



## Step 2 – Federal tax on taxable income

Enter your **taxable income** from line 260 of your return.

27

Use the amount on line 27 to determine which **ONE** of the following columns you have to complete.

	If line 27 is \$37,178 or less	If line 27 is more than \$37,178 but not more than \$74,357	If line 27 is more than \$74,357 but not more than \$120,887	If line 27 is more than \$120,887	
Enter the amount from line 27.					28
Base amount	00,000 00	– 37,178 00	– 74,357 00	– 120,887 00	29
Line 28 minus line 29 (cannot be negative)	=	=	=	=	30
Rate	x 15%	x 22%	x 26%	x 29%	31
Multiply line 30 by line 31.	=	=	=	=	32
Tax on base amount	0,000 00	+ 5,577 00	+ 13,756 00	+ 25,854 00	33
Add lines 32 and 33.	=	=	=	=	34

## Step 3 – Net federal tax

Enter the amount from line 34 above.

Federal tax on split income (from line 5 of Form T1206)	424+	35	• 36
Add lines 35 and 36.	404 =		▶ 37

Enter the amount from line 26 on the other side.

Federal dividend tax credit (see line 425 in the guide)	425+	350	38	• 39
Overseas employment tax credit (attach Form T626)	426+			40
Minimum tax carryover (attach Form T691)	427+			• 41
Add lines 38 to 41.	=		▶	42

**Basic federal tax:** line 37 minus line 42 (if negative, enter "0") 429 = 43

Federal foreign tax credit (attach Form T2209) 405 – 44

**Federal tax:** line 43 minus line 44 (if negative, enter "0") 406 = 45

Total federal political contributions (attach receipts)	409		
Federal political contribution tax credit (use federal worksheet)	410		• 46
Investment tax credit (attach Form T2038(IND))	412+		• 47
Labour-sponsored funds tax credit			
Net cost 413	Allowable credit 414+		• 48
Add lines 46 to 48.	416 =		▶ 49
Line 45 minus line 49 (if negative, enter "0")			
(if you have an amount on line 36 above, see Form T1206)	417 =		50
Additional tax on RESP accumulated income payments (attach Form T1172)	418+		51
<b>Net federal tax:</b> add lines 50 and 51.			
Enter this amount on line 420 of your return.	420 =		52