

Election in Respect of a Capital Gains Dividend Under Subsection 130.1(4)

- A corporation that was, throughout the year, a mortgage investment corporation under subsection 130.1(6) can use this form to elect to have the provisions of subsection 130.1(4) apply to a dividend paid during the period beginning 91 days after the beginning of that year and ending 90 days after the end of that year (referred to on this form as the **period**).
- All legislative references are to the *Income Tax Act* and *Income Tax Regulations*.
- Mail one completed copy of this election separately from any other return, to your processing site noted below on or before the earlier of:
 - the day on which the dividend is paid; and
 - the first day on which any part of the dividend is paid.

Do not use this area

For Alberta, Manitoba, Saskatchewan and the Northwest Territories:
 Saskatchewan Tax Services Office
 340 3rd Avenue North
 Saskatoon SK S7K 0A8

For all other Provinces and Territories:
 Prince Edward Island Tax Centre
 275 Pope Road
 Summerside PE C1N 6A2

- Report any amount paid for the dividend for which this election is made as a capital gains dividend on a T5 information return (T5 summary and the related slips) for the calendar year in which the payment was made.

| Part 1 - Identification | | | | | | | |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------------------|------------|--|-----|--|
| Corporation's name | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">002</td> <td style="width: 80%;">Business number</td> <td style="width: 10%; text-align: center;">001</td> </tr> <tr> <td></td> <td style="text-align: center;">R C</td> <td></td> </tr> </table> | 002 | Business number | 001 | | R C | |
| 002 | Business number | 001 | | | | | |
| | R C | | | | | | |
| Address | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">010</td> <td style="width: 80%;">Postal code</td> <td style="width: 10%; text-align: center;">018</td> </tr> </table> | 010 | Postal code | 018 | | | |
| 010 | Postal code | 018 | | | | | |
| Name of contact person | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">019</td> <td style="width: 80%;">Tax services office</td> <td style="width: 10%; text-align: center;">020</td> </tr> </table> | 019 | Tax services office | 020 | | | |
| 019 | Tax services office | 020 | | | | | |
| Mailing address (complete only if different from address above) | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">021</td> <td style="width: 80%;">Telephone number</td> <td style="width: 10%; text-align: center;">022</td> </tr> </table> | 021 | Telephone number | 022 | | | |
| 021 | Telephone number | 022 | | | | | |

| Part 2 - required information | | | | | | | | | | |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------|-----|--|---|--|---|
| Date this dividend becomes payable (where applicable) | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">100</td> <td style="width: 80%;"> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">Year</td> <td style="width: 33%; text-align: center;">Month</td> <td style="width: 33%; text-align: center;">Day</td> </tr> <tr> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> </tr> </table> </td> <td style="width: 10%; text-align: center;">1</td> </tr> </table> | 100 | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">Year</td> <td style="width: 33%; text-align: center;">Month</td> <td style="width: 33%; text-align: center;">Day</td> </tr> <tr> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> </tr> </table> | Year | Month | Day | | | | 1 |
| 100 | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">Year</td> <td style="width: 33%; text-align: center;">Month</td> <td style="width: 33%; text-align: center;">Day</td> </tr> <tr> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> </tr> </table> | Year | Month | Day | | | | 1 | | |
| Year | Month | Day | | | | | | | | |
| | | | | | | | | | | |
| First day on which any part of the dividend was paid | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">110</td> <td style="width: 80%;"> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">Year</td> <td style="width: 33%; text-align: center;">Month</td> <td style="width: 33%; text-align: center;">Day</td> </tr> <tr> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> </tr> </table> </td> <td style="width: 10%; text-align: center;">2</td> </tr> </table> <p style="font-size: small;">(enter only if earlier than the date the dividend becomes payable)</p> | 110 | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">Year</td> <td style="width: 33%; text-align: center;">Month</td> <td style="width: 33%; text-align: center;">Day</td> </tr> <tr> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> </tr> </table> | Year | Month | Day | | | | 2 |
| 110 | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">Year</td> <td style="width: 33%; text-align: center;">Month</td> <td style="width: 33%; text-align: center;">Day</td> </tr> <tr> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> </tr> </table> | Year | Month | Day | | | | 2 | | |
| Year | Month | Day | | | | | | | | |
| | | | | | | | | | | |
| Tax year-end during which the dividend or any part of it was paid | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">120</td> <td style="width: 80%;"> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">Year</td> <td style="width: 33%; text-align: center;">Month</td> <td style="width: 33%; text-align: center;">Day</td> </tr> <tr> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> </tr> </table> </td> <td style="width: 10%; text-align: center;">3</td> </tr> </table> | 120 | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">Year</td> <td style="width: 33%; text-align: center;">Month</td> <td style="width: 33%; text-align: center;">Day</td> </tr> <tr> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> </tr> </table> | Year | Month | Day | | | | 3 |
| 120 | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">Year</td> <td style="width: 33%; text-align: center;">Month</td> <td style="width: 33%; text-align: center;">Day</td> </tr> <tr> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> <td style="border-bottom: 1px solid black; width: 33%;"></td> </tr> </table> | Year | Month | Day | | | | 3 | | |
| Year | Month | Day | | | | | | | | |
| | | | | | | | | | | |
| Deemed capital gains dividend | | | | | | | | | | |
| Full amount of dividend for which this election is made | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">130</td> <td style="width: 80%; border-bottom: 1px solid black;"></td> <td style="width: 10%; text-align: center;">A</td> </tr> </table> | 130 | | A | | | | | | |
| 130 | | A | | | | | | | | |
| Full amount of taxed capital gains for the year: | | | | | | | | | | |
| Taxable capital gains for the year | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">140</td> <td style="width: 80%; border-bottom: 1px solid black;"></td> <td style="width: 10%; text-align: center;">B</td> </tr> </table> | 140 | | B | | | | | | |
| 140 | | B | | | | | | | | |
| Allowable capital losses for the year | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">150</td> <td style="width: 80%; border-bottom: 1px solid black;"></td> <td style="width: 10%; text-align: center;">C</td> </tr> </table> | 150 | | C | | | | | | |
| 150 | | C | | | | | | | | |
| Amount deducted under paragraph 111(1)(b) | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">160</td> <td style="width: 80%; border-bottom: 1px solid black;"></td> <td style="width: 10%; text-align: center;">D</td> </tr> </table> | 160 | | D | | | | | | |
| 160 | | D | | | | | | | | |
| Subtotal (amount C plus amount D) | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 80%; border-bottom: 1px solid black;"></td> <td style="width: 10%; text-align: center;">E</td> </tr> </table> | | | E | | | | | | |
| | | E | | | | | | | | |
| Taxed capital gains for the year (amount B minus amount E) | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 80%; border-bottom: 1px solid black;"></td> <td style="width: 10%; text-align: center;">F</td> </tr> </table> | | | F | | | | | | |
| | | F | | | | | | | | |

Part 2 - required information (continued)

| | | |
|----------------------------------------------------------------------------------------------------------------|-----|---|
| Taxed capital gains for the year (amount F) | 170 | G |
| Inclusion rate for the year under paragraph 38(a)* | = | |
| Amount of any dividend paid during the period, and before this dividend, deemed to be a capital gains dividend | 180 | H |
| Amount available for payment of capital gains dividend (amount G minus amount H) (if negative enter "0") | | I |
| Amount of dividend deemed to be a capital gains dividend (lesser of amount A and amount I) | | J |

* The relevant inclusion rates for the tax years are: Prior to January 1, 1988, 1/2; from January 1, 1988 to December 31, 1989, 2/3; from January 1, 1990 to February 27, 2000, 3/4; from February 28, 2000 to October 17, 2000, 2/3; and since October 17, 2000 to the present, 1/2.

Part 3 - Late-filing penalty

According to subsection 131(1.1), a late-filing penalty will apply to an election filed after its due date.

| | | | | |
|----------------------------------------------------------------------------------------------|-----|------|-----|---|
| Amount A | 200 | × 1% | | K |
| Amount N* | 210 | ÷ 12 | | L |
| Subtotal (amount K multiplied by amount L) | | | | M |
| \$500 × amount N* | | ÷ 12 | | O |
| Amount of late-filing penalty – lesser of amount M or O (enter "0" if not applicable) | | | 220 | P |

* N is the sum of each month or each part of a month in the period from the filing due date to the actual date filed.

Part 4 - Part III tax

According to subsection 184(2), Part III tax will apply on the excess amount.

| | |
|---------------------------------------------------------------------|---|
| Amount by which amount A exceeds amount I, if any | Q |
| Part III tax – 60% of amount Q (enter "0" if not applicable) | R |

Note: The corporation may be able to avoid paying Part III tax by filing an election under subsection 184(3), to treat the excess as a separate taxable dividend per Regulation 2106.

Part 5 - Amount of payment accompanying this election

| | |
|--------------------------------------------------------|-------|
| Late-filing penalty – amount P | S |
| Part III tax – amount R | T |
| Amount owing – amount S plus amount T | U |
| Amount of remittance accompanying this election | 400 V |

Note: Daily compound interest, at prescribed rates, applies to unpaid amounts, including late-filing penalties.

Part 6 - Election and certification

The corporation hereby elects to have the provisions of subsection 130.1(4) apply for the full amount of the dividend indicated.
I certify that the information given in this election, and in all documents attached, is true, correct and complete in every respect.

950

Name of authorized officer

954

Position or office

955

Signature of authorized officer

Date yyyy/mm/dd

Attachments

- If the directors of the corporation are legally entitled to administer the affairs of the corporation, attach a certified copy of their resolution authorizing the election.
- If the directors are not legally so entitled, attach a certified copy of authorization to make the election from the person or persons legally entitled to administer the affairs of the corporation.
- Make your cheque or money order payable to the Receiver General. On the back write T2012, your corporation's name, business number, and tax-year end.

Privacy statement

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the Act such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source at canada.ca/cra-info-source, Personal Information Bank CRA PPU 047.