

**Chart 5 – Applying net capital losses of other years to 2018 (for taxpayers with a pre-1986 capital loss balance)**

Use this chart to apply your net capital losses of other years to 2018 and to calculate your balance of unapplied losses you can carry forward to a future year.

When you complete this chart, replace “**IR**” with your inclusion rate for 2000. This rate is from line 16 in Part 4 of Schedule 3 for 2000, or from your notice of assessment or latest notice of reassessment for 2000.

**Step 1 – Pre-1986 capital loss balance available for 2018**

Complete this step **only** if you have a balance of unapplied net capital losses from before May 23, 1985. Otherwise, enter “0” on line 3 and go to Step 2.

1. Balance of unapplied net capital losses you had before May 23, 1985.....	\$	_____	<b>1</b>
2. Capital gains deductions you claimed:			
Before 1988.....	\$	_____	
In 1988 and 1989.....	\$	_____ × 3/4 =	+
From 1990 to 1999.....	\$	_____ × 2/3 =	+
In 2000.....	\$	_____ × [1 ÷ (2 × IR)] =	+
From 2001 to 2017.....		_____	+
Total capital gains deductions after adjustment.....	= \$	_____	<b>2</b>
3. Pre-1986 capital loss balance available for 2018 (line 1 <b>minus</b> line 2).....	= \$	_____	<b>3</b>

**Step 2 – Applying net capital losses of other years to 2018**

Complete lines A to C of this chart in Step 3 (on the next page) before proceeding.

4. Total unapplied adjusted net capital losses of other years (total from line C in Step 3 on the next page).....	\$	_____	<b>4</b>
5. Taxable capital gains from line 127 of your 2018 income tax and benefit return.....	\$	_____	<b>5</b>
6. Enter the amount from line 4 or line 5, <b>whichever is less</b> .....	\$	_____	<b>6</b>
7. You can apply all, or part, of the amount on line 6 against your taxable capital gains in 2018. Enter on line 7 the amount of losses you want to claim.....	– \$	_____	<b>7</b>
<b>If you did not complete Step 1</b> , enter the amount from line 7 on line 253 of your 2018 income tax and benefit return. This is your deduction in 2018 for net capital losses of other years. Do not complete lines 8 to 15 and enter this same amount on line 16 in Step 3. However, complete lines D to G in Step 3 of this table (on the next page) to calculate the net capital losses available to carry forward to future years.			
<b>If you completed Step 1</b> , complete lines 8 to 16 and lines D to G in Step 3 of this table (on the next page) to calculate the net capital losses available to carry forward to future years.			
8. Balance of unapplied adjusted net capital losses of other years not used to reduce taxable capital gains (line 4 <b>minus</b> line 7).....	= \$	_____	<b>8</b>
9. Amount from line 8.....	\$	_____	<b>9</b>
10. Amount from line 3.....	\$	_____	<b>10</b>
11. Pre-1986 deductible amount.....	\$	<b>2,000</b>	<b>11</b>
12. Line 9, 10, or 11, <b>whichever is less</b> .....	+ \$	_____	<b>12</b>
13. Deduction in 2018 for net capital losses of other years (line 7 <b>plus</b> line 12). Enter this amount on line 253 of your 2018 income tax and benefit return and complete the rest of the chart (on the next page) to determine your balance of unapplied net capital losses available to carry forward.....	= \$	_____	<b>13</b>

(continued on next page)

**Chart 5 – Applying net capital losses of other years to 2018 (continued)**

**Step 3 – Calculating your balance of unapplied net capital losses of other years available to carry forward**

14. Amount from line 7 .....	\$	<u>14</u>
15. Amount from line 12 .....	+ \$	<u>15</u>
16. Total adjusted net capital losses of other years applied in 2018 (line 14 plus line 15).....	= \$	<u><u>16</u></u>

When you complete this table, replace “**IR**” with your inclusion rate for 2000. This rate is from line 16 in Part 4 of Schedule 3 for 2000, or from your notice of assessment or latest notice of reassessment for 2000.

(Do not complete the shaded areas)	Before May 23, 1985	After May 22, 1985, and before 1988	In 1988 and 1989	After 1989 and before 2000	In 2000	After 2000 and before 2018	Total
<b>A</b> Amount of your unapplied net capital losses							
<b>B</b> Adjustment factor	1	1	$\frac{3}{4}$	$\frac{2}{3}$	$\frac{1}{2 \times \text{IR}}$	1	
<b>C</b> (Line A × line B)							
<b>D</b> Total adjusted net capital losses applied against taxable capital gains in 2018 (the total must equal the amount on line 16)							
<b>E</b> (Line C – line D)							*
<b>F</b> Adjustment factor	1	1	$\frac{4}{3}$	$\frac{3}{2}$	$2 \times \text{IR}$	1	
<b>G</b> Net capital losses available to carry forward to future years (Line E × line F)							

\* The total for line E should be equal to the amount shown on your notice of assessment or notice of reassessment for net capital losses of other years available for 2019.