



**Part 2 – Adjusted stub period accrual (ASPA)**

A corporation's ASPA in respect of a partnership gives an estimate of the income that the corporation is deferring during a stub period as a result of its membership in a partnership that has a fiscal period that differs from the corporation's tax year. Where the last fiscal period of the partnership begins in the corporation's tax year and ends after that tax year, the **stub period** is normally the period from the start of that fiscal period to the end of the corporation's tax year.

If the corporation becomes a member of a partnership during a fiscal period of the partnership, see Part 3.

Corporation's share of income of the partnership for the fiscal period(s) (note 1) that end(s) in the tax year of the corporation (other than dividends for which a deduction is available under section 112 or 113) .....	2A	
Corporation's share of loss of the partnership for the fiscal period(s) (note 1) that end(s) in the tax year of the corporation .....	2B	
Subtotal (amount 2A minus amount 2B) .....	▶	2C
Corporation's share of taxable capital gain of the partnership for the fiscal period(s) (note 1) that end(s) in the tax year of the corporation .....	2D	
Corporation's share of allowable capital loss of the partnership for the fiscal period(s) (note 1) that end(s) in the tax year of the corporation (cannot be more than amount 2D) .....	2E	
Subtotal (amount 2D minus amount 2E) .....	▶	2F
Subtotal (amount 2C plus amount 2F) .....		2G
Number of days that are in both the corporation's tax year and the fiscal period of the partnership that starts in the corporation's tax year and ends after the tax year (the <b>stub period</b> ) .....	=	2H
Number of days in the fiscal period(s) of the partnership that end(s) in the corporation's tax year (note 2) .....		
Stub period accrual (amount 2G multiplied by amount 2H) .....		2I

Enter amount 2I in column 1 of Schedule 73 (if negative, enter "0").

Designated qualified resource expenses [subsections 66.1(6), 66.2(5), 66.21(1), and 66.4(5)] (note 3) for the stub period .....	2J
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Enter amount 2J in column 2 of Schedule 73.

Discretionary amount designated by the corporation (note 4) .....	2K
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Enter amount 2K in column 3 of Schedule 73.

Subtotal (amount 2J plus amount 2K) .....	▶	2L
ASPA for the tax year (amount 2I minus amount 2L) (if negative, enter "0") .....		2M

Note 1. The corporation can have more than one fiscal period of the partnership that ends in its tax year. Enter the income or loss allocated to the corporation for all of the fiscal periods.

Note 2. The number of days could be more than 365 if there is more than one fiscal period of the partnership that ends in the corporation's tax year.

Note 3. Subsection 34.2(6) gives the designated amount for qualified resource expenses. Once filed, the designation cannot be amended or revoked. The corporation can designate an amount as its qualified resource expense for the stub period in respect of a partnership to the extent the corporation gets in writing from the partnership, before the corporation's filing due date for the tax year for which the ASPA is being calculated, information identifying the relevant expenses. The relevant expenses are those identified by the partnership as being the corporation's qualified resource expenses incurred by the partnership, determined as if those expenses had been incurred by the partnership in its last fiscal period that ended in the tax year (that is, based on the corporation's share for the last fiscal period, and not at the end of the tax year). The amount designated cannot be more than the maximum amount that would be deductible by the corporation for the identified resource expenses under sections 66.1, 66.2, 66.21, and 66.4 in calculating its income if the partnership's fiscal period ended at the end of the corporation's tax year.

Note 4. The corporation can designate an amount (other than an amount included on amount 2J) on its T2 Corporation Income Tax Return filed on or before the corporation's filing due date. Once filed, the designation cannot be amended or revoked. The corporation may have to include in its income an **income shortfall adjustment** to account for under-reported income when the corporation has made a discretionary designation to reduce the ASPA inclusion for a previous tax year. For the calculation of the income shortfall adjustment, see Part 4.



**Part 4 – Income shortfall adjustment (continued)**

ASPA from the base year (amount 2M from Part 2 of Schedule 71* for the base year) .....	=====	4L
Discretionary amount designated from the base year (amount 2K from Part 2 of Schedule 71** for the base year) .....	=====	4M
Subtotal (amount 4L <b>plus</b> amount 4M) (if negative, enter "0") .....	=====	4N
Base amount (amount 4K or amount 4N, whichever is less) .....	=====	4O
Subtotal (amount 4O <b>minus</b> amount 4L) (this amount can be positive or negative) .....	=====	4P
Number of days in the period that starts on the day after the day on which the <b>base year</b> ends, and ends on the day on which the tax year ends .....	=====	4Q
Subtotal (amount 4P <b>multiplied by</b> amount 4Q) .....	=====	4R
Average daily rate of interest determined by reference to the prescribed rate of interest under paragraph 4301(a) of the Income Tax Regulations for the period referred to at amount 4Q .....	=====	4S
<b>Income shortfall adjustment</b> (amount 4R <b>multiplied by</b> amount 4S) .....	=====	4T
Enter amount 4T in column 9 of Schedule 73.		
Base amount 4O <b>multiplied by</b> amount 4Q .....	=====	4U
Amount 4U <b>multiplied by</b> amount 4S .....	=====	4V
<b>Threshold amount</b> (25% of amount 4V) (if negative, enter "0") .....	=====	4W
Enter amount 4W in column 10 of Schedule 73.		

\* In pre-2019 versions of Schedule 71, this amount appeared at amount K of Part 3.

\*\* In pre-2019 versions of Schedule 71, this amount appeared at amount k of Part 3.