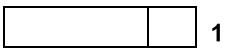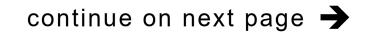# Prince Edward Island Tax and Credits

Complete this form and **attach a copy** of it to your return. For details, see pages 5002-N – 2 to 23 [1 to 5] in the forms book.
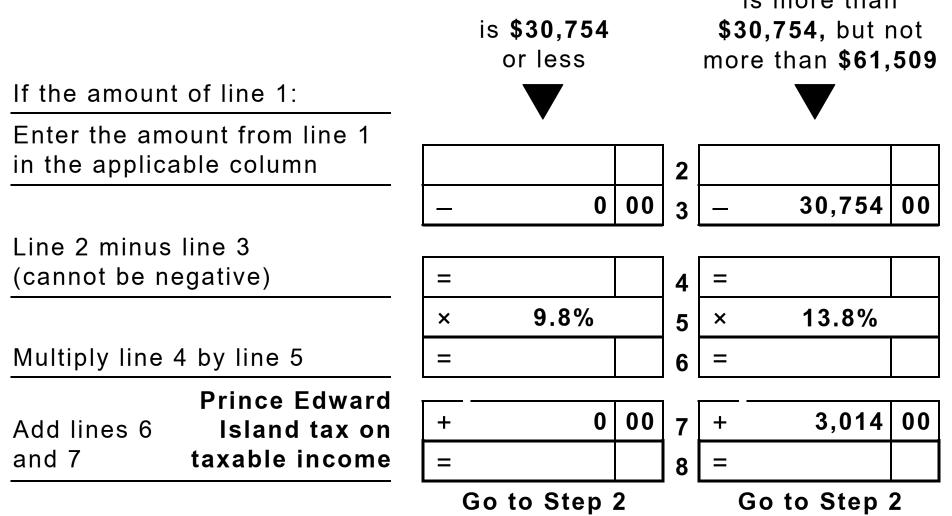
Step 1 – Prince Edward Island tax on taxable income

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. ▶

If the amount of line 1:	is **$30,754** or less ▼				is more than **$30,754,** but not more than **$61,509** ▼		
Enter the amount from line 1 in the applicable column				**2**			
	−	0	00	**3**	−	30,754	00
Line 2 minus line 3 (cannot be negative)	=			**4**	=		
	×	9.8%		**5**	×	13.8%	
Multiply line 4 by line 5	=			**6**	=		
Add lines 6 and 7 **Prince Edward Island tax on taxable income**	+	0	00	**7**	+	3,014	00
	=			**8**	=		
	Go to Step 2				**Go to Step 2**		

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

is more than
$61,509

If the amount of line 1:

▼

Enter the amount from line 1 in the applicable column

		2
−	**61,509** 00	**3**

Line 2 minus line 3 (cannot be negative)

=		**4**
×	**16.7%**	**5**

Multiply line 4 by line 5

=		**6**

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

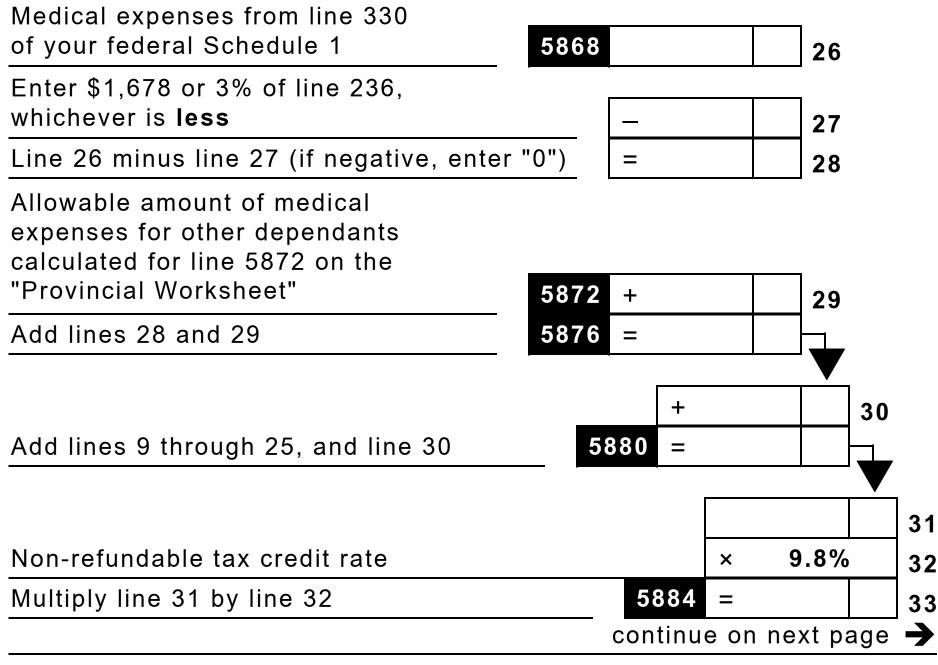|		
+	**7,258** 00	**7**
=		**8**

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 5002-N – 3 to 16 [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 1940 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 4 [1] of your return	–	

Result: (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 5002-N – 9 [2] of the forms book)	**5844** +	19
Disability amount transferred from a dependant	(use provincial worksheet)	**5848** +	20
Teacher school supply amount	(maximum $500)	**5850** +	21
Interest paid on your student loans	(amount from line 319 of your federal Schedule 1)	**5852** +	22
Your tuition and education amounts	**[attach Schedule PE(S11)]**	**5856** +	23
Tuition and education amounts transferred from a child		**5860** +	24
Amounts transferred from your spouse or common-law partner	**[attach Schedule PE(S2)]**	**5864** +	25

Medical expenses from line 330 of your federal Schedule 1 **5868** | | **26**

Enter $1,678 or 3% of line 236, whichever is **less** − | | **27**

Line 26 minus line 27 (if negative, enter "0") = | | **28**

Allowable amount of medical expenses for other dependants calculated for line 5872 on the "Provincial Worksheet" **5872** + | | **29**

Add lines 28 and 29 **5876** = | | ▼

+ | | **30**

Add lines 9 through 25, and line 30 **5880** = | | ▼

| | **31**

Non-refundable tax credit rate × **9.8%** **32**

Multiply line 31 by line 32 **5884** = | | **33**

Donations and gifts:

Amount from line 345 of your federal Schedule 9

| | | × 9.8% = | | | **34** |

Amount from line 347 of your federal Schedule 9

| | | × 16.7% = | + | | **35** |

Add lines 34 and 35 **5896** = | | |

| + | | **36** |

Add lines 33 and 36   **Prince Edward Island non-refundable tax credits** **6150** = | | | **37**

Step 3 – Prince Edward Island tax

Enter your Prince Edward Island tax on taxable income from line 8 | | | **38**

Enter your Prince Edward Island tax on split income from Form T1206

6151 + _____ ● **39**

Add lines 38 and 39 = _____ **40**

Enter your Prince Edward Island non-refundable tax credits from line 37 _____ **41**

Prince Edward Island dividend tax credit:

Amount from line 120 on your return

_____ × 7.7% = _____ **6152** + _____ ● **42**

Prince Edward Island overseas employment tax credit:

Amount from line 426 on federal Schedule 1

_____ × 57.5% = _____ **6153** + _____ ● **43**

Prince Edward Island minimum tax carry-over:

Amount from line 427 of federal Schedule 1

_____ × 57.5% = _____ **6154** + _____ ● **44**

Add lines 41 through 44   =   [ ]

                                                                    −   [ ] **45**

Line 40 minus line 45 (if negative, enter "0")   =   [ ] **46**

Prince Edward Island additional tax for minimum
tax purposes:

Amount from line 117 of Form T691

[   ] × 57.5% =   +   [ ] **47**

Add lines 46 and 47   =   [ ] **48**

P.E.I. surtax:

(Amount from line 48 [   ] minus $5,200)

 × 10% (if negative, enter "0")   +   [ ] **49**

Add lines 48 and 49   =   [ ] **50**

Unused low-income tax reduction from
your spouse or common-law partner's
Form PE428, if applicable   **6342**   −   [ ] ●**51**

Line 50 minus line 51 (if negative, enter "0")   =   [ ] **52**
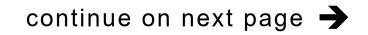
Prince Edward Island low-income tax reduction

If you had a spouse or common-law partner on December 31, 2005, 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** _____ **53**

Reduction for spouse or common-law partner claim $250 **6340** + _____ **54**

Reduction for an eligible dependant claimed at line 5816 claim $250 **6341** + _____ **55**

Reduction for dependent children born in 1987 or later

Number of dependent children **6099** _____ × $200 = + _____ **56**

Add lines 53 to 56   = [＿＿＿＿＿＿|＿＿]

[＿＿＿＿＿＿＿＿＿|＿＿＿] **57**

Enter your net income from line 236
of your return   [＿＿＿＿＿|＿＿] **58**

Enter your spouse or common-law partner's
net income from page 4 [1] of your return   + [＿＿＿|＿＿] **59**

Net family income: Add lines 58 and 59   = [＿＿＿|＿＿] **60**

Base amount   − **15,000** | **00** **61**

Line 60 minus line 61 (if negative, enter "0")   = [＿＿＿|＿＿] **62**

Applicable rate   × **5%** **63**

Multiply line 62 by line 63   = [＿＿＿|＿＿]

[＿ − ＿＿＿＿＿|＿＿＿] **64**

Prince Edward Island low-income tax reduction

Line 57 minus line 64
(if negative, enter "0")   = _____

− _____ **65**

Line 52 minus line 65 (if negative, enter "0")   = _____ **66**

Enter the provincial foreign tax credit from
Form T2036   − _____ **67**

Line 66 minus line 67   = _____ **68**

Prince Edward Island political contribution tax credit

Prince Edward Island political
contributions made in 2005   **6338** _____ **69**

Credit calculated for line 70
on the "Provincial Worksheet"   (maximum $500)   − _____ **70**

Line 68 minus line 70 (if negative,
enter "0"). Enter this amount on
line 428 of your return   **Prince Edward
Island tax**   = _____ **71**

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

Enter the amount from line 65		**72**
Enter the amount from line 52	−	**73**
Line 72 minus line 73 (if negative, enter "0") **Unused amount**	=	**74**