



The T2 Short

Who can use the T2 Short?

The T2 Short is a simpler version of the *T2 Corporation Income Tax Return*. There are two categories of corporations that are eligible to use this return:

- You can use this return if the corporation meets **all** of the following conditions:
 - It is a Canadian-controlled private corporation.
 - It has either a nil net income for income tax purposes this year, or a loss this year.
 - It has a permanent establishment in only one province or territory.
 - It is not claiming any refundable tax credits (other than a refund of instalments paid).
 - It did not receive or pay out any taxable dividends.
- You can also use this return for a tax-exempt corporation (such as a non-profit organization) that has a permanent establishment in only one province or territory.

If the corporation does not fit into either of the above categories, please file a regular *T2 Corporation Income Tax Return*.

Except for Quebec, Ontario, and Alberta, the T2 Short also serves as a provincial or territorial income tax return.

What should you attach to the return?

There are three things you have to attach to this return:

- Schedule 100, *Balance Sheet Information*, showing the financial position of the corporation at the end of the taxation year;
- Schedule 125, *Income Statement Information*, showing the corporation's income and expenses for the year (if the corporation did not earn any income or incur any expenses, simply state "no income - no expenses"); and
- Schedule 141, *Notes Checklist*, for any notes to the financial statement information and to indicate the involvement of an accountant.

Depending on the circumstances, you may have to attach other forms or schedules. For more information, see page 2 of the T2 Short return. On the back of this page, we have provided a short version of Schedule 1. If you need to complete this schedule, you can attach this page to the T2 Short return.

Note

If you need help completing this return, or you need a copy of the *T2 Corporation Income Tax Guide*, call or visit your tax services office.



NET INCOME (LOSS) FOR INCOME TAX PURPOSES

SCHEDULE 1 S

Code 0101

Corporation's name	Business Number	Taxation year-end		
		Year	Month	Day

- This schedule lets you reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please give us the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. Report amounts according to Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Net income (loss) after taxes and extraordinary items per financial statements A

Additions:

Provision for income taxes—current	101	_____
Provision for income taxes—deferred	102	_____
Amortization of tangible assets	104	_____
Amortization of intangible assets	106	_____
Recapture of capital cost allowance from Schedule 8	107	_____
Gain on sale of eligible capital property from Schedule 10	108	_____
Income or loss for tax purposes—joint ventures or partnerships	109	_____
Loss on disposal of assets	111	_____
Charitable donations from Schedule 2	112	_____
Taxable capital gains from Schedule 6	113	_____
Depreciation in inventory—end of year	117	_____
Non-deductible meals and entertainment expenses	121	_____
Tax reserves deducted in prior year from Schedule 13	125	_____

Other additions:

600	_____	290	_____
601	_____	291	_____
602	_____	292	_____
603	_____	293	_____
604	_____	294	_____

Total of fields 101 to 294 500 _____ ▶ _____ B

Subtotal (amount A plus amount B) _____ C

Deductions:

Bad debt	304	_____
Book income of joint venture or partnership	305	_____
Equity in income from subsidiaries or affiliates	306	_____
Gain on disposal of assets per financial statements	401	_____
Capital cost allowance from Schedule 8	403	_____
Terminal loss from Schedule 8	404	_____
Cumulative eligible capital deduction from Schedule 10	405	_____
Allowable business investment loss—Schedule 6	406	_____
Holdbacks	408	_____
Tax reserves claimed in current year from Schedule 13	413	_____
Contributions to deferred income plans from Schedule 15	417	_____

Other deductions:

700	_____	390	_____
701	_____	391	_____
702	_____	392	_____
703	_____	393	_____
704	_____	394	_____

Total of fields 304 to 394 510 _____ ▶ _____ D

Nil net income or (loss) for income tax purposes – amount C minus amount D E

Enter amount E on line 300 on page 1 of the T2 Short return. If the amount on line E is a positive amount, please file a regular T2 Corporation Income Tax Return.



CAPITAL COST ALLOWANCE (CCA) (1998 and later taxation years)

Name of corporation	Business Number	Taxation year end Year Month Day
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For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*.

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes 2 No

1 Class number	2 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the year from last year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Undepreciated capital cost (column 2 plus column 3 plus or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Capital cost allowance (column 8 multiplied by column 9; or a lower amount) See note 3 below	13 Undepreciated capital cost at the end of the year (column 6 minus column 12)
200	201	203	205	207	211	212	213	215	217	220		
1.												
2.												
3.												
4.												
5.												
6.												
7.												
8.												
9.												
10.												

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim. See the *T2 Corporation Income Tax Guide* for more information.

Totals

Enter the total of column 10 on line 107 of Schedule 1.
Enter the total of column 11 on line 404 of Schedule 1.
Enter the total of column 12 on line 403 of Schedule 1.



SHAREHOLDER INFORMATION (1998 and later taxation years)

Name of corporation	Business Number	Taxation year end Year Month Day		
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All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

	Name of shareholder	Business Number	Social Insurance Number	Percentage common shares	Percentage preferred shares
	100	200	300	400	500
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

T2 SHORT RETURN
(2001 and later taxation years)

This form serves as a federal and provincial or territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, including proposed legislation, see the corresponding items in the *2001 T2 Corporation Income Tax Guide*.

Send one completed copy of this return, including schedules, and the *General Index of Financial Information* (GIFI) to your tax services office or to the tax centre that serves the corporation. You have to file the return within six months after the end of the corporation's taxation year. See items 1 to 5 in the guide for more information on when and how to file T2 returns.

055 Do not use this area

Identification

Business Number (BN) (item 11) 001 _____ R C _____	
Corporation's name (item 12) 002 _____	
Has the corporation changed its name since the last time we were notified? 003 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>	If yes, do you have a copy of the articles of amendment? 004 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
Address of head office (item 13)	
Has the address changed since the last time we were notified? 010 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>	
011 _____ 012 _____	To which taxation year does this return apply? (item 17)
City 015 _____ Province, territory, or state 016 _____	Taxation year start 060 _____ Taxation year-end 061 _____ YYYY MM DD YYYY MM DD
Country (other than Canada) 017 _____ Postal code/ZIP code 018 _____	Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
Mailing address (if different from head office address) (item 14)	If yes, provide the date control was acquired 065 _____ YYYY MM DD
Has the address changed since the last time we were notified? 020 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>	Is the corporation a professional corporation that is a member of a partnership? (item 18) 067 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
021 c/o _____ 022 _____ 023 _____	Is this the first year of filing after:
City 025 _____ Province, territory, or state 026 _____	Incorporation? (item 19) 070 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
Country (other than Canada) 027 _____ Postal code/ZIP code 028 _____	Amalgamation? (item 20) 071 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
Location of books and records (item 15)	If yes, please provide Schedule 24 072 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
031 _____ 032 _____	Has there been a wind-up of a subsidiary under section 88 during the current taxation year? (item 21)
City 035 _____ Province, territory, or state 036 _____	If yes, please provide Schedule 24 072 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
Country (other than Canada) 037 _____ Postal code/ZIP code 038 _____	Is this the final taxation year before amalgamation? (item 22) 076 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
040 Type of corporation at the end of the taxation year (item 16)	Is this the final return up to dissolution? (item 23) 078 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
1 <input type="checkbox"/> Canadian-controlled private corporation (CCPC) 5 <input type="checkbox"/> Other corporation (please specify, below)	"Nil" or "net loss" for income tax purposes from Schedule 1, financial statements, or GIFI 300 (_____)
085 If the corporation is exempt from tax under section 149 tick one of the following boxes: (item 25)	Provincial or territorial jurisdiction (item 131) 750 _____
1 <input type="checkbox"/> An agricultural organization, a board of trade or a chamber of commerce; or, a non-profit club, society or association	Tax instalments paid (item 158) 840 _____
2 <input type="checkbox"/> Non-profit corporations for scientific research and experimental development	394 If there are excess payments in this year's instalment account, please indicate whether they should be: (item 159)
3 <input type="checkbox"/> Certain farmers' and fishermen's insurers	1 <input type="checkbox"/> Refunded,
4 <input type="checkbox"/> Exempt under other paragraphs of section 149 (please specify) _____	2 <input type="checkbox"/> Transferred to next year's account, or
	3 <input type="checkbox"/> Applied to another liability. (attach instructions)
Do not use this area	
091 _____	092 _____
093 _____	094 _____
095 _____	096 _____
097 _____	

Attachments

Financial statement information – For taxation years ending in 2000 and later, use GIFL schedules 100, 125, and 141.

Schedules – Depending on the circumstances, you may need to attach some schedules to this return. Answer the following questions. For each yes response, attach to the T2 short return the schedule that applies.

Guide item		Yes	Schedule
55 Is the net loss or the net income shown on the financial statements different from the net loss or nil income for income tax purposes?	201	<input type="checkbox"/>	1
69-76 (i) Is the corporation including a schedule to show the continuity of losses? or (ii) Do you want to carry back the current year's loss to a preceding taxation year?	204	<input type="checkbox"/>	4
56 Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206	<input type="checkbox"/>	6
57 Does the corporation have any property that is eligible for capital cost allowance?	208	<input type="checkbox"/>	8
58 Does the corporation have any property that is eligible capital property?	210	<input type="checkbox"/>	10
27 Is the corporation related to any other corporations?	150	<input type="checkbox"/>	9
32 Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's-length transactions with non-residents	162	<input type="checkbox"/>	11
60 Is the corporation claiming reserves of any kind?	213	<input type="checkbox"/>	13
34 Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	<input type="checkbox"/>	14
35 Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	<input type="checkbox"/>	15
29 Is the corporation an associated Canadian-controlled private corporation?	160	<input type="checkbox"/>	23
46 Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	<input type="checkbox"/>	50

Additional information

Is the corporation inactive? (item 48) **280** 1 Yes 2 No

Has the major business activity changed since the last return was filed? (enter yes for first-time filers) (item 49) **281** 1 Yes 2 No

What is the corporation's major business activity? (item 50) **282** _____
(only complete if yes was entered at line 281)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51) **283** 1 Wholesale 2 Retail

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)

284 _____	285 _____ %
286 _____	287 _____ %
288 _____	289 _____ %

Certification (item 164)

I, **950** _____ **951** _____ **954** _____,
Last name in block letters First name in block letters Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 _____ **956** _____
Date (yyyy/mm/dd) Signature of an authorized signing officer of the corporation Telephone number

Is the contact person the same as the authorized signing officer? If *no*, complete the information below **957** 1 Yes 2 No

958 _____ **959** _____
Name in block letters Telephone number

Language of correspondence – Langue de correspondance (item 165)

990 Please indicate the language of your choice.
Indiquer la langue de correspondance de votre choix. 1 English/Anglais 2 Français/French