



## Statement of Business or Professional Activities

- Use this form to calculate your self-employment business and professional income.
- For each business or profession, fill in a **separate** Form T2125.
- Fill in this form and send it with your income tax and benefit return.
- For more information on how to fill in this form, see guide T4002, Self-employed Business, Professional, Commission, Farming, and Fishing Income.

<b>Part 1 – Identification</b>	
Your name	Your social insurance number
Business name	Business number
Business address	City
	Prov./Terr. Postal code
Fiscal period From _____ Date (YYYYMMDD) to _____ Date (YYYYMMDD)	Was this your last year of business? <input type="checkbox"/> Yes <input type="checkbox"/> No
Main product or service	Industry code (see the appendix in Guide T4002)
Accounting method (commission only) <input type="checkbox"/> Cash <input type="checkbox"/> Accrual	Tax shelter identification number
	Partnership business number Your percentage of the partnership %
Name and address of person or firm preparing this form	

<b>Part 2 – Internet business activities</b>	
If your web pages or websites generate business or professional income, fill in this part of the form.	
How many Internet web pages and websites does your business earn income from? Enter "0" if none .....	
Provide up to five main web page or website addresses, also known as uniform resource locator (URL):	
http://	_____
http://	_____
http://	_____
http://	_____
http://	_____
Percentage of your gross income generated from the web pages and websites. (If no income was generated from the Internet, enter "0".) ..... %	

**Part 3A – Business income**

Fill in this part **only** if you have business income. If you have professional income, leave this part blank and fill in Part 3B. If you have both business and professional income, you have to fill out a separate Form T2125 for each.

**Part 3B – Professional income**

Fill in this part **only** if you have professional income. If you have business income, leave this part blank and fill in Part 3A. If you have both business and professional income, you have to fill out a separate Form T2125 for each.

**Note:** New rules allow you to include your work in progress (WIP) progressively if you elected to use billed basis accounting for the last tax year that started before March 22, 2017. Generally, for the first tax year that starts after March 21, 2017, you must include 20% of the lesser of the cost and the fair market value of WIP. The inclusion rate increases to 40% in the second tax year that starts after March 21, 2017, 60% in the third year, 80% in the fourth year, and 100% in the fifth and all subsequent tax years. For more information, see chapter 2 of guide T4002.

**Part 3A – Business income**

Gross sales, commissions, or fees (include GST/HST collected or collectible) . . . . .		3A
GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 3A) . . . . .		3B
<b>Subtotal:</b> Amount 3A minus amount 3B		3C
<b>If you are using the quick method for GST/HST – Government assistance calculated as follows:</b>		
GST/HST collected or collectible on sales, commissions and fees eligible for the quick method . . . . .		3D
GST/HST remitted, (sales, commissions, and fees eligible for the quick method <b>plus</b>		
GST/HST collected or collectible) <b>multiplied</b> by the applicable quick method remittance rate . . . . .		3E
<b>Subtotal:</b> Amount 3D minus amount 3E		3F
<b>Adjusted gross sales:</b> Amount 3C plus amount 3F (enter on line 8000 of Part 3C) . . . . .		3G

**Part 3B – Professional income**

Gross professional fees including work-in-progress (WIP) and GST/HST collected or collectible . . . . .		3H
GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 3H) and any WIP at the end of the year you elected to exclude . . . . .		3I
<b>Subtotal:</b> Amount 3H minus amount 3I		3J
<b>If you are using the quick method for GST/HST – Government assistance calculated as follows:</b>		
GST/HST collected or collectible on professional fees eligible for the quick method . . . . .		3K
GST/HST remitted, (professional fees eligible for the quick method <b>plus</b> GST/HST collected or collectible) <b>multiplied</b> by the applicable quick method remittance rate . . . . .		3L
<b>Subtotal:</b> Amount 3K minus amount 3L		3M
Work-in-progress (WIP), start of the year, per election to exclude WIP (see Guide T4002, Chapter 2) . . . . .		3N
<b>Adjusted professional fees:</b> Amount 3J plus amount 3M plus amount 3N (enter on line 8000 of Part 3C) . . . . .		3O

**Part 3C – Gross business or professional income**

Adjusted gross sales (amount 3G) or adjusted professional fees (amount 3O) . . . . .	<b>8000</b>		
Reserves deducted last year . . . . .	<b>8290</b>		
Other income . . . . .	<b>8230</b>		
<b>Subtotal:</b> Line 8290 plus line 8230		▶	3P
<b>Gross business or professional income:</b> Line 8000 plus amount 3P . . . . .	<b>8299</b>		

Report the gross business or professional income from line 8299 on the applicable line of your income tax and benefit return as indicated below:

- business income on line 13499
- professional income on line 13699
- commission income on line 13899

For Parts 3D, 4, and 5, if GST/HST has been remitted or an input tax credit has been claimed, do not include GST/HST when you calculate the cost of goods sold, expenses, or net income (loss).

**Part 3D – Cost of goods sold and gross profit**

If you have business income, fill in this part. Enter only the business part of the costs.

Gross business income (line 8299 of Part 3C) . . . . .			3Q
Opening inventory (include raw materials, goods in process, and finished goods) . . . . .	<b>8300</b>		3R
Purchases during the year (net of returns, allowances, and discounts) . . . . .	<b>8320</b>		3S
Direct wage costs . . . . .	<b>8340</b>		3T
Subcontracts . . . . .	<b>8360</b>		3U
Other costs . . . . .	<b>8450</b>		3V
<b>Subtotal:</b> Add amounts 3R to 3V			3W
Closing inventory (include raw materials, goods in process, and finished goods) . . . . .	<b>8500</b>		
<b>Cost of goods sold:</b> Amount 3W minus line 8500	<b>8518</b>		▶
<b>Gross profit (or loss):</b> Amount 3Q minus line 8518 . . . . .		<b>8519</b>	

**Part 4 – Net income (loss) before adjustments**

<b>Gross business or professional income</b> (line 8299 of Part 3C) or <b>Gross profit</b> (line 8519 of Part 3D) .....		4A
<b>Expenses</b> (enter only the business part)		
Advertising .....	8521	4B
Meals and entertainment .....	8523	4C
Bad debts .....	8590	4D
Insurance .....	8690	4E
Interest and bank charges .....	8710	4F
Business taxes, licences, and memberships .....	8760	4G
Office expenses .....	8810	4H
Office stationery and supplies .....	8811	4I
Professional fees (includes legal and accounting fees) .....	8860	4J
Management and administration fees .....	8871	4K
Rent .....	8910	4L
Repairs and maintenance .....	8960	4M
Salaries, wages, and benefits (including employer's contributions) .....	9060	4N
Property taxes .....	9180	4O
Travel expenses .....	9200	4P
Utilities .....	9220	4Q
Fuel costs (except for motor vehicles) .....	9224	4R
Delivery, freight, and express .....	9275	4S
Motor vehicle expenses (not including CCA) (amount 15 of Chart A) .....	9281	4T
Capital cost allowance (CCA). Enter amount i of Area A <b>minus</b> any personal part and any CCA for business-use-of-home expenses. ....	9936	4U
Other expenses (specify): .....	9270	4V
<b>Total expenses:</b> Total of amounts 4B to 4V	9368	▶
<b>Net income (loss) before adjustments:</b> Amount 4A <b>minus</b> line 9368 .....		9369

**Part 5 – Your net income (loss)**

Your share of line 9369 or the amount from your T5013 slip, Statement of Partnership Income .....		5A
GST/HST rebate for partners received in the year .....	9974	▶
<b>Total:</b> Amount 5A <b>plus</b> line 9974	9943	5B
Other amounts deductible from your share of the net partnership income (loss) (amount 6F) .....	9943	▶
<b>Net income (loss) after adjustments:</b> Amount 5B <b>minus</b> line 9943 .....		9945
Business-use-of-home expenses (amount 7P) .....	9945	▶
<b>Your net income (loss):</b> Amount 5C <b>minus</b> line 9945 .....	9946	9946

Report the net income amount from line 9946 on the applicable line of your income tax and benefit return as indicated below:

- business income on line 13500
- professional income on line 13700
- commission income on line 13900

**Part 6 – Other amounts deductible from your share of the net partnership income (loss)**

Claim expenses you incurred that were not included in the partnership statement of income and expenses, and for which the partnership did not reimburse you. These claims must not be included in the claims already calculated for the partnership.

List details of expenses:

Expense amounts	
_____	6A
_____	6B
_____	6C
_____	6D
_____	6E
_____	6F

**Total other amounts deductible from your share of the net partnership income (loss):** Add amounts 6A to 6E (enter this on line 9943 of Part 5)

**Part 7 – Calculation of business-use-of-home expenses**

Heat .....	_____	7A
Electricity .....	_____	7B
Insurance .....	_____	7C
Maintenance .....	_____	7D
Mortgage interest .....	_____	7E
Property taxes .....	_____	7F
Other expenses (specify): _____	_____	7G
<b>Subtotal:</b> Add amounts 7A to 7G		7H
Personal-use part of the business-use-of-home expenses .....	_____	7I
<b>Subtotal:</b> Amount 7H minus amount 7I		7J
Capital cost allowance (business part only), which means amount i of Area A minus any portion of CCA that is for personal use or entered on line 9936 of Part 4 .....	_____	7K
Amount carried forward from previous year .....	_____	7L
<b>Subtotal:</b> Add amounts 7J to 7L		7M
Net income (loss) after adjustments (amount 5C) (if negative, enter "0") .....	_____	7N
<b>Business-use-of-home expenses available to carry forward:</b> Amount 7M minus amount 7N (if negative, enter "0") .....	_____	7O

**Allowable claim:** The lesser of amount 7M and 7N above (enter your share of this amount on line 9945 of Part 5) \_\_\_\_\_ **7P**

**Part 8 – Details of other partners**

Do not fill in this chart if you must file a partnership information return.

Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) \$	Percentage of partnership %
Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) \$	Percentage of partnership %
Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) \$	Percentage of partnership %
Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) \$	Percentage of partnership %

**Part 9 – Details of equity**

Total business liabilities .....	<b>9931</b>	_____
Drawings in the current year .....	<b>9932</b>	_____
Capital contributions in the current year .....	<b>9933</b>	_____

**Area A – Calculation of capital cost allowance (CCA) claim**

1 Class number	2 Undepreciated capital cost (UCC) at the start of the year	3 Cost of additions in the year (see Area B and C below)	4 Cost of additions from column 3 which are AIP or zero-emission vehicles (ZEV) (new property must be available for use in the year) <b>Note 1</b>	5 Proceeds of dispositions in the year (see Area D and E below)	6* UCC after additions and dispositions (col. 2 plus col. 3 minus col. 5)	7 Proceeds of dispositions available to reduce additions of AIP and ZEV (col. 5 minus col. 3 plus column 4). If negative, enter "0". <b>Note 2</b>	8 UCC adjustment for current-year additions of AIP and ZEV (col. 4 minus col. 7) multiplied by the relevant factor. If negative, enter "0". <b>Note 3</b>	9 Adjustment for current-year additions subject to the half-year rule 1/2 multiplied by (col. 3 minus col. 4 minus col. 5). If negative, enter "0".	10 Base amount for CCA (col. 6 plus col. 8 minus col. 9)	11 CCA Rate %	12 CCA for the year (col. 10 multiplied by col. 11 or a lower amount)	13 UCC at the end of the year (col. 6 minus col. 12)
<b>Total CCA claim for the year: Total of column 12</b> (enter the amount on line 9936 of Part 4, amount i minus any personal part and any CCA for business-use-of-home expenses **)												i

\* If you have a negative amount in column 6, add it to income as a recapture in Part 3C on line 8230. If no property is left in the class and there is a positive amount in the column, deduct the amount from income as a terminal loss in Part 4 on line 9270. Recapture and terminal loss do not apply to a class 10.1 property. For more information, read Chapter 3 of guide T4002.

\*\* For information on CCA for "Calculation of business-use-of-home expenses," see "Special situations" in Chapter 4 of guide T4002. To help you calculate the capital cost allowance claim, see the calculation charts in Areas B to F.

**Note 1:** Columns 4, 7, and 8 apply only to accelerated investment incentive properties (AIPs) (see Regulation 1104(4) of the Income Tax Regulations for the definition), zero-emission vehicles, and zero-emission passenger vehicles. In this chart ZEV represents both zero-emission vehicles and zero-emission passenger vehicles. An AIP is a property (other than ZEV) that you acquired after November 20, 2018 and became available for use before 2028. A ZEV is a motor vehicle included in Class 54 or 55 that you acquired after March 18, 2019 and became available for use before 2028. For more information on AIP and ZEV, see guide T4002.

**Note 2:** The proceeds of disposition of a zero-emission passenger vehicle (ZEPV) that has been included in Class 54 and that is subject to the \$55,000 capital cost limit will be adjusted based on a factor equal to the capital cost limit of \$55,000 as a proportion of the actual cost of the vehicle. For dispositions after July 29, 2019, the government proposes that the actual cost of the vehicle be adjusted for any payments or repayments of government assistance that you may have received or repaid in respect of the vehicle. For more information on proceeds of disposition, read Class 54 in guide T4002.

**Note 3:** The relevant factors for properties available for use before 2024 are 2 1/3 (classes 43.1 and 54), 1 1/2 (class 55), 1 (classes 43.2 and 53), 0 (classes 12, 13, 14, 15), and 1/2 for the remaining accelerated investment incentive properties. For more information on accelerated investment incentive properties, see guide T4002 or go to [canada.ca/taxes-accelerated-investment-income](http://canada.ca/taxes-accelerated-investment-income).

**Area B – Equipment additions in the year**

1 Class number	2 Property description	3 Total cost	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
<b>Total equipment additions in the year: Total of column 5</b>				<b>9925</b>

**Area C – Building additions in the year**

1 Class number	2 Property description	3 Total cost	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
<b>Total building additions in the year: Total of column 5</b>				<b>9927</b>

**Area D – Equipment dispositions in the year**

1 Class number	2 Property description	3 Proceeds of disposition (should not be more than the capital cost)	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
<b>Total equipment dispositions in the year: Total of column 5</b>				<b>9926</b>

**Note:** If you disposed of property in the year, see Chapter 3 of Guide T4002 for information about your proceeds of disposition.

**Area E – Building dispositions in the year**

1 Class number	2 Property description	3 Proceeds of disposition (should not be more than the capital cost)	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
<b>Total building dispositions in the year: Total of column 5</b>				<b>9928</b>

**Note:** If you disposed of property in the year, see Chapter 3 of guide T4002 for information about your proceeds of disposition.

**Area F – Land additions and dispositions in the year**

Total cost of all land additions in the year . . . . .	<b>9923</b>	_____
Total proceeds from all land dispositions in the year . . . . .	<b>9924</b>	_____

**Note:** You cannot claim capital cost allowance on land. For more information, see Chapter 3 of Guide T4002.

**Chart A – Motor vehicle expenses**

Kilometres you drove in the fiscal period that was part of earning business income . . . . .	_____	1			
Total kilometres you drove in the fiscal period . . . . .	_____	2			
Fuel and oil . . . . .	_____	3			
Interest (see Chart B) . . . . .	_____	4			
Insurance . . . . .	_____	5			
Licence and registration . . . . .	_____	6			
Maintenance and repairs . . . . .	_____	7			
Leasing (see Chart C) . . . . .	_____	8			
Other expenses (specify): _____	_____	9			
	_____	10			
<b>Total motor vehicle expenses: Add amounts 3 to 10</b>	_____	11			
Business use part: $\left( \begin{matrix} \text{amount 1 :} \\ \text{amount 2 :} \end{matrix} \right) \times \text{amount 11 :} \text{_____} = \text{_____}$					
Business parking fees . . . . .	_____				13
Supplementary business insurance . . . . .	_____				14
<b>Allowable motor vehicle expenses: Add amounts 12, 13, and 14 (include this total on line 9281 of Part 4)</b>	_____				15

**Note:** You can claim CCA on motor vehicles in Area A.

**Chart B – Available interest expense for passenger vehicles and zero-emission passenger vehicles**

Total interest payable (accrual method) or paid (cash method) in the fiscal period . . . . .	_____	16			
$\text{\$10*} \times \text{the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method)}$	_____		=	_____	17
<b>Available interest expense: The lesser of amount 16 and 17 (include this in amount 4 of Chart A)</b>	_____				18

\* For passenger vehicles bought after 2000.

**Chart C – Eligible leasing cost for passenger vehicles\*\***

Total lease charges incurred in your current fiscal period for the vehicle . . . . .	_____	19			
Total lease payments deducted before your current fiscal period for the vehicle . . . . .	_____	20			
Total number of days the vehicle was leased in your current and previous fiscal periods . . . . .	_____	21			
Manufacturer's list price . . . . .	_____	22			
Use a GST rate of 5% or HST rate applicable to your province.					
Amount 22 or (\$35,294 + GST and PST, or HST on \$35,294), whichever is more	_____		▶	_____	23
$\left[ (\$800 + \text{GST and PST, or } \$800 + \text{HST}) \times \text{amount 21} \right]$	_____		▶	_____	24
30			-	_____	24
$\left[ (\$30,000 + \text{GST and PST, or } \$30,000 + \text{HST}) \times \text{amount 19} \right]$	_____			=	25
amount 23					25
<b>Eligible leasing cost: Whichever is less of amount 24 or 25 (enter in amount 8 of Chart A above)</b>	_____				26

\*\* Includes a vehicle that would qualify as a zero-emission passenger vehicle if you owned it.

See the privacy notice on your return.