



- For use by corporations who have acquired qualified property after December 31, 1992, and wish to reduce Prince Edward Island tax payable. Qualified property is machinery and equipment prescribed for the purposes of paragraph (b) of the definition "qualified property" in subsection 127(9) of the federal *Income Tax Act*. The capital cost of qualified property is determined without reference to subsection 13(7.1) of the federal *Income Tax Act*.
- The qualified property has to be used by the corporation in Prince Edward Island primarily for the purpose of manufacturing or processing of goods for sale or lease. Property leased by the corporation to a lessee for this purpose (other than a person exempt from tax under section 149 of the federal *Income Tax Act*) may also qualify for the credit. Manufacturing or processing is defined in subsection 125.1(3) of the federal *Income Tax Act* and includes qualified activities as defined by Regulation 5202 of the federal *Income Tax Regulations*.
- The credit may be renounced but must include all current year credits; partial renouncements are not permitted. The renouncement must be filed on or before the filing date of the federal *T2 Corporation Income Tax Return*.
- The credit is eligible for a seven year carry-forward and a three year carry-back.
- Use this schedule to show a credit transfer following an amalgamation or wind-up of a subsidiary as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*. This schedule can also be used to show the credit allocated from a trust or a partnership.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.

Total capital cost (attach an additional schedule if space is insufficient) _____ A

Credit at end of preceding taxation year			
Deduct: Credit expired after seven taxation years	104		
Credit at beginning of taxation year	105		
			▶
Add:			
Credit transferred on amalgamation or wind-up of subsidiary	110		
Current year credit earned: Amount A from above _____ x 10% =	120		
Credit allocated from a partnership	130		
Credit allocated from a trust	140		
	Subtotal		▶
Total credit available			
			B
Deduct:			
Credit renounced	150		
Credit claimed in the current year (enter on line 530 in Part 2 of Schedule 5)	160		
Credit carried back to preceding taxation year(s) (complete Part 3)			C
	Subtotal		▶
Closing balance		200	

	Year	Month	Day		
1st preceding taxation year				Credit to be applied 901 _____
2nd preceding taxation year				Credit to be applied 902 _____
3rd preceding taxation year				Credit to be applied 903 _____
Total (enter on line C in Part 2)					

Year of origin (earliest year first)			Credit available	Year of origin (earliest year first)			Credit available
Year	Month	Day		Year	Month	Day	
			_____				_____
			_____				_____
			_____				_____
				Total (equals line 200 in Part 2)			