

## Foreign Tax Credit

Use this form to claim a foreign tax credit for a given taxation year. The form can also be completed by a trust, but not by a corporation.

To be entitled to the foreign tax credit, an individual (including a trust) must have been resident in Québec

- on December 31 of the taxation year concerned;
- on the last day of residence in Canada (where the individual ceased to reside in Canada during the taxation year concerned); or
- on the date of death (where the individual died during the taxation year concerned).

“Foreign income tax” means an amount of income tax or profits tax paid to the government of a foreign country or a political subdivision of a foreign country.

The credit is calculated differently according to whether or not the foreign income tax relates to business income. In this form, “business income” means income from an establishment located in the foreign country concerned. “Non-business income” means all other income, from a source located in the foreign country on which you paid income tax to the country.

Enclose a duly completed copy of this form with your income tax return (or that of the trust). Complete a copy of the form **for each foreign country** to which you paid income tax and enclose the relevant supporting documents. The information provided on the form must apply only to the country concerned.

Name of foreign country	Taxation year <span style="border-bottom: 1px solid black; display: inline-block; width: 40px;"></span>
Last name and first name of individual or name of trust	Social insurance number of individual or trust identification number

Bracketed line numbers below refer to the personal income tax return or Schedule E of the return.

### 1 Income tax otherwise payable

Income tax on taxable income (line 401)			1
Special tax on the split income of a child (included on line 443)	+		2
Tax adjustment respecting the portion accrued to December 31, 1971, of a single payment (included on line 402 of Schedule E)	+		3
Add lines 1 through 3.	=		4
Non-refundable tax credits (line 399)		5	
Carry-forward of alternative minimum tax (line 13 of Schedule E)	+		6
Add lines 5 and 6.	=		7
Subtract line 7 from line 4.	=		8
Enter the amount from line 8, or the portion of that amount determined on the basis of the percentage indicated on line 35 of form TP-22-V (if you are completing that form).			10
<b>Income tax otherwise payable</b>			

### 2 Income for the taxation year for the purposes of determining the credit

Net income (line 275)			11
Net capital losses from other years (line 290)		12	
Capital gains deduction (line 292)	+		13
Deductions that you may claim on lines 293, 295 (excluding the deduction for the split income of a child) and 297 (excluding the deduction respecting security options where the securities were donated mentioned in point 2 and the deduction mentioned in point 13 of the income tax guide)	+		14
Add lines 12 through 14.	=		15
Subtract line 15 from line 11.	=		17
<b>Income for the year</b>			

### 3 Calculation of the credit

#### 3.1 Foreign income tax giving entitlement to the credit – Non-business income

Foreign income tax paid on non-business income (this income tax may be indicated in box G of the RL-3 slip; in box 17 of the RL-15 slip; in box L of the RL-16 slip; or in box H of the RL-25 slip) 20

Enter below any portion of the amount on line 20 that is foreign income tax of the following types:

• Foreign income tax, paid with respect to property other than an immovable, that exceeds 15% of the foreign income (excluding capital gains) from the property		21	
• Foreign income tax deducted in the calculation of business or property income pursuant to section 146.1 of the <i>Taxation Act</i>	+	22	
• Foreign income tax relating to an amount that another person or a partnership received (or is entitled to receive) from the government of the foreign country	+	23	
• Foreign income tax paid on employment income earned outside Canada, multiplied by the deductible amount referred to in point 15 of the section of the income tax guide pertaining to line 297, and divided by the amount of the income.	+	24	
• Foreign income tax deducted in the calculation of your business or property income pursuant to subsection 20(12) of the <i>Income Tax Act</i> (Statutes of Canada), minus the amount on line 22 above	+	25	
• Foreign income tax attributable to a taxable capital gain in respect of which you or your spouse is claiming a capital gains deduction on line 292 of the return	+	26	
• Foreign income tax paid on an amount that is deductible because you are a sailor working on a vessel engaged in international freight transportation; a foreign specialist working for an international financial centre (IFC), or in the Montréal international trade zone at Mirabel, or for a corporation operating a stock exchange business or securities clearing-house business; or a member of a partnership operating an IFC (line 297)	+	27	
• Foreign income tax paid on income that is tax-exempt in Québec or in Canada under a tax agreement (line 297)	+	28	
• Foreign income tax paid with respect to property other than capital property, if there is no reasonable expectation of deriving a profit from the property in the period during which you hold it	+	29	
• Foreign income tax that is allocated to a beneficiary, if the credit is being claimed by a trust	+	30	
Federal foreign tax credit according to the federal return (except the portion of the credit that relates to business income)*	+	31	
Add lines 21 through 31.	=	▶	35
Subtract line 35 from line 20.			35
If the result is 0 or a negative amount, go directly to line 52 and enter 0.			36

**Foreign income tax giving entitlement to the credit** = 36

\* If you are subject to the alternative minimum tax in the federal income tax return and, according to form T691 (or, in the case of a trust, Schedule T3 SCH 12), the special foreign tax credit to which you are entitled is greater than your federal foreign tax credit, enter on line 31 the result obtained by multiplying the special foreign tax credit by the ratio between the foreign income on line 50 and the total foreign income (lines 50 and 82).

#### Foreign income and credit

Non-business income (including the amount by which taxable capital gains exceed allowable capital losses), calculated before the deductions below and respecting which the foreign income tax indicated on line 20 has been paid (this income may be indicated in box F of the RL-3 slip; in boxes 4 and 8 of the RL-15 slip; in box F of the RL-16 slip; in boxes B and D of the RL-25 slip; or in Schedule G). See the **note** at the end of this form. 40

Enter below the amounts deducted or deductible from the income indicated on line 40.

• Employment expenses and deductions (line 207)		41	
• Other amounts deducted	+	42	
• Capital gains deduction (line 292)	+	43	
• Deduction respecting employment income earned outside Canada (line 297)	+	44	
• Deductions respecting copyright income, or deductions you may claim because you are a sailor working on a vessel engaged in international freight transportation; a foreign specialist working for an international financial centre (IFC), or in the Montréal international trade zone at Mirabel, or for a corporation operating a stock exchange business or securities clearing-house business; or a member of a partnership operating an IFC (line 297)	+	45	
Add lines 41 through 45.	=	▶	49
Subtract line 49 from line 40. If the result is negative, enter 0.			49

**Foreign income** = 50

Income tax otherwise payable (line 10)	x	Foreign income (line 50)	=		
		Income for the year (line 17)			51

Enter the amount from line 10, 36 or 51, whichever is lowest. If you did not pay foreign income tax on business income, carry the amount to line 409 of your return. Otherwise, continue completing this form.

**Foreign tax credit respecting non-business income** 52

### 3.2 Foreign income tax giving entitlement to the credit – Business income

Foreign income tax paid on business income (this income tax may be indicated in box 18 of the RL-15 slip, or in box K of the RL-16 slip)				60
Enter below any portion of the amount on line 60 that is foreign income tax of the following types:				
• Foreign income tax paid on income that is tax-exempt in Québec or in Canada under a tax agreement (line 297)			61	
• Foreign income tax relating to an amount that another person or a partnership received (or is entitled to receive) from the government of the foreign country	+		62	
• Foreign income tax paid on an amount that is deductible because you are a foreign specialist working for an international financial centre (IFC), or in the Montréal international trade zone at Mirabel, or for a corporation operating a stock exchange business or securities clearing-house business (line 297)			63	
• Foreign income tax paid with respect to property other than capital property, if there is no reasonable expectation of deriving a profit from the property in the period during which you hold it	+		64	
• Foreign income tax allocated to a beneficiary, if the credit is being claimed by a trust	+		65	
Add lines 61 through 65.	=		▶	68
Subtract line 68 from line 60.			=	69
Multiply line 69 by 45%.			x	45%
<b>Foreign income tax giving entitlement to the credit</b>				= 70

Complete lines 71 through 73 only if you wish to carry over an unused portion of foreign tax credits respecting business income. Otherwise, go directly to line 74 and enter the amount from line 70.

Unused foreign tax credits respecting business income, for each of the seven taxation years preceding and the three taxation years following the year concerned*				71
Portion of the amount on line 71 that has already been carried to another year	-		72	
Subtract line 72 from line 71.	=		▶	73
Add lines 70 and 73.	=		=	74

- \* For each of the seven years preceding and the three years following the year concerned, the **unused portion** of the credit is equal to the foreign income tax giving entitlement to the credit (calculated as for line 70 above) **minus**
- the foreign tax credit respecting business income (calculated as for line 88 below); or
  - the amount obtained by adding this credit and the reduction of the surtax respecting foreign income tax, if the year of the carry-over is before 1998.

#### Foreign income and credit

Business income calculated before the deductions below and respecting which the foreign income tax indicated on line 60 has been paid (this income may be indicated in box 2 of the RL-15 slip or in box E of the RL-16 slip). See the <a href="#">note</a> at the end of this form.				80
Portion of the amount on line 80 that you may claim with regard to copyright income; or because you are a foreign specialist working in an international financial centre (IFC) or in the Montréal international trade zone at Mirabel, or for a corporation operating a stock-exchange business or a securities clearing-house business (line 297)	-		81	
Subtract line 81 from line 80. If the result is negative, enter 0.	=		▶	82
<b>Foreign income</b>				
Income tax otherwise payable (line 10) <input type="text"/>	x	Foreign income (line 82) <input type="text"/>	=	
		Income for the year (line 17) <input type="text"/>		84
Amount from line 10			85	
Amount from line 52, where applicable	-		86	
Subtract line 86 from line 85.	=		▶	87
Enter the amount from line 74, 84 or 87, whichever is lowest. If you did not complete Part 3.1, go directly to line 90 and enter the amount from line 88.			=	88
<b>Foreign tax credit respecting business income</b>				

Complete the following lines to calculate the total credit and, if applicable, the unused portion of the credit, which may be carried back three years or forward seven years, or carried forward ten years if the taxation year ends after March 22, 2004.

Amount from line 52, if you completed Part 3.1				89
Amount from line 88 or the total of lines 88 and 89, as applicable. Carry the result to line 409 of your return.			=	90
<b>Foreign tax credit</b>				
Amount from line 70			93	
Amount from line 88	-		94	
Subtract line 94 from line 93.	=		▶	95
<b>Unused portion of the credit for the taxation year</b>				

**Note:** Do not include any portion of the income that is tax-exempt in Québec or in Canada under a tax agreement or that is exempt from foreign income tax.