The T2 Short Return

Who can use the T2 Short Return?

The T2 Short Return 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 Return 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 tax 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. For your convenience, this package includes the short version of Schedule 1, a Schedule 8, and a Schedule 50.

Note

If you need help completing this return, call our Business Enquiries line at 1-800-959-5525. If you need a copy of the T2 Corporation - Income Tax Guide or other schedules, call 1-800-959-2221 or visit our Web site at www.cra.gc.ca/forms.



NET INCOME (LOSS) FOR INCOME TAY DURDOSES

pration's name	Business Number		Tax year-end	ode 06
	Business Number	Year		Day
This schedule lets you reconcile the corporation's net income (loss) as reported on the fil	nancial statements and its r	net income (loss) f	for tax purpos	ses.
Please give us the applicable details in the identification area, and complete the applicat according to Generally Accepted Accounting Principles (GAAP).	ole lines that contain a numl	pered black box. F	<pre> eport amoun </pre>	its
Sections, subsections, and paragraphs referred to on this schedule are from the Income	Tax Act.			
For more information, see the <i>T2 Corporation – Income Tax Guide</i> .				
et income (loss) after taxes and extraordinary items per financial statements				
Iditions: 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	_ ▶		
	Subtotal (amount A plus a	amount B)		
eductions:)		
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			
	391			
701	392			
700	-			
702	B)~ B1			
700	393 394			
702 703 704		_		

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*.



Page 1 of 2 Canada

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.		Vas	Schedule	
Is the net loss or the net income shown on the financial statements different from the net loss or nil income for income tax?	201		1	
(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 tax year?	204		4	
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6	
Does the corporation have any property that is eligible for capital cost allowance?	208		8	
Does the corporation have any property that is eligible capital property?	210		10	
Is the corporation related to any other corporations?	150		9	
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		11	
Is the corporation claiming reserves of any kind?	213		13	
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14	
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15	
	160		23	
Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173		50	

Additional information						
•	280 1 Yes return was filed? (enter Yes for first-time filers) 281 1 Yes	2 No 2 No				
What is the corporation's major business activity? (only complete if <i>Yes</i> was entered at line 281) If the major activity involves the resale of goods, indicate		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.	284 285 286 287 288 289	% %				

Certification					
the information given on this return is, to the t	951 (First name in block letters) ration. I certify that I have examined this return, including accordent of my knowledge, correct and complete. I further certify the spear except as specifically disclosed in a statement attached	that the method of calculating income for this			
958	(Signature of an authorized signing officer of the corporation) ized signing officer? If <i>No</i> , complete the information below (Name in block letters)	956 () (Telephone number) 957 1 Yes 2 No 959 () (Telephone number) (

– Language of correspondence – Langue de correspondance -

 990
 Indicate the language of correspondence by entering 1 for English or 2 for French.

 Indiquez la langue de correspondance en inscrivant 1 pour anglais ou 2 pour français.