

**CORPORATION LOSS CONTINUITY AND APPLICATION**  
**(2004 and later taxation years)**

Name of corporation	Business Number	Taxation year-end						
		<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%; text-align: center;">Year</td> <td style="width:33%; text-align: center;">Month</td> <td style="width:33%; text-align: center;">Day</td> </tr> <tr> <td style="text-align: center;">     </td> <td style="text-align: center;">   </td> <td style="text-align: center;">   </td> </tr> </table>	Year	Month	Day			
Year	Month	Day						

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to previous years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For information on these losses, see the *T2 Corporation Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.

**Part 1 – Non-capital losses**

**Determination of current-year non-capital loss**

Net income (loss) for income tax purposes		_____
<b>Deduct:</b> (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)		_____
Taxable dividends deductible under sections 112, 113, or subsection 138(6)		_____
Amount of Part VI.1 tax deductible		_____
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		_____
	Subtotal (if positive, enter "0")	_____
<b>Deduct:</b> (increase a loss)		
Section 110.5 and/or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions		_____
<b>Add:</b> (decrease a loss)	Subtotal	_____
Current-year farm loss		_____
Current-year non-capital loss (if positive, enter "0")		_____

**Continuity of non-capital losses and request for a carryback**

Non-capital loss at the end of preceding taxation year		_____
<b>Deduct:</b> Non-capital loss expired *	<b>100</b>	_____
Non-capital losses at beginning of taxation year	<b>102</b>	_____
<b>Add:</b> Non-capital losses transferred on an amalgamation or the windup of a subsidiary corporation	<b>105</b>	_____
Current-year non-capital loss (from calculation above)	<b>110</b>	_____
<b>Deduct:</b>		
Amount applied against taxable income (enter on line 331 of the T2 return)	<b>130</b>	_____
Amount applied against taxable dividends subject to Part IV tax	<b>135</b>	_____
Section 80 – Adjustments for forgiven amounts	<b>140</b>	_____
Other adjustments	<b>150</b>	_____
<b>Deduct – Request to carry back non-capital loss to:</b>		Subtotal
First preceding taxation year to reduce taxable income	<b>901</b>	_____
Second preceding taxation year to reduce taxable income	<b>902</b>	_____
Third preceding taxation year to reduce taxable income	<b>903</b>	_____
First preceding taxation year to reduce taxable dividends subject to Part IV tax	<b>911</b>	_____
Second preceding taxation year to reduce taxable dividends subject to Part IV	<b>912</b>	_____
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	<b>913</b>	_____
Non-capital losses – Closing balance		<b>180</b> _____

- \* A non-capital loss expires as follows:
- After **7** taxation years if it arose in a taxation year ending before March 23, 2004;
  - or
  - After **10** taxation years if it arose in a taxation year ending after March 22, 2004.

**Election under paragraph 88(1.1)(f)**

Paragraph 88(1.1)(f) election indicator	<b>190</b>	Yes <input type="checkbox"/>
Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.		

**Part 2 – Capital losses**

**Continuity of capital losses and request for a carryback**

Capital losses at end of preceding taxation year . . . . .	<b>200</b>	_____	
Capital losses transferred on an amalgamation or the windup of a subsidiary corporation . . . . .	<b>205</b>	_____	
Current-year capital loss (from Schedule 6 calculation) . . . . .	<b>210</b>	_____	
<b>Add:</b>			
Allowable business investment loss expired as non-capital loss _____ x 4/3 . . . . .			<b>220</b>
<b>Deduct:</b>			
Amount applied against current-year capital gain (see Note 1) . . . . .	<b>225</b>	_____	Subtotal
Section 80 – Adjustments for forgiven amounts . . . . .	<b>240</b>	_____	
Other adjustments . . . . .	<b>250</b>	_____	
<b>Deduct – Request to carry back capital loss to: (see Note 2)</b>			Subtotal
First preceding taxation year . . . . .	<b>951</b>	_____	
Second preceding taxation year . . . . .	<b>952</b>	_____	
Third preceding taxation year . . . . .	<b>953</b>	_____	
Capital losses – Closing balance . . . . .			<b>280</b>

**Note 1**

On line 332 of the T2 return, enter the amount from line 225 multiplied by 50%.

**Note 2**

Enter on lines 225, 951, 952, or 953, whichever applies, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss is applied.

**Part 3 – Farm losses**

**Continuity of farm losses and request for a carryback**

Farm losses at end of preceding taxation year . . . . .		_____	
<b>Deduct:</b> Farm loss expired after 10 taxation years . . . . .	<b>300</b>	_____	
Farm losses at beginning of taxation year . . . . .	<b>302</b>	_____	
<b>Add:</b> Farm losses transferred on an amalgamation or the windup of a subsidiary corporation . . . . .	<b>305</b>	_____	
Current-year farm loss . . . . .	<b>310</b>	_____	
<b>Deduct:</b>			
Amount applied against taxable income (enter on line 334 of the T2 return) . . . . .	<b>330</b>	_____	
Amount applied against taxable dividends subject to Part IV tax . . . . .	<b>335</b>	_____	
Section 80 – Adjustments for forgiven amounts . . . . .	<b>340</b>	_____	
Other adjustments . . . . .	<b>350</b>	_____	
			Subtotal
<b>Deduct – Request to carry back farm loss to:</b>			
First preceding taxation year to reduce taxable income . . . . .	<b>921</b>	_____	
Second preceding taxation year to reduce taxable income . . . . .	<b>922</b>	_____	
Third preceding taxation year to reduce taxable income . . . . .	<b>923</b>	_____	
First preceding taxation year to reduce taxable dividends subject to Part IV tax . . . . .	<b>931</b>	_____	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax . . . . .	<b>932</b>	_____	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax . . . . .	<b>933</b>	_____	
Farm losses – Closing balance . . . . .			<b>380</b>

**Part 4 – Restricted farm losses**

**Current-year restricted farm loss**

Total losses for the year from farming business . . . . .		<b>485</b>	_____	<b>A</b>
<b>Minus</b> the deductible farm loss:				
\$2,500 plus B or C, whichever is less		<b>\$ 2,500</b>	_____	
(Amount A above _____ – \$2,500) divided by 2 =			_____	<b>B</b>
	<b>\$ 6,250</b>		_____	<b>C</b>
Current-year restricted farm loss (enter this amount on line 410 of next page) . . . . .			_____	



**Part 7 – Limited partnership losses**

Current-year limited partnership losses						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 <b>minus</b> column 5 If negative, enter "0".	Current-year limited partnership losses  Column 3 - 6
<b>600</b>	<b>602</b>	<b>604</b>	<b>606</b>	<b>608</b>		<b>620</b>
1.						
2.						
3.						
4.						
5.						

Total (enter this amount on line 222 of Schedule 1)

Limited partnership losses from prior taxation years that may be applied in the current year						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Limited partnership losses at end of preceding taxation year	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 <b>minus</b> column 5 If negative, enter "0".	Limited partnership losses that may be applied in the year  The lesser of columns 3 and 6
<b>630</b>	<b>632</b>	<b>634</b>	<b>636</b>	<b>638</b>		<b>650</b>
1.						
2.						
3.						
4.						
5.						

Continuity of limited partnership losses that can be carried forward to future taxation years					
Partnership identifier	Limited partnership losses at end of preceding taxation year	Limited partnership losses transferred on an amalgamation or the windup of a subsidiary	Current-year limited partnership losses (from column 620)	Limited partnership losses applied (cannot exceed column 650)	Limited partnership losses closing balance (662 + 664 + 670 - 675)
<b>660</b>	<b>662</b>	<b>664</b>	<b>670</b>	<b>675</b>	<b>680</b>
1.					
2.					
3.					
4.					
5.					

Total (enter this amount on line 335 of the T2 return)

**Note**  
If you need more space, please continue on a separate schedule.