



Alternative Minimum Tax

- Use this form to calculate your 2018 federal tax payable under alternative minimum tax. If you are completing a return for a trust, use Schedule 12 of the T3 package.
- Complete parts 1, 2, and 8 if you do not have to pay minimum tax in 2018 and you are applying a minimum tax carryover from previous years against your 2018 tax payable.
- Alternative minimum tax does not apply to a person who died in 2018 or to returns filed under subsections 70(2) or 150(4), or under paragraphs 104(23)(d) or 128(2)(e) of the Income Tax Act (the Act).
- If you had business income in 2018 from a province or territory other than the one in which you lived at the end of the year, or from another country, you may also have to complete and attach a copy of Form T2203, Provincial and Territorial Taxes for 2018 – Multiple Jurisdictions.
- Attach a completed copy of this form to your 2018 return.

Part 1 – Adjusted taxable income and minimum amount

| | | |
|---|--------|--------|
| Taxable income from line 260 of your return, or the amount you would have entered on line 260 if the instruction "if negative, enter '0' on lines 236 and 260 were replaced with the instruction "if negative, enter the result in brackets". | | 1 |
| Film property (1) | | |
| Capital cost allowance (CCA) and carrying charges claimed on certified film property acquired before March 1996 (usually included on lines 221 and 232 of your return) | 2 | |
| Net income from film property before CCA and carrying charges (if negative, enter "0") (2) | - | 3 |
| Line 2 minus line 3 (if negative, enter "0") | 6782 = | ▶ + 4 |
| Rental and leasing property (1) | | |
| Capital cost allowance (CCA) and carrying charges claimed on rental and leasing property (included on line 126 of your return) | 5 | |
| Net income from rental and leasing property before CCA and carrying charges (if negative, enter "0") (2) | - | 6 |
| Line 5 minus line 6 (if negative, enter "0") | 6783 = | ▶ + 7 |
| Tax shelters, limited partnerships, and non-active partners | | |
| Losses from partnerships that are tax shelters (3) | 8 | |
| Amounts deductible for properties that are tax shelters (4) | + | 9 |
| Carrying charges for acquiring an interest in a partnership of which you are a limited or non-active partner, or which owns a rental or leasing property or a film property (included on line 221 of your return) (5) | + | 10 |
| Add lines 8 to 10. | 6784 = | ▶ + 11 |
| Resource property and flow-through shares | | |
| Total of all resource expenditures, depletion allowances, and carrying charges for resource property and flow-through shares (included on lines 221, 224, and 232 of your return) | 12 | |
| Income (including royalties) from production of petroleum, natural gas, and minerals, before carrying charges, resource expenditures, and depletion allowances included on line 12 (if negative, enter "0") | 13 | |
| Income from dispositions of foreign resource properties, and recovery of exploration and development expenses (if negative, enter "0") | + | 14 |
| Income from property, or from a business of selling the product of property, described in Class 43.1 or 43.2 in Schedule II to the Income Tax Regulations (if negative, enter "0") | + | 15 |
| Add lines 13, 14, and 15. | = | ▶ - 16 |
| Line 12 minus line 16 (if negative, enter "0") | 6786 = | ▶ + 17 |
| Add lines 1, 4, 7, 11, and 17. | = | 18 |
| Do not use this area | | 6790 |

- (1) If you are a member of a partnership, include your share of the income and deductions for the partnership's fiscal period ending in 2018. Do not include any amounts that you have to include on lines 8 to 10 of this form.
- (2) For film property and rental and leasing property, first add income from these investments (before CCA or carrying charges, if they apply) and net taxable capital gains, if any, from dispositions of such investments. Then subtract losses from these investments (before CCA or carrying charges, if they apply). If the result is negative, enter "0".
- (3) If your interest in the partnership is in a tax shelter that the partnership holds, include on line 8 your share of the net losses of the partnership from each source (allowable capital losses, business losses, and property losses) that is more than the amount allowed under paragraph 127.52(1)(c.1) of the Act. Generally, the amount allowed under that paragraph should correspond with the net taxable capital gains that were attributed to you by the partnership or that you have realized on the disposition of your interest in the partnership. These losses are generally reported on line 122 of your return, except rental (line 126) and farming losses (line 141).
- (4) Also include all other amounts deducted for property for which an identification number is required to be, or has been, obtained under section 237.1 of the Act, such as carrying charges for the acquisition of the property. Include amounts from Form T5004, Claim For Tax Shelter Loss or Deduction, that you claimed as an income deduction or a loss on your return. Do not include amounts that you have to include on any other line of this form.
- (5) Enter on this line carrying charges for the acquisition of an interest in a partnership of which you were a limited or non-active partner, or in a partnership that owns a rental or leasing property or a film property. Include only carrying charges that are more than your share of the partnership's income.

Part 4 – Special foreign tax credit

| | | | |
|---|---|-----------------------------------|----|
| (i) Foreign business income (total business income earned in the foreign country minus allowable expenses and deductions for the foreign income) | | | 79 |
| Foreign non-business income (on which non-business income tax was paid to a foreign country (a)) | + | | 80 |
| Total foreign income | = | | 81 |
| Applicable rate | × | 15% | 82 |
| Foreign income limit for special foreign tax credit | = | | 83 |
| (ii) Total non-business income tax paid to a foreign country (a) | | × 66.6666% = | 84 |
| Total business income tax paid to a foreign country (b) | + | | 85 |
| Foreign taxes paid for special foreign tax credit | = | | 86 |
| Enter the amount from line 83 or line 86, whichever is less . | | | 87 |
| Enter the amount from line 70 or line 87, whichever is more . | | Special foreign tax credit | 88 |

Part 5 – Obligation to pay alternative minimum tax

| | | | |
|---|---|--------------------------------|----|
| Minimum amount from line 58 | | | 89 |
| Special foreign tax credit from line 88 | - | | 90 |
| Line 89 minus line 90 (if negative, enter "0") | | Net minimum tax payable | 91 |
| Regular net federal tax payable from line 78 | | | 92 |
| Federal surtax from line 67 | - | | 93 |
| Line 92 minus line 93 (if negative, enter "0") | = | | 94 |
| Line 91 minus line 94 (if negative, enter "0") | = | | 95 |

If line 95 is "0", you are not subject to alternative minimum tax. If you want to apply a minimum-tax carryover from previous years against your 2018 tax payable, complete Part 8 and attach a copy of this form to your return. Also, complete Schedule 1 and your return as usual. If the amount on line 95 is positive, complete parts 6 and 7.

(a) Non-business income tax paid to a foreign country (see note below)

Total of non-business income or profits tax you paid to that country or to a political subdivision of that country for the year, minus any part of this tax that is deductible under subsection 20(11) or deducted under subsection 20(12) of the Canadian Income Tax Act. Non-business income tax paid to a foreign country does not include tax that can reasonably be attributed to an amount that:

- any other person or partnership has received, or is entitled to receive from the foreign country
- relates to taxable capital gains from that country, and you or your spouse or common-law partner claimed a capital gains deduction for that income
- was deductible as income exempt from tax under a tax treaty between Canada and that country
- was taxable in the foreign country because you were a citizen of that country, and relates to income from a source within Canada

Note

Any amount of tax you paid to a foreign government in excess of the amount you had to pay according to a tax treaty is considered a voluntary contribution and does not qualify as foreign taxes paid.

(b) Business income tax paid to a foreign country (see note 1 below)

Total of business income or profits tax you paid to a country or a political subdivision of a country for the year (see note 2 below). It does not include any part of the business income tax that can be reasonably attributed to an amount that any other person or partnership has received or is entitled to receive from a country, or that was payable on income that was exempt from tax under a tax treaty between Canada and that country.

Note 1

Any amount of tax you paid to a foreign government in excess of the amount you had to pay according to a tax treaty is considered a voluntary contribution and does not qualify as foreign taxes paid.

Note 2

If you were a resident of Quebec, multiply this amount by 55%.

Part 6 – Federal tax payable (under alternative minimum tax)

| | | | |
|---|---|-------------|------------|
| Basic federal tax from line 65 | | | 96 |
| Amount from line 20 of Form T1206, Tax on Split Income | - | | 97 |
| Line 96 minus line 97 (if negative, enter "0") | = | | 98 |
| Minimum amount from line 58 | | | 99 |
| Enter amount from line 98 or line 99, whichever is more . | | | 100 |
| Amount from line 20 of Form T1206, Tax on Split Income | + | | 101 |
| Line 100 plus line 101 (12) | = | | 102 |
| Net minimum tax payable from line 91 | | | 103 |
| Federal surtax on business income earned outside Canada: multiply the amount from line 102 by 48%. If you have to pay provincial or territorial tax to multiple jurisdictions, multiply the result by the percentage in Column 5 of line 5222 on Form T2203. In either case, enter the result on this line. | + | | 104 |
| Line 103 plus line 104 | = | | 105 |
| Amount from line 22 of Form T1206, Tax on Split Income | | | 106 |
| Enter amount from line 105 or line 106, whichever is more . Enter this amount on line 417 of your Schedule 1. | | 6791 | 107 |

Part 7 – Additional taxes paid for minimum tax carryover

The terms identified by the letters (a) and (b) are defined on page 4 of this form.

| | | | | |
|---|---|--|------------|------------|
| Minimum amount from line 89 | | | | 108 |
| Basic federal tax from line 65 | | | 109 | |
| Federal tax on split income from line 8 of Form T1206, Tax on Split Income | - | | 110 | |
| Line 109 minus line 110 (if negative, enter "0") | = | | 111 | |
| Special foreign tax credit from line 88 | | 112 | | |
| Federal foreign tax credit from line 70 | - | 113 | | |
| Line 112 minus line 113 | = | 114 | | |
| Line 114 × Foreign taxes paid for special foreign tax credit (line 86 in Part 4) Foreign taxes paid (non-business income tax paid to a foreign country (a) plus business income tax paid to a foreign country (b)) | = | + | 115 | |
| Line 111 plus line 115 | = | | | 116 |
| Line 108 minus line 116 (if negative, enter "0") | | Additional taxes paid for minimum tax carryover | = | 117 |

Part 8 – Applying a minimum tax carryover from previous years against 2018 tax payable

| | | | | |
|---|---|--|------------|------------|
| Minimum tax carryover from previous years (2011 to 2017) | | | | 118 |
| Tax payable before minimum tax carryover from line 63 | | | 119 | |
| Federal tax on split income from line 8 of Form T1206, Tax on Split Income | - | | 120 | |
| Line 119 minus line 120 | = | | 121 | |
| Minimum amount from line 58 | | | 122 | |
| Maximum carryover that can be applied in 2018: line 121 minus line 122 (if negative, enter "0") | = | | 123 | |
| Minimum tax carryover applied in 2018: Claim an amount that is not more than line 118 or 123, whichever is less , and enter it on line 427 of your Schedule 1 | | | - | 124 |
| Balance of minimum tax carryover available for later years, if any: line 118 minus line 124 | | | = | 125 |
| Additional 2018 taxes for carryover to later years from line 117 | | | + | 126 |
| Line 125 plus line 126 | | | = | 127 |
| Unapplied 2011 minimum tax carryover | | | - | 128 |
| Total minimum tax carryover available for 2019: line 127 minus line 128 | | | = | 129 |

(12) Use the amount on line 102 as your basic federal tax (instead of line 429 of Schedule 1) when you calculate any refundable Quebec or Yukon First Nations abatement. If you have to pay provincial or territorial tax to multiple jurisdictions and have income allocated to Quebec, enter the amount from line 102 on line 11 in Part 2 of Form T2203 to calculate any refundable Quebec abatement.

