



## 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 T2 short 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" or "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 <b>plus</b> column 3 <b>plus</b> or <b>minus</b> column 4 <b>minus</b> 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 <b>minus</b> column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Capital cost allowance (column 8 <b>multiplied</b> by column 9; or a lower amount)  See note 3 below	13 Undepreciated capital cost at the end of the year (column 6 <b>minus</b> column 12)
	<b>200</b>	<b>203</b>	<b>205</b>	<b>207</b>		<b>211</b>		<b>212</b>	<b>213</b>	<b>215</b>	<b>217</b>	<b>220</b>
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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 (2004 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 (after name, indicate in brackets if the shareholder is a corporation, partnership, individual or trust)	Business Number (If a corporation is not registered, enter "NR")	Social Insurance Number	Percentage common shares	Percentage preferred shares
	<b>100</b>	<b>200</b>	<b>300</b>	<b>400</b>	<b>500</b>
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					



**Attachments**

**Financial statement information** – Use GIFI 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 the schedule that applies to the T2 short return.

<b>Guide item</b>		<b>Yes</b>	<b>Schedule</b>
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? . . . . .	<b>201</b> <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? . . . . .	<b>204</b> <input type="checkbox"/>	4
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year? . . . . .	<b>206</b> <input type="checkbox"/>	6
57	Does the corporation have any property that is eligible for capital cost allowance? . . . . .	<b>208</b> <input type="checkbox"/>	8
58	Does the corporation have any property that is eligible capital property? . . . . .	<b>210</b> <input type="checkbox"/>	10
27	Is the corporation related to any other corporations? . . . . .	<b>150</b> <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 . . . . .	<b>162</b> <input type="checkbox"/>	11
60	Is the corporation claiming reserves of any kind? . . . . .	<b>213</b> <input type="checkbox"/>	13
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? . . . . .	<b>164</b> <input type="checkbox"/>	14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan? . . . . .	<b>165</b> <input type="checkbox"/>	15
29	Is the corporation an associated Canadian-controlled private corporation? . . . . .	<b>160</b> <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? . . . . .	<b>173</b> <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)

<b>284</b> _____	<b>285</b> _____ %
<b>286</b> _____	<b>287</b> _____ %
<b>288</b> _____	<b>289</b> _____ %

**Certification** (item 165)

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 166)

**990** Indicate the language of your choice.  
Indiquez la langue de correspondance de votre choix. 1 English/Anglais  2 Français/French