

# Income Tax Payable by a Trust Resident in Québec That Carries On a Business in Canada, Outside Québec, or by a Trust Resident in Canada, Outside Québec, That Carries On a Business in Québec

Use this form to calculate the Québec income tax payable by:

- a trust that was resident in Québec on the last day of the taxation year and that carried on one or more businesses in Canada, outside Québec, during the year (complete Part 1 and Part 2); or
- a trust that was resident in Canada, outside Québec, on the last day of the taxation year and that carried on one or more businesses in Québec during the year (complete Part 1 and Part 3).

Enclose this form with the *Trust Income Tax Return* (form TP-646-V).

Identification number	Trust account number	End date of taxation year
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## 1 Information about the trust (please print)

Name of trust

1b

## 2 Trust resident in Québec that carries on a business in Canada, outside Québec

### 2.1 Net income derived from businesses carried on in Québec and elsewhere (Do not take into account businesses that sustained a net loss.)

Net income derived from businesses carried on in Québec and elsewhere	10
Portion of income that was derived from establishments located in Québec and establishments located outside Canada	11
Portion of income that was derived from establishments located in Canada, outside Québec	12

### 2.2 Income earned in Québec

Net income for the year (line 90 of the trust return). See the **note** on page 2.

- If the amount on line 10 is less than or equal to the amount on line 13, complete lines 14 and 15 before going to line 17.

Amount from line 12	14
Subtract line 14 from line 13.	= 15

- If the amount on line 10 is greater than the amount on line 13, do the following calculation:

Amount from line 13	.	×	Amount from line 11	.	÷	Amount from line 10	.	▶	16
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Amount from line 15 or line 16, as applicable	17
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**Income earned in Québec**

### 2.3 Québec income tax payable

Income tax on taxable income and income tax adjustment (line 122 of the trust return)	18
Tax credit for donations and gifts (line 123 of the trust return)	- 19
Subtract line 19 from line 18. If the result is negative, enter 0.	= 22

Percentage of business carried on in Québec:	Amount from line 17	.	×	100	▶	×	23	%
	Amount from line 13	.						

Multiply line 22 by line 23.	= 24
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Foreign tax credit (line 124 of the trust return)	25	-	.	
Tax credit claimed by the trust as a designated beneficiary of a designated trust (line 128 of the trust return)	+ 26	+	.	
Dividend tax credit (line 125 of the trust return)	+ 26.1	+	.	
Add lines 25, 26 and 26.1.	=	=	.	▶ 27

Subtract line 27 from line 24. If the result is negative, enter 0.

Carry the result to line 135 of the trust return. If you are claiming a deduction for logging tax, carry the result to line 133 of the trust return. If you are required to complete form TP-776.42.F-V, *Alternative Minimum Tax of a Trust*, you must carry the result to line 129 of the trust return and to line 71 of form TP-776.42.F-V.

<b>Québec income tax payable</b>	= 28
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### 3 Trust resident in Canada, outside Québec, that carries on a business in Québec

#### 3.1 Net income derived from businesses carried on in Québec and elsewhere (Do not take into account businesses that sustained a net loss.)

Net income derived from businesses carried on in Québec and elsewhere	29	.
Portion of income that was derived from establishments located in Québec	30	.
Portion of income that was derived from establishments located outside Québec	31	.

#### 3.2 Income earned in Québec

Net income for the year (line 90 of the trust return) <b>plus</b> the income-averaging amount for trusts that are forest producers (line 98.1 of the trust return)	32	.
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• If the amount on line 29 is **less** than or **equal** to the amount on line 32, enter the amount from line 30 **plus** the income-averaging amount for trusts that are forest producers (line 98.1 of the trust return) and go to line 35.

33	.
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• If the amount on line 29 is **greater** than the amount on line 32, do the following calculation:

Amount from line 32	<input type="text" value="."/>	×	Amount from line 30	<input type="text" value="."/>	÷	Amount from line 29	<input type="text" value="."/>	▶	34	.
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Amount from line 33 or line 34, as applicable	35	.
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Net business losses attributable to establishments located in Québec	36	.
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Subtract line 36 from line 35. If the result is negative or equal to 0, the trust has no income tax payable. In this case, proceed to line 44 and enter 0. **Income earned in Québec** = 37

#### 3.3 Québec income tax payable

Income tax on taxable income and income tax adjustment (line 122 of the trust return)	38	.
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Tax credit for donations and gifts (line 123 of the trust return)	39	.
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Subtract line 39 from line 38. If the result is negative, enter 0.	= 42	.
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Percentage of business carried on in Québec:	Amount from line 37	<input type="text" value="."/>	÷	Amount from line 32	<input type="text" value="."/>	× 100 ▶	×	43	%
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Multiply line 42 by line 43.

Carry the result to line 135 of the trust return. If you are claiming a deduction for logging tax, carry the amount to line 133 of the trust return. If you are required to complete form TP-776.42.F-V, *Alternative Minimum Tax of a Trust*, you must carry the amount to line 129 of the trust return and to line 71 of form TP-776.42.F-V.

**Québec income tax payable** = 44

**Note:** If the trust is a certified forest producer, it can deduct from its net income for the year the income-averaging amount claimed on line 94 of the trust return. The amount deducted must be included in the trust's net income over the averaging period until the total amount deducted has been included (line 98.1 of the trust return). For more information, see Part 4 of the *Trust Income Tax Guide* (TP-646.G-V).

