style="border: 1px solid black; padding: 0 5px;">610</span>		1,052,950	<span style="border: 1px solid black; padding: 0 5px;">690</span>	
			-----		----- =		
			Taxable income		1,052,950		31,596,868
							=====

- Notes:**
- 1) Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
- 2) Where a corporation's taxable income for a taxation year is "0," it shall, for the purposes of  
the above calculation, be deemed to have a taxable income for that year of \$1,000.
- 3) In the case of an airline corporation, Regulation 8601 should be considered when completing  
the above calculation.

**Part 4 - Taxable capital employed in Canada (cont'd)**

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on

business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada . . . . .

701

0

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year

through a permanent establishment in Canada . . . . .

711

0

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada . . . . .

712

0

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) . . . . .

713

0

Total deductions (add lines 711, 712, and 713)

0

0 E

Taxable capital employed in Canada

(line 701 minus amount E) (if negative, enter "0") . . . . .

790

0

**Note:** Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

**Part 5 - Calculation of gross Part 1.3 tax**

Taxable capital employed in Canada (line 690 or 790, whichever applies) . . . . . 31,596,868

**Deduct:** Capital deduction claimed for the year (enter \$50,000,000 or, for related corporations, the amount allocated on Schedule 36) . . . . .

801

10,000,000

Excess of taxable capital employed in Canada over capital deduction . . . . . 21,596,868

Year	Line 811		Number of days	Number of days in the taxation year					
Before 2004	21,596,868	x	( 365 /	365)	x	.2250%	=	48,593	F
2004	21,596,868	x	( 0 /	365)	x	.2000%	=	0	G
2005	21,596,868	x	( 0 /	365)	x	.1750%	=	0	H
2006	21,596,868	x	( 0 /	365)	x	.1250%	=	0	I
2007	21,596,868	x	( 0 /	365)	x	.0625%	=	0	J

**Note:** The Part 1.3 tax rate is reduced to 0% for the days in the taxation year that are after 2007.

Subtotal (add amounts F to J) . . . . . 48,593 K

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part 1.3 tax as follows:

Amount K 48,593 x Number of days in the year 365 = . . . . . 0 L

365

Gross Part 1.3 tax (amount K or L, whichever applies) . . . . . 48,593

820



**Part 6 - Calculation of gross Part I.3 tax for purposes of the unused surtax credit**

Taxable capital employed in Canada (line 690 or 790, whichever applies) .....	31,596,868	M
Less: Capital deduction claimed for the year (1/5 of line 801 if the taxation year end after 2003) .....	10,000,000	N
Excess (amount M minus amount N) (if negative, enter "0") .....	21,596,868	O
Amount O 21,596,868 x .2250% = .....	48,593	P

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax for purposes of the unused surtax credit as follows:

Amount P 48,593 x	Number of days in the year 365	= .....	0	Q
	365			

**Gross Part I.3 tax for purposes of the unused surtax credit**

(amount P or Q, whichever applies) .....	821	48,593
--	-----	--------

**Part 7 - Calculation of current-year surtax credit available**

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable for the year. This is called the surtax credit.
- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the Act when calculating the amount deductible for a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

For a corporation that was a non-resident of Canada throughout the year, enter amount a or b at line R, whichever is less:

a) line 600 from the T2 return .....	0	a	
b) line 700 from the T2 return .....	0	b	0 R

In any other case, enter amount c or d at line S, whichever is less:

c) line 600 from the T2 return	11,793	x	line 690 of this schedule 31,596,868	=	11,793	c
			31,596,868			
d) line 700 from the T2 return .....	253,971	d	line 500 of this schedule		11,793	S

Current-year surtax credit available (amount R or S, whichever applies) .....	830	11,793
---	-----	--------

**Part 8 - Calculation of current-year unused surtax credit**

Current-year surtax credit available (line 830) . . . . .	11,793
<b>Less:</b> Gross Part I.3 tax for purposes of the unused surtax credit (line 821) . . . . .	48,593
	-----
<b>Current-year unused surtax credit</b> (if negative, enter "0") . . . . . <span style="border: 1px solid black; padding: 0 5px;">850</span>	0
Enter this amount at line 600 on Schedule 37.	=====

**Part 9 - Calculation of net Part 1.3 tax payable**

Gross Part 1.3 tax (line 820) .....		48,593	T
<b>T:</b>			
Current-year surtax credit applied			
(line 820 or 830, whichever is less) .....	861	11,793	
Unused surtax credit from previous years applied			
(amount from line 320 on Schedule 37) .....	862	0	
		-----	
Subtotal (cannot be more than amount on line 820)		11,793	11,793 U
		=====	
<b>Net Part 1.3 tax payable</b> (amount T minus amount U) .....	870	36,800	
Enter this amount at line 704 of the T2 return.		=====	



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## / AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 or \$50,000,000 among the members of the related group.

Do not file this agreement if no members of the related group have to pay Part I.3 tax.

Are any members of the related group liable to pay Part I.3 tax? ..... [Y/N] [ Y ]

- In cases where a related corporation has more than one taxation year ending in a calendar year, it has to file an agreement for each of those taxation years.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.
- In accordance with subsection 181.5(7) of the federal "Income Tax Act", a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.
- Attach additional schedules if space for agreement is not sufficient.

## Agreement

Date filed (do not use this area) .....  Year Month Day

Is this an amended agreement? .....  [Y/N] [ N ]

Calendar year to which the agreement applies .....  Year  
2003

**Note 1:** This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member that is exempt from Part I.3 tax under subsection 181.1(3) does not have to be included.

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year \$	Taxation year end to which this agreement applies (Note 2)
<input type="text" value="200"/>	<input type="text" value="300"/>	<input type="text" value="400"/>	<input type="text" value="500"/>
Kingston Electricity Distribut	866529399RC0001	10,000,000	
See attached		0	
<b>Total</b> (Before 2004 must not exceed \$10,000,000 After 2003 must not exceed \$50,000,000)		10,000,000 =====	

**Note 1:** If a corporation is not registered, enter "NR."

**Note 2:** Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 or \$50,000,000 among the members of the related group.
- accordance with subsection 181.5(7) of the federal "Income Tax Act," a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year	Taxation year end to which this agreement applies (Note 2)
[200]	[300]	[400]	[500]
-----			
1425445 Ontario Limited	893404814RC0001	0	
Corporation of the City of Kin	873300495RC0001	0	
<b>TOTAL</b>		0	

**Note 1:** If a corporation is not registered, enter "NR."

**Note 2:** Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.



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# **SHAREHOLDER INFORMATION**

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder	Business Number	Social Insurance Number	Percentage common shares	Percentage preferred shares
	(note 1)	(note 2)		
	100	200	400	500
Corporation of the City of Kingston	873300495RC0001		100.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

**Note 1:** If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

**Note 2:** If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

**Note 3:** If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

### Schedule of Instalment Remittances

↑      3 of Corporation Contact: . . . . .

Telephone Number: . . . . .

**Effective  
Interest Date**

Description (Instalment Remittance, Split Payment, Assessed Credit)

Amount of  
Credit

Taxes assessed on original 2003 tax return

290,771

C

C

C

C

C

C

C

C

C

C

C

C

Total amount of instalments claimed (A)

(A)

290,771

Total instalments credited to the taxation year per T9 (B)

(B)

290,771

## TRANSFER

### Account Number

Taxation  
Year End

Amount

**Effective  
Interest Date**

### Description

From:

0

To: