

Table 49-2

**Pipelines, warehousing and transportation support activities — Reconciliation of net profit to taxable income and taxes payable**

	2007	2008	2009	2010	2011
	millions of dollars				
<b>Net profit</b>	<b>2,679</b>	<b>3,166</b>	<b>3,523</b>	<b>3,851</b>	<b>3,923</b>
Plus: consolidation and conceptual adjustments	2,652	-135	4,248	2,572	2,693
Plus: current taxes, including mining	819	390	329	289	462
Plus: deferred income taxes	90	-23	401	274	300
Less: profit of tax exempt corporations	232	246	301	359	378
Deductible dividends	2,023	3,380	4,002	3,826	4,584
<b>Adjusted profit before taxes</b>	<b>3,984</b>	<b>-229</b>	<b>4,199</b>	<b>2,801</b>	<b>2,416</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	785	6	5	37	178
Less: taxable capital gains	266	113	64	57	52
Net difference, capital gains and losses	519	-107	-59	-20	126
Resource allowance	0	0	0	0	0
Less: royalties	0	0	0	0	0
Net difference, resource allowance	0	0	0	0	0
Earned depletion allowance	0	0	0	0	0
Other exemptions and deductions	301	658	565	972	427
<b>Total, exemptions and deductions</b>	<b>819</b>	<b>552</b>	<b>507</b>	<b>952</b>	<b>553</b>
<b>Timing differences:</b>					
Depreciation	2,286	2,437	2,638	2,817	2,885
Less: capital cost allowance	1,335	1,497	1,842	2,216	2,169
Net difference, depreciation	951	940	796	601	716
Natural resources expenses, (books)	1	1	1	1	2
Less: natural resource expenses, (tax)	9	8	4	15	17
Net difference, natural resources expenses	-8	-7	-4	-14	-15
Charitable donations net difference, (books minus tax)	-5	3	7	6	-10
Other timing differences	-1,034	2,676	-1,927	301	670
<b>Total, timing differences</b>	<b>-97</b>	<b>3,612</b>	<b>-1,127</b>	<b>894</b>	<b>1,361</b>
<b>Net taxable income</b>	<b>3,068</b>	<b>2,831</b>	<b>2,565</b>	<b>2,743</b>	<b>3,224</b>
Less: prior year losses applied	465	609	213	365	368
<b>Taxable income (tax base)</b>	<b>2,603</b>	<b>2,222</b>	<b>2,353</b>	<b>2,378</b>	<b>2,855</b>
<b>Taxes:</b>					
Tax otherwise payable	997	849	644	689	864
Surtax	29	2	0	0	0
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	261	222	168	180	226
Small business deduction	55	63	60	62	73
Manufacturing and processing profits deduction	18	22	17	11	26
Investment tax credit	6	5	11	5	5
Other credits	136	130	101	128	177
<b>Net part 1 tax payable</b>	<b>550</b>	<b>408</b>	<b>286</b>	<b>302</b>	<b>357</b>
Other direct federal taxes	15	14	19	29	34
<b>Federal tax payable</b>	<b>565</b>	<b>421</b>	<b>305</b>	<b>331</b>	<b>391</b>
Provincial tax payable	276	223	260	256	290
<b>Total taxes</b>	<b>841</b>	<b>645</b>	<b>565</b>	<b>586</b>	<b>681</b>