

**Table 68-2**  
**Arts, entertainment and recreation — Reconciliation of net profit to taxable income and taxes payable**

	2009	2010	2011	2012	2013
	millions of dollars				
<b>Net profit</b>	<b>5,480</b>	<b>5,612</b>	<b>8,012</b>	<b>7,815</b>	<b>7,777</b>
Plus: consolidation and conceptual adjustments	-178	-1,682	-102	-160	236
Plus: current taxes, including mining	138	157	177	145	164
Plus: deferred income taxes	-60	-37	-2	-9	-43
Less: profit of tax exempt corporations	5,278	5,387	7,467	7,160	7,280
Deductible dividends	48	52	104	173	150
<b>Adjusted profit before taxes</b>	<b>55</b>	<b>-1,388</b>	<b>514</b>	<b>458</b>	<b>704</b>
<b>Exemptions and deductions:</b>					
Book capital gains and losses	86	-171	224	149	149
Less: taxable capital gains	67	383	90	97	221
Net difference, capital gains and losses	19	-554	134	53	-72
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	..	..	..	..	..
Other exemptions and deductions	192	-1,453	-2,018	-1,365	-1,765
<b>Total, exemptions and deductions</b>	<b>211</b>	<b>-2,007</b>	<b>-1,884</b>	<b>-1,313</b>	<b>-1,837</b>
<b>Timing differences:</b>					
Depreciation	1,000	878	805	814	886
Less: capital cost allowance	521	511	589	560	605
Net difference, depreciation	478	367	216	254	281
Natural resources expenses, (books)	0	0	0	0	0
Less: natural resource expenses, (tax)	0	0	0	0	0
Net difference, natural resources expenses	0	0	0	0	0
Charitable donations net difference, (books minus tax)	0	0	0	0	6
Other timing differences	725	544	-1,254	-762	-1,399
<b>Total, timing differences</b>	<b>1,204</b>	<b>912</b>	<b>-1,038</b>	<b>-507</b>	<b>-1,112</b>
<b>Net taxable income</b>	<b>1,047</b>	<b>1,530</b>	<b>1,360</b>	<b>1,263</b>	<b>1,429</b>
Less: prior year losses applied	188	458	300	187	189
<b>Taxable income (tax base)</b>	<b>859</b>	<b>1,073</b>	<b>1,060</b>	<b>1,077</b>	<b>1,240</b>
<b>Taxes:</b>					
Tax otherwise payable	266	300	330	332	360
Surtax	0	0	0	0	0
<b>Less: Federal tax credits and deductions:</b>					
Federal tax abatement	69	77	86	85	92
Small business deduction	62	64	66	69	80
Manufacturing and processing profits deduction	0	0	0	0	0
Investment tax credit	0	0	1	1	0
Other credits	30	39	56	58	60
<b>Net part 1 tax payable</b>	<b>105</b>	<b>119</b>	<b>122</b>	<b>118</b>	<b>127</b>
Other direct federal taxes	9	3	4	4	7
<b>Federal tax payable</b>	<b>114</b>	<b>122</b>	<b>126</b>	<b>122</b>	<b>133</b>
Provincial tax payable	90	105	98	96	111
<b>Total taxes</b>	<b>203</b>	<b>228</b>	<b>223</b>	<b>218</b>	<b>245</b>