Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 53
Code 0901

GENERAL RATE INCOME POOL (GRIP) CALCULATION (2009 and later tax years)

Name of corporation	Business Number	Tax year-end Year Month Day

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- When an eligible dividend was paid in the tax year, file a completed copy of this schedule with your *T2 Corporation Income Tax Return*. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsections referred to in this schedule are from the *Income Tax Act*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool, and low rate income pool.

Part 1 – Calculation of general rate income pool (GRIP)

GRIP at the end of the previous tax year . . . **100** ______ A

Taxable income for the year (DICs enter "0") * . . . **110** ______ B

Income for the credit union deduction * (amount E in Part 3 of Schedule 17) . . . **120** ______

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less * . . . **130** ______

For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income * . . . **140** ______

Subtotal (**add** lines 120, 130, and 140) ______ ► ______ C

Income taxable at the general corporate rate (line B **minus** line C) (if negative enter "0") . . . **150** ______

After-tax income (line 150 × general rate factor for the tax year **) . . . **190** ______ D

Eligible dividends received in the tax year . . . **200** ______

Dividends deductible under section 113 received in the tax year . . . **210** ______

Subtotal (**add** lines 200 and 210) ______ ► ______ E

GRIP addition:

Becoming a CCPC (line PP from Part 4) . . . **220** ______

Post-amalgamation (total of lines EE from Part 3 and lines PP from Part 4) . . . **230** ______

Post-wind-up (total of lines EE from Part 3 and lines PP from Part 4) . . . **240** ______

Subtotal (**add** lines 220, 230, and 240) ______ ► **290** ______ F

Subtotal (**add** lines A, D, E, and F) ______ G

Eligible dividends paid in the previous tax year . . . **300** ______

Excessive eligible dividend designations made in the previous tax year . . . **310** ______

Note: If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.

Subtotal (line 300 **minus** line 310) ______ ► ______ H

GRIP before adjustment for specified future tax consequences (line G **minus** line H) (amount can be negative) . . . **490** ______

Total GRIP adjustment for specified future tax consequences to previous tax years (amount W from Part 2) . . . **560** ______

GRIP at the end of the tax year (line 490 **minus** line 560) . . . **590** ______

Enter this amount on line 160 of Schedule 55.

* For lines 110, 120, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

** The **general rate factor** for a tax year is 0.68 for any portion of the tax year that falls before 2010, 0.69 for any portion of the tax year that falls in 2010, 0.70 for any portion of the tax year that falls in 2011, and 0.72 for any portion of the tax year that falls after 2011. Calculate the general rate factor in Part 5 on page 5 for tax years that straddle these dates.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560 on page 1.

First previous tax year

Taxable income before specified future tax consequences from the current tax year . . . . ________ J1

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . . ________ K1

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ________ L1

Aggregate investment income (line 440 of the T2 return) . . . . ________ M1

Subtotal (**add** lines K1, L1, and M1) ________ ► ________ N1

Subtotal (line J1 **minus** line N1) (if negative, enter "0") ________ ► ________ O1

Taxable income after specified future tax consequences . . . . ________ P1

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . . ________ Q1

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ________ R1

Aggregate investment income (line 440 of the T2 return) . . . . ________ S1

Subtotal (**add** lines Q1, R1, and S1) ________ ► ________ T1

Subtotal (line P1 **minus** line T1) (if negative, enter "0") ________ ► ________ U1

Subtotal (line O1 **minus** line U1) (if negative, enter "0") ________ V1

GRIP adjustment for specified future tax consequences to the first previous tax year (line V1 **multiplied by** the general rate factor for the tax year) . . . . **500** ________

Second previous tax year

Taxable income before specified future tax consequences from the current tax year . . . . ________ J2

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . . ________ K2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ________ L2

Aggregate investment income (line 440 of the T2 return) . . . . ________ M2

Subtotal (**add** lines K2, L2, and M2) ________ ► ________ N2

Subtotal (line J2 **minus** line N2) (if negative, enter "0") ________ ► ________ O2

Taxable income after specified future tax consequences . . . . ________ P2

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) . . . . ________ Q2

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less . . . . ________ R2

Aggregate investment income (line 440 of the T2 return) . . . . ________ S2

Subtotal (**add** lines Q2, R2, and S2) ________ ► ________ T2

Subtotal (line P2 **minus** line T2) (if negative, enter "0") ________ ► ________ U2

Subtotal (line O2 **minus** line U2) (if negative, enter "0") ________ V2

GRIP adjustment for specified future tax consequences to the second previous tax year (line V2 **multiplied by** the general rate factor for the tax year) . . . . **520** ________

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year

Taxable income before specified future tax consequences from the current tax year J3

Enter the following amounts before specified future tax consequences from the current tax year:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) K3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less L3

Aggregate investment income (line 440 of the T2 return) M3

Subtotal (**add** lines K3, L3, and M3) ► N3

Subtotal (line J3 **minus** line N3) (if negative, enter "0") ► O3

Taxable income after specified future tax consequences P3

Enter the following amounts after specified future tax consequences:

Income for the credit union deduction (amount E in Part 3 of Schedule 17) Q3

Amount on line 400, 405, 410, or 425 of the T2 return, whichever is less R3

Aggregate investment income (line 440 of the T2 return) S3

Subtotal (**add** lines Q3, R3, and S3) ► T3

Subtotal (line P3 **minus** line T3) (if negative, enter "0") ► U3

Subtotal (line O3 **minus** line U3) (if negative, enter "0") V3

GRIP adjustment for specified future tax consequences to the third previous tax year
(line V3 **multiplied by** the general rate factor for the tax year) 540

Total GRIP adjustment for specified future tax consequences to previous tax years:
(**add** lines 500, 520, and 540) (if negative, enter "0") .... W

Enter amount W on line 560 on page 1.

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. In the calculation below, **corporation** means a predecessor or a subsidiary. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year .... AA

Eligible dividends paid by the corporation in its last tax year .... BB

Excessive eligible dividend designations made by the corporation in its last tax year CC

Subtotal (line BB **minus** line CC) ► DD

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)
(line AA **minus** line DD) .... EE

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the EE lines. Enter this total amount on:

- line 230 on page 1 for post-amalgamation; or
- line 240 on page 1 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. Also, use this part for a corporation becoming a CCPC. In the calculation below, **corporation** means a corporation becoming a CCPC, a predecessor, or a subsidiary.

For a post-wind-up, include the GRIP addition in calculating the parent's GRIP at the end of its tax year that immediately follows the tax year during which it receives the assets of the subsidiary.

Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year . . . . ______ FF

The corporation's money on hand immediately before the end of its previous/last tax year . . . . ______ GG

Total of subsection 111(1) losses that would have been deductible in calculating the corporation's taxable income for the previous/last tax year if the corporation had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous/last tax year:

Non-capital losses . . . . ______

Net capital losses . . . . ______

Farm losses . . . . ______

Restricted farm losses . . . . ______

Limited partnership losses . . . . ______

Subtotal ______ ▶ ______ 1

Total of all amounts deducted under subsection 111(1) in calculating the corporation's taxable income for the previous/last tax year:

Non-capital losses . . . . ______

Net capital losses . . . . ______

Farm losses . . . . ______

Restricted farm losses . . . . ______

Limited partnership losses . . . . ______

Subtotal ______ ▶ ______ 2

Unused and unexpired losses at the end of the corporation's previous/last tax year (line 1 **minus** line 2) . . . . ______ ▶ ______ HH

Subtotal (**add** lines FF, GG, and HH) ______ II

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year . . . . ______ JJ

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year . . . . ______ KK

All the corporation's reserves deducted in its previous/last tax year . . . . ______ LL

The corporation's capital dividend account immediately before the end of its previous/last tax year . . . . ______ MM

The corporation's low rate income pool immediately before the end of its previous/last tax year . . . . ______ NN

Subtotal (**add** lines JJ, KK, LL, MM, and NN) ______ ▶ ______ OO

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (line II **minus** line OO) (if negative, enter "0") . . . . ______ PP

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the PP lines. Enter this total amount on:

- line 220 on page 1 for a corporation becoming a CCPC;
- line 230 on page 1 for post-amalgamation; or
- line 240 on page 1 for post-wind-up.

Part 5 – General rate factor for the tax year

Complete this part to calculate the general rate factor for the tax year. Calculate your results to four decimal places.

$$0.68 \times \frac{\text{number of days in the tax year before January 1, 2010}}{\text{number of days in the tax year}} = \quad \text{QQ}$$

$$0.69 \times \frac{\text{number of days in the tax year in 2010}}{\text{number of days in the tax year}} = \quad \text{RR}$$

$$0.70 \times \frac{\text{number of days in the tax year in 2011}}{\text{number of days in the tax year}} = \quad \text{SS}$$

$$0.72 \times \frac{\text{number of days in the tax year after December 31, 2011}}{\text{number of days in the tax year}} = \quad \text{TT}$$

General rate factor for the tax year (total of lines QQ to TT) . . . . UU