

- Enter the applicable tax year in the box above. **Include a completed copy of this schedule with the trust's return.**
- Use this schedule to calculate a spousal or common-law partner trust's capital gains deduction for the tax year in which the beneficiary spouse or common-law partner died. The trust must be a resident of Canada throughout the current calendar year to be eligible to claim the capital gains deduction. For the purpose of this deduction, we also consider the trust to be a resident throughout the current year if the trust was a resident of Canada for part of the current year and throughout the previous year, or the following year.
Note: A joint spousal or common-law partner trust, an alter ego trust, or a trust that elected to defer the deemed disposition day **cannot** claim a capital gains deduction.
- Before completing this schedule, you have to calculate:
 - the trust's eligible taxable capital gains (line 34 of Schedule 3, *Eligible Taxable Capital Gains*); and
 - the spouse's or common-law partner's unused lifetime capital gains deduction limit for the year the spouse or common-law partner died (Form T657, *Calculation of Capital Gains Deduction*, for the year of death).
- If the spousal or common-law partner trust is subject to a deemed disposition, see the section called "Form T1055, *Summary of Deemed Dispositions*" in the *T3 Trust Guide*.
- A **post-1971 spousal or common-law partner trust** can claim a capital gains deduction on qualified farm or fishing property or qualified small business corporation shares in the tax year the beneficiary spouse or common-law partner dies. The trust can claim the deduction to the extent that the beneficiary spouse or common-law partner could have claimed a deduction for the eligible taxable capital gains if the gains had belonged to that spouse or common-law partner and not to the trust.
- A **pre-1972 spousal trust** can claim a capital gains deduction on qualified farm or fishing property or qualified small business corporation shares when reporting a deemed disposition on the day the beneficiary spouse dies. The trust can claim this deduction if the trustee has never elected to defer the deemed disposition day.
- For definitions of **post-1971 spousal or common-law partner trust** and **pre-1972 spousal trust**, see Chart 1 in the *T3 Trust Guide*.

Part A – Deceased beneficiary spouse or common-law partner information

Name of deceased beneficiary spouse or common-law partner	Address	Social insurance number	Date of death		
			Year	Month	Day

Part B – Calculating the spousal or common-law partner trust's capital gains deduction on all property

Spousal or common-law partner trust's eligible taxable capital gains for the year (line 34 of Schedule 3)			1	
Amounts designated on line 930 of Schedule 9	-		2	
Trust's eligible taxable capital gains for the year (line 1 minus line 2)	=		▶	<input type="text"/> 3
Spouse's or common-law partner's cumulative loss amount and cumulative capital gains deduction claimed after 1984 (see Note 1)	5020 •		4	
Spouse's or common-law partner's cumulative eligible taxable capital gains reported after 1984 (see Note 2)	5030 • -		5	
Subtotal (line 4 minus line 5; if negative, enter "0".)	=		▶	<input type="text"/> 6
Net amount (line 3 minus line 6)			▶	<input type="text"/> 7
Spousal or common-law partner trust's taxable capital gains for the year on qualified farm or fishing property and qualified small business corporation shares (line 6 of Schedule 3)				8
Spouse's or common-law partner's unused capital gains deduction for the year (see Note 3 – attach a copy of Form T657.)	5200 •			9
Capital gains deduction for resident spousal or common-law partner trust (line 7, 8, or 9, whichever is less)				10

Enter this amount on line 53 of the T3 return.

Note 1

The cumulative loss amount and cumulative capital gains deduction claimed after 1984 are the total of the amounts from lines 25, 26, 27, and 29 of Form T657.

Note 2

The cumulative eligible taxable capital gains reported after 1984 is the amount on line 23 of Form T657.

Note 3

The unused capital gains deduction is the **lesser** of lines 52 and 55 of Form T657, **minus** the amount entered on line 56 of Form T657.