



LOGGING TAX RETURN OF INCOME FOR PROCESSORS

under the Logging Tax Act

General Inquiries: 250 953-3082 Toll-free: 1 877 387-3332 Email: ITBTaxQuestions@gov.bc.ca

INSTRUCTIONS

- You must complete this return if you are a person or corporation that processes BC logs into forest products in Canada. You must file the return within six months of the end of the tax year in which logging operations occurred. If you do not process BC logs yet you are a person or corporation with logging operations in British Columbia, you must complete a Logging Tax Return of Income (FIN 542S). If you require assistance in completing this form, refer to Instructions for Logging Tax Return of Income for Processors. Update your address or account information: online using eTaxBC at gov.bc.ca/etaxbc/logon, or by telephone, email or mail using the contact information at the top of this page.

HOW TO FILE YOUR RETURN

- To file your return and make a payment: go online using eTaxBC at gov.bc.ca/etaxbc/myaccount, or send this form and payment (if required) by mail.

002 FULL LEGAL NAME (for individuals include first name, middle initial and last name)

011 MAILING ADDRESS (include street or PO box, city, province and postal code)

001 BUSINESS NUMBER (9 digits)

006 SOCIAL INSURANCE NUMBER

OR

003 ACCOUNT NUMBER

LGT -

FOR OFFICE USE ONLY

000 DATE RETURN RECEIVED YYYY / MM / DD

005 MINISTRY OF FORESTS CLIENT NUMBER (8 digits) MOF -

007 DRIVER'S LICENCE / BCID NUMBER (only for individuals not corporations)

078 Is this the final year of logging operations?

YES NO

025

020 TELEPHONE NUMBER

()

076 Is this a taxpayer requested adjustment to the return?

YES NO

077 Is this adjustment due to a federal loss carryback?

YES NO

024 EMAIL ADDRESS

060 START OF TAX YEAR YYYY / MM / DD

061 END OF TAX YEAR YYYY / MM / DD

Calculation of income derived from logging operations

Net income from the sale of British Columbia logs in British Columbia

100

Net income from the sale of British Columbia standing timber or timber rights

110

Value of logs exported from British Columbia net of expenses

120

Subtotal

Add lines 100, 110 and 120

122

Calculation of income from processing

Net income for the year reported on your federal income tax return

130

Non-logging amounts included in line 130

132

Subtotal from line 122 above

122

Processing income

Line 130 minus line 132 and line 122

135

Calculation of processing allowance

8% of the original cost of processing assets

140

Minimum processing allowance

Line 135 X 35%

142

Maximum processing allowance

Line 135 X 65%

144

Processing allowance

Median of line 140, line 142 and line 144

145

Net processing income

Line 135 minus line 145

150

Non-British Columbia net processing income

155

British Columbia net processing income

Line 150 minus line 155

160

Income derived from logging operations

Add lines 122 and 160

190

Calculation of logging tax credits

| | | | |
|---|---|------------|----------------------|
| Adjusted federal taxable income (refer to Instructions for Logging Tax Return of Income for Processors) | | 400 | <input type="text"/> |
| | Lesser of lines 190 and 400 | 410 | <input type="text"/> |
| | Line 410 X 6 2/3% | 420 | <input type="text"/> |
| Adjusted federal income tax otherwise payable (refer to Instructions for Logging Tax Return of Income for Processors) | | 430 | <input type="text"/> |
| Maximum federal logging tax credit | Lesser of lines 420 and 430 | 440 | <input type="text"/> |
| Maximum provincial logging tax credit | Line 440 X 50% | 450 | <input type="text"/> |
| Maximum logging tax credits | Add lines 440 and 450 (cannot be a negative amount) | 460 | <input type="text"/> |

Calculation of logging tax payable

| | | | |
|----------------------------|------------------------------------|------------|----------------------|
| Tax at 10% | Line 190 X 10% | 700 | <input type="text"/> |
| Logging tax payable | Lesser of lines 460 and 700 | 770 | <input type="text"/> |

Payments

| | | | |
|--|-----------------------------------|---|----------------------|
| Payments made by instalments | 840 | <input type="text"/> | |
| Application of prior years' overpayment | 842 | <input type="text"/> | |
| Subtotal | Add lines 840 and 842 | 844 | <input type="text"/> |
| Tax due (or overpayment) | Line 770 minus line 844 | 846 | <input type="text"/> |
| Payment amount enclosed | | 898 | <input type="text"/> |
| Cheque date _____ (payable to the Minister of Finance) | | | |
| Overpayments (if applicable) to be: | | | 894 |
| | <input type="checkbox"/> Refunded | <input type="checkbox"/> Applied to subsequent year | <input type="text"/> |

Required supporting documentation

- 902** A copy of the **federal income tax return** and all schedules for the tax year
- 904** A copy of the **financial statements** for the tax year
- 906** A schedule of the calculation of net income from logging operations
- 908** A completed *Authorization* form ([FIN 571](#)), if applicable

Certification – The taxpayer or an authorized signing authority must make the following declaration.

950 I, _____, certify that, to the best of my knowledge and belief, all of the information given in this return is true, correct and complete in all material respects.
Print full name of taxpayer (if an individual) or name of authorized signing authority (if a corporation or a trust)

| | | |
|--|-------------------------------|--|
| 946 SIGNATURE OF TAXPAYER OR AUTHORIZED SIGNING AUTHORITY | 954 POSITION OR OFFICE | 955 DATE SIGNED YYYY / MM / DD |
| X | | |

Freedom of Information and Protection of Privacy Act (FOIPPA)
The personal information on this form is collected for the purpose of administering the *Logging Tax Act* under the authority of section 26(a) of the FOIPPA. Questions about the collection or use of this information can be directed to the Manager, Intergovernmental Relations, PO Box 9444 Stn Prov Govt, Victoria BC V8W 9W8 (telephone: Victoria at 250 387-3332 or toll-free at 1 877 387-3332). Email: ITBTaxQuestions@gov.bc.ca