



**CONTINUITY OF RESERVES
(1998 and later taxation years)**

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

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- References to parts, sections, subsections, paragraphs, and subparagraphs are from the federal *Income Tax Act*.
- File one completed copy of this schedule with the corporation's *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Part 1 – Capital gains reserves

	Description of property 001	Balance at the beginning of the year \$ 002	Transfer on amalgamation or wind-up of subsidiary \$ 003	Balance at the end of the year \$ 004
1.				
2.				
3.				
4.				
5.				
6.				
Totals		008	009	010

The total capital gains reserve at the beginning of the taxation year plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary should be entered on line 880, and the total capital gains reserve at the end of the taxation year, should be entered on line 885 of Schedule 6.

Part 2 – Other reserves

Description	Balance at the beginning of the year \$	Transfer on amalgamation or wind-up of subsidiary \$	Balance at the end of the year \$
Reserve for doubtful debts	110	115	120
Reserve for undelivered goods and services not rendered	130	135	140
Reserve for prepaid rent	150	155	160
Reserve for December 31, 1995 income	170	175	180
Reserve for returnable containers	190	195	200
Reserve for unpaid amounts	210	215	220
Other tax reserves	230	235	240
Totals		270	280

The amount from line 270 plus the amount from line 275 should be entered on line 125 of Schedule 1 as an addition.
The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.