



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.

| | |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Part 1 – Identification | |
| 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 2018 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 | |

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Part 2 – Internet business activities | |
| 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. For more information, see chapter 2 of guide T4002.

Part 3A – Business income

| | | |
|-------------------------------------------------------------------------------------------------------------------------|-------|---|
| Gross sales, commissions, or fees (include GST/HST collected or collectible) | _____ | 1 |
| GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 1) | _____ | 2 |
| Subtotal: Amount 1 minus amount 2 | _____ | 3 |
| If you are using the quick method for GST/HST – Government assistance calculated as follows: | | |
| GST/HST collected or collectible on sales, commissions and fees eligible for the quick method | _____ | 4 |
| GST/HST remitted, calculated on (sales, commissions, and fees eligible for the quick method plus | | |
| GST/HST collected or collectible) multiplied by the applicable quick method remittance rate | _____ | 5 |
| Subtotal: Amount 4 minus amount 5 | _____ | 6 |
| Adjusted gross sales: Amount 3 plus amount 6 (enter on line 8000 of Part 3C) | _____ | 7 |

Part 3B – Professional income

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----|
| Gross professional fees including work-in-progress (WIP) and GST/HST collected or collectible | _____ | 8 |
| GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 8) and any WIP at the end of the year you elected to exclude | _____ | 9 |
| Subtotal: Amount 8 minus amount 9 | _____ | 10 |
| If you are using the quick method for GST/HST – Government assistance calculated as follows: | | |
| GST/HST collected or collectible on professional fees eligible for the quick method | _____ | 11 |
| GST/HST remitted, calculated on (professional fees eligible for the quick method plus GST/HST collected or collectible) multiplied by the applicable quick method remittance rate | _____ | 12 |
| Subtotal: Amount 11 minus amount 12 | _____ | 13 |
| Work-in-progress (WIP), start of the year, per election to exclude WIP (see Guide T4002, Chapter 2) | _____ | 14 |
| Adjusted professional fees: Amount 10 plus amount 13 plus amount 14 (enter on line 8000 of Part 3C) | _____ | 15 |

Part 3C – Gross business or professional income

| | | | |
|-----------------------------------------------------------------------------------------------------------|------|-------|------|
| Adjusted gross sales (amount 7 of Part 3A) or adjusted professional fees (amount 15 of Part 3B) | 8000 | _____ | |
| Reserves deducted last year | 8290 | _____ | |
| Other income | 8230 | _____ | |
| Subtotal: Line 8290 plus line 8230 | | _____ | ▶ 16 |
| Gross business or professional income: Line 8000 plus amount 16 | 8299 | _____ | |

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 162
- professional income on line 164
- commission income on line 166

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) | | | 17 |
| Opening inventory (include raw materials, goods in process, and finished goods) | 8300 | _____ | |
| Purchases during the year (net of returns, allowances, and discounts) | 8320 | _____ | |
| Direct wage costs | 8340 | _____ | |
| Subcontracts | 8360 | _____ | |
| Other costs | 8450 | _____ | |
| Subtotal: Add the amounts above | | _____ | 18 |
| Minus: Closing inventory (include raw materials, goods in process, and finished goods) | 8500 | _____ | |
| Cost of goods sold: Amount 18 minus line 8500 | 8518 | _____ | ▶ 19 |
| Gross profit (or loss): Amount 17 minus amount 19 | 8519 | _____ | |

Part 4 – Net income (loss) before adjustments

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

Part 5 – Your net income (loss)

| | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---|
| Your share of line 9369 or the amount from your T5013 slip, Statement of Partnership Income | _____ | c |
| Plus: GST/HST rebate for partners received in the year. | 9974 | |
| Total: Amount c plus line 9974 | _____ | |
| Minus: Other amounts deductible from your share of the net partnership income (loss) (amount 6 of Part 6) | 9943 | |
| Net income (loss) after adjustments: Amount d minus line 9943 | _____ | |
| Minus: Business-use-of-home expenses (amount 16 of Part 7) | 9945 | |
| Your net income (loss): Amount e minus line 9945 | 9946 | |
| Report the net income amount from line 9946 on the applicable line of your income tax and benefit return as indicated below: | | |
| <ul style="list-style-type: none"> • business income on line 135 • professional income on line 137 • commission income on line 139 | | |

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

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---|
| _____ | _____ | 1 |
| _____ | _____ | 2 |
| _____ | _____ | 3 |
| _____ | _____ | 4 |
| _____ | _____ | 5 |
| Total other amounts deductible from your share of the net partnership income (loss): Add amounts 1 to 5 (enter this on line 9943 of Part 5) | _____ | 6 |

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

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----|
| Heat | _____ | 1 |
| Electricity | _____ | 2 |
| Insurance | _____ | 3 |
| Maintenance | _____ | 4 |
| Mortgage interest | _____ | 5 |
| Property taxes | _____ | 6 |
| Other expenses (specify): _____ | _____ | 7 |
| Subtotal: Add amounts 1 to 7 | _____ | 8 |
| Minus: Personal-use part of the business-use-of-home expenses | _____ | 9 |
| Subtotal: Amount 8 minus amount 9 | _____ | 10 |
| Plus: 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 | _____ | 11 |
| Amount carried forward from previous year | _____ | 12 |
| Subtotal: Add amounts 10 to 12 | _____ | 13 |
| Minus: Net income (loss) after adjustments (amount e of Part 5) (if negative, enter "0"). | _____ | 14 |
| Business-use-of-home expenses available to carry forward: Amount 13 minus amount 14 (if negative, enter "0") | _____ | 15 |
| Allowable claim: The lesser of amount 13 and 14 above (enter your share of this amount on line 9945 of Part 5) | _____ | 16 |

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 | 9931 | _____ |
| Drawings in 2018 | 9932 | _____ |
| Capital contributions in 2018 | 9933 | _____ |

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 AIIP (new property must be available for use before 2024) See note 1 below | 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 AIIP (col. 5 minus col. 3 plus column 4). If negative, enter "0" | 8 UCC adjustment for current-year additions of AIIP (col. 4 minus col. 7) multiplied by the relevant factor. If negative, enter "0". See note 2 below | 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) |
|-------------------|----------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------|---------------------------------------------------------------------------------|----------------------------------------------------------------|
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Total CCA claim for the year: Total of column 12 (enter the amount on line 9936 of Part 4, amount **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 Guide T4002, Chapter 4. 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 the accelerated investment incentive properties that became available for use during the year. See proposed Regulation 1104(4) for the definition of accelerated investment incentive property (AIIP) which may apply to certain additions acquired after November 20, 2018.

Note 2: The proposed relevant factors for properties available for use before 2024 are 2 1/3 (class 43.1), 1 (classes 43.2 and 53) and 0.5 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.

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) |
|-------------------|---------------------------|-----------------|------------------------------------|-----------------------------------------------------|
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Total equipment additions in the year: Total of column 5 **9925**

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) |
|-------------------|---------------------------|-----------------|------------------------------------|-----------------------------------------------------|
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Total of building additions in the year: Total of column 5 **9927**

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) |
|-------------------|---------------------------|-------------------------------------------------------------------------|------------------------------------|-----------------------------------------------------|
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Total equipment dispositions in the year: Total of column 5 **9926**

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) |
|-------------------------------------------------------------------|---------------------------|-------------------------------------------------------------------------|------------------------------------|----------------------------------------------|
| | | | | |
| | | | | |
| Total building dispositions in the year: Total of column 5 | | | | 9928 |

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 | 9923 | _____ |
| Total proceeds from all land dispositions in the year | 9924 | _____ |

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 _____

Total motor vehicle expenses: Add amounts 3 to 10 11 _____

Business use part: $\left(\begin{matrix} \text{amount 1 :} \\ \text{amount 2 :} \end{matrix} \right) \times \text{amount 11 :} \dots = \dots$ 12 _____

Business parking fees 13 _____

Supplementary business insurance 14 _____

Allowable motor vehicle expenses: Add amounts 12, 13, and 14 (enter this total on line 9281 of Part 4) 15 _____

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

Chart B – Available interest expense for passenger vehicles

Total interest payable (accrual method) or paid (cash method) in the fiscal period 16 _____

_____ \times the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method) = 17 _____

Available interest expense: The lesser of amount 16 and 17 (enter this in amount 4 of Chart A) 18 _____

* For passenger vehicles bought after 2000.

Chart C – Eligible leasing cost for passenger vehicles

Total lease charges incurred in your 2018 fiscal period for the vehicle 19 _____

Total lease payments deducted before your 2018 fiscal period for the vehicle 20 _____

Total number of days the vehicle was leased in your 2018 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 \blacktriangleright _____ \times = 23 _____

$[(\$800 + \text{GST and PST, or } \$800 + \text{HST}) \times \text{amount 21}] \blacktriangleright$ _____ $-$ amount 20: _____ = 24 _____

$[(\$30,000 + \text{GST and PST, or } \$30,000 + \text{HST}) \times \text{amount 19}]$ = 25 _____

amount 23

Eligible leasing cost: Whichever is less of amount 24 or 25 (enter in amount 8 of Chart A above) 26 _____

See the privacy notice on your return.