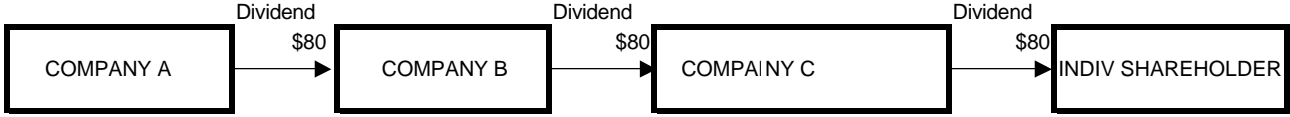


INTEGRATION

	ACTIVE INCOME	PASSIVE INCOME	
INCOME of \$100			
CORPORATE			
Basic Fed Tax	38	38	
Abatement	-10	-10	
Ignore surtax	N/A	N/A	
Small Bus. Deduction	-16	N/A	
Provincial (theoretical)	8	12	
	20	46.66	
Total tax			6.66 Part One Tax
Dividend available)	80	53.34	
)		26.66 Part 1 Refundable	
grossed -up * 1.25	100	100	
Div Tax Credit incl Prov	20	20	

PART IV

ACTIVE
100 - 20 = 80



PASSIVE
100 - 46.66 + 26.66 = 80
26.66 / 80 = 1/3

Part IV
80 x .33 = 26.66
THEN REFUND

PART IV
80 x .33 = 26.66
THEN REFUND

Gross up & Credit
80 x 1.25
plus DTC