

**YUKON MANUFACTURING AND PROCESSING PROFITS TAX CREDIT
(2011 and later tax years)**

Name of corporation	Business Number	Year	Tax year-end Month	Day
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- For use by corporations that maintained a permanent establishment (as defined in Regulation 400 of the federal *Income Tax Regulations*) in the Yukon Territory at any time in the tax year, and had:
 - taxable income earned in the tax year in the Yukon Territory; and
 - Canadian manufacturing and processing profits, as defined in subsection 125.1(3) of the federal *Income Tax Act*, earned in the tax year in the Yukon Territory.
- This schedule is a worksheet only and is not required to be filed with your *T2 Corporation Income Tax Return*.

Calculation of Yukon manufacturing and processing profits tax credit

Canadian manufacturing and processing profits for the year from line 200 in Part 9 of Schedule 27 **A**

Period before January 1, 2011

Amount E from
Schedule 443 $\times \frac{\text{Number of days in the tax year before 2011}}{\text{Number of days in the tax year}} =$ **B**

Period after December 31, 2010

Amount E1 from
Schedule 443 $\times \frac{\text{Number of days in the tax year after 2010}}{\text{Number of days in the tax year}} =$ **C**

Amount B **plus** amount C **D**

Amount A **minus** amount D **E**

Taxable income from line 360 of the T2 return **F**

Deduct the total of:

1. Amount D* **G**
2. Aggregate investment income from line 440 of the T2 return* **H**
3. Foreign business income tax credit
deductible at line 636** of the T2 return $\times a^{***} =$ **G**

Amount F **minus** amount G **H**

The lesser of
amounts A and D $\times \frac{\text{Taxable income earned in the Yukon}}{\text{Taxable income earned in all provinces}^{****}} \times 1.5\% =$ **I**

The lesser of
amounts E and H $\times \frac{\text{Taxable income earned in the Yukon}}{\text{Taxable income earned in all provinces}^{****}} \times 12.5\% =$ **J**

Yukon manufacturing and processing profits tax credit – Amount I **plus** amount J **K**

Enter amount K on line 677 of Schedule 5.

* Applies only to corporations that were Canadian-controlled private corporations throughout the tax year.

** Calculate the amount of foreign business income tax credit without reference to the corporate tax reductions under section 123.4 of the federal *Income Tax Act*.

*** Use amount a from Part 9 of Schedule 27.

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