

Complete this form and **attach a copy** of it to your return. For details, see pages 1 to 4 in the forms book.

Step 1 – Prince Edward Island tax on taxable income

Enter your **taxable income** from line 260 of your return 1

Use the amount on line 1 to determine which **ONE** of the following columns you have to complete.

Enter the amount from line 1 in the applicable column

Line 2 minus line 3 (cannot be negative)

Multiply line 4 by line 5

Add lines 6 and 7 **Prince Edward Island tax on taxable income**

| If line 1 is \$30,754 or less | | If line 1 is more than \$30,754, but not more than \$61,509 | | If line 1 is more than \$61,509 | |
|----------------------------------|------|---|-----------|------------------------------------|-----------|
| 2 | | 2 | | 2 | |
| 3 | 0 00 | 3 | 30,754 00 | 3 | 61,509 00 |
| 4 | | 4 | | 4 | |
| 5 | 9.8% | 5 | 13.8% | 5 | 16.7% |
| 6 | | 6 | | 6 | |
| 7 | 0 00 | 7 | 3,014 00 | 7 | 7,258 00 |
| 8 | | 8 | | 8 | |
| Go to Step 2 | | Go to Step 2 | | Go to Step 2 | |

Step 2 – Prince Edward Island non-refundable tax credits

Important: Provincial non-refundable tax credits may be **different** from the federal amounts claimed on Schedule 1. For details, see the *Provincial Worksheet* and pages 1 to 3 in the forms book.

| | | | | |
|--|---|-------------|--------|----|
| For internal use only | | 5601 | | |
| Basic personal amount | claim \$7,412 | 5804 | | 9 |
| Age amount (if born in 1937 or earlier) | (use provincial worksheet) | 5808 | + | 10 |
| Spouse or common-law partner amount | | | | |
| Base amount | 6,923 00 | | | |
| Minus his or her net income from page 1 of your return | | | | |
| (if negative, enter "0") (maximum \$6,294) | | 5812 | + | 11 |
| Amount for an eligible dependant | (use provincial worksheet) | 5816 | + | 12 |
| Amount for infirm dependants age 18 or older | (use provincial worksheet) | 5820 | + | 13 |
| Canada Pension Plan or Quebec Pension Plan contributions | | | | |
| (amount from line 308 of your federal Schedule 1) | | 5824 | + | 14 |
| (amount from line 310 of your federal Schedule 1) | | 5828 | + | 15 |
| Employment Insurance premiums | (amount from line 312 of your federal Schedule 1) | 5832 | + | 16 |
| Pension income amount | (amount from line 314 of your federal Schedule 1) | 5836 | + | 17 |
| Caregiver amount | (use provincial worksheet) | 5840 | + | 18 |
| Disability amount | (see line 5844 on page 2 in the forms book) | 5844 | + | 19 |
| Disability amount transferred from a dependant | (use provincial worksheet) | 5848 | + | 20 |
| Interest paid on your student loans | (amount from line 319 of your federal Schedule 1) | 5852 | + | 21 |
| Your tuition and education amounts | [attach Schedule PE(S11)] | 5856 | + | 22 |
| Tuition and education amounts transferred from a child | | 5860 | + | 23 |
| Amounts transferred from your spouse or common-law partner | [attach Schedule PE(S2)] | 5864 | + | 24 |
| Medical expenses | 5868 | | | 25 |
| Enter \$1,678 or 3% of line 236, whichever is less | | | | 26 |
| Line 25 minus line 26 (if negative, enter "0") | | | | 27 |
| Medical expenses adjustment | (use provincial worksheet) 5872 | | | 28 |
| Line 27 minus line 28 (if negative, enter "0") | 5876 | | + | 29 |
| Add lines 9 through 24, and line 29 | | 5880 | = | 30 |
| Non-refundable tax credit rate | | | x 9.8% | 31 |
| Multiply line 30 by line 31 | | 5884 | = | 32 |
| Donations and gifts | | | | |
| Amount from line 345 of your federal Schedule 9 | x 9.8% = | | | 33 |
| Amount from line 347 of your federal Schedule 9 | x 16.7% = | | + | 34 |
| Add lines 33 and 34 | | 5896 | = | 35 |
| Add lines 32 and 35 | | 6150 | = | 36 |

Prince Edward Island non-refundable tax credits

Go to Step 3 on the back 

Step 3 – Prince Edward Island tax

| | | | |
|---|------|---|------|
| Enter your Prince Edward Island tax on taxable income from line 8 | | | 37 |
| Enter your Prince Edward Island tax on split income from Form T1206 | 6151 | + | • 38 |
| Add lines 37 and 38 | | = | 39 |

| | | | |
|--|---|------|------|
| Enter your Prince Edward Island non-refundable tax credits from line 36 | | | 40 |
| Prince Edward Island dividend tax credit: | | | |
| Amount from line 120 of your return | × 7.7% = | 6152 | + |
| Prince Edward Island overseas employment tax credit | | | • 41 |
| Amount from line 426 of federal Schedule 1 | × 57.5% = | 6153 | + |
| Prince Edward Island minimum tax carry-over | | | • 42 |
| Amount from line 427 of federal Schedule 1 | × 57.5% = | 6154 | + |
| Add lines 40 through 43 | | = | ▶ 44 |
| Line 39 minus line 44 (if negative, enter "0") | | = | 45 |
| Prince Edward Island additional tax for minimum tax purposes from Form T1219 | | + | 46 |
| Add lines 45 and 46 | | = | 47 |
| P.E.I. surtax: (Amount from line 47 | minus \$5,200) × 10% (if negative, enter "0") | + | 48 |
| Add lines 47 and 48 | | = | 49 |
| Unused low-income tax reduction from your spouse or common-law partner's Form PE428, if applicable | 6342 | – | 50 |
| Line 49 minus line 50 (if negative, enter "0") | | = | 51 |

Prince Edward Island low-income tax reduction

If you had a spouse or common-law partner on December 31, 2002, you have to agree on who will claim this tax reduction. **Only one of you** can claim it for your family. However, any unused amount can be claimed by the other person.

| | | | | |
|---|-------------|-----------|----|----|
| Basic reduction | claim \$250 | 6339 | | 52 |
| Reduction for spouse or common-law partner | claim \$250 | 6340 | + | 53 |
| Reduction for an eligible dependant claimed at line 5816 | claim \$250 | 6341 | + | 54 |
| Reduction for dependent children born in 1984 or later | | | | |
| Number of dependent children | 6099 | × \$200 = | + | 55 |
| Add lines 52 to 55 | | = | ▶ | 56 |
| Enter your net income from line 236 of your return | | | | 57 |
| Enter your spouse or common-law partner's net income from page 1 of your return | | + | | 58 |
| Net family income: Add lines 57 and 58 | | = | | 59 |
| Base amount | | 15,000 | 00 | 60 |
| Line 59 minus line 60 (if negative, enter "0") | | = | | 61 |
| Applicable rate | | × | 5% | 62 |
| Multiply line 61 by line 62 | | = | ▶ | 63 |
| Line 56 minus line 63 (if negative, enter "0") | | | | |
| Prince Edward Island low-income tax reduction | | = | ▶ | 64 |
| Line 51 minus line 64 (if negative, enter "0") | | | | 65 |
| Enter the provincial foreign tax credit from Form T2036 | | | | 66 |
| Line 65 minus line 66 | | = | | 67 |

Prince Edward Island political contribution tax credit

| | | | |
|--|------|---------------------------------|----|
| Prince Edward Island political contributions made in 2002 | 6338 | | 68 |
| Credit calculated for line 69 on the <i>Provincial Worksheet</i> | | (maximum \$500) | – |
| Line 67 minus line 69 (if negative, enter "0") | | | 69 |
| Enter this amount on line 428 of your return | | Prince Edward Island Tax | = |
| | | | 70 |

Unused low-income tax reduction that can be claimed by your spouse or common-law partner

| | | | |
|--|--|---|----------------------|
| Enter the amount from line 64 | | | 71 |
| Enter the amount from line 51 | | – | 72 |
| Line 71 minus line 72 (if negative, enter "0") | | = | 73 |
| | | | Unused amount |