

## New Small Business Tax Deduction Application

For use by all corporations requesting an Eligibility Certificate for the Nova Scotia New Small Business Tax Deduction. Legislative support can be found in Section 42 of the *Income Tax Act* and *New Small Business Regulations*.

**Some basic criteria are listed below to assist a corporation to decide whether it is eligible for this tax deduction. A corporation is not eligible for the tax deduction if any of the following applies:**

- carried on business for the professional practice of an accountant, dentist, lawyer, medical doctor, veterinarian or chiropractor;
- conducted business as a partnership or a joint venture where any other partner or co-venturer was not eligible for the tax deduction;
- was a beneficiary of a trust where any other beneficiary was not eligible for the tax deduction;
- employed less than 2 individuals and did not have at least 1 full-time equivalent employee;
- had only one full-time employee and this full-time employee was also a shareholder of the applicant company.

**If none of the items listed above apply to the corporation, an application for the New Small Business Tax Deduction can be submitted.**

Corporation Name: \_\_\_\_\_

Address of Head Office: \_\_\_\_\_

City: \_\_\_\_\_ Province: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ Province: \_\_\_\_\_ Postal Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

CRA Business Number: \_\_\_\_\_

Incorporation Date: \_\_\_\_\_ Taxation Year-End: \_\_\_\_\_

Year of Application:       First Year                       Second Year                       Third Year

  

1. Does the corporation have any income other than active business income?       Yes       No

2. Has the corporation carried on business as a member of a partnership?       Yes       No

3. Does the corporation have any associated corporations?       Yes       No

4. Describe the nature of the business that the applicant company is conducting.

\_\_\_\_\_

5. List all shareholders and their individual percent of shares.

\_\_\_\_\_ % \_\_\_\_\_ %  
\_\_\_\_\_ % \_\_\_\_\_ %

6. Is the shareholder of the applicant company also a shareholder of any other corporation(s)?

Yes  No

If yes, please provide the name(s) of the corporation and the shareholder's percent ownership.

\_\_\_\_\_ % \_\_\_\_\_ %  
\_\_\_\_\_ % \_\_\_\_\_ %

7. Prior to incorporation, was the same or substantially the same business activity carried on by the shareholders of the applicant company, or any person(s) related to the shareholders of the applicant company by way of a sole proprietorship, partnership or corporation, whether registered as such or not?

Yes  No

If yes, please give details.

\_\_\_\_\_  
\_\_\_\_\_

8.a Has the applicant company purchased or leased property from another corporation in which any shareholders or related persons of the shareholders owned directly or indirectly, more than 10% of the issued shares?

Yes  No

If yes, please provide further information.

\_\_\_\_\_  
\_\_\_\_\_

8.b Has the applicant company purchased or leased property from a sole proprietorship or partnership in which any shareholders or related persons of the shareholders owned the business?

Yes  No

If yes, please provide further information.

\_\_\_\_\_  
\_\_\_\_\_

9.a Please provide the number of people employed (part-time and full-time) by the applicant company at the taxation year-end.

Part-time employees \_\_\_\_\_ Full-time employees \_\_\_\_\_

9.b Are any of the employees related to shareholders?  Yes  No

If yes, please provide further information.

---

---

9.c Total hours worked in the taxation year-end by each employee unrelated to any shareholders.

---

---

10. Please provide the **percent** of total wages and salaries paid by the corporation in the taxation year to employees who are Nova Scotia residents. \_\_\_\_\_%

11. If this is the second or third year application, has the status changed from the previous application?

Yes  No  N/A

If yes, please outline changes.

---

---

### Declaration

I certify that I am an authorized signing officer of the applicant company, that the information contained in this application and its inclusions has been examined by me and is true and correct, and that the Corporation is eligible for the *Nova Scotia New Small Business Tax Deduction* to the best of my knowledge and belief.

I will also furnish or cause the Corporation to furnish, upon request, all additional records and documents deemed necessary by the Minister of Finance and Treasury Board.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

A copy of the applicant company's Corporate Tax Return and T2 Schedule 341 filed with the Canada Revenue Agency for the taxation year-end is required.

Note: First and second year applicants have the option of submitting a draft Tax Return and T2 Schedule 341 at the time of application but must also provide the Department with the final version filed with the Canada Revenue Agency when available.