



### ELECTION FOR DISPOSITION OF PROPERTY UPON CESSATION OF PARTNERSHIP

- For use by persons who were members of a Canadian partnership that ceased to exist at a particular time to jointly elect under the provisions of subsection 98(3).
- File the completed election form and related schedule(s) (if any) as follows:
  1. one copy by a former partner designated for the purpose by the partnership;
  2. on or before the earliest date on which any party to the election has to file an income tax return for the taxation year in which the partnership ceased to exist (due date);
  3. at the tax centre serving the area where the former partnership was located (address of former partnership) and;
  4. separate from any tax returns. You may put the form in the same envelope with a return, but do not insert it in or attach it to the return.
- Where there are more than two persons who were members of the former partnership, you can copy Schedule A on page 3, as needed.
- Paragraphs and subsections referred to on this form are from the *Income Tax Act*.
- Information concerning the making of this election is contained in Interpretation Bulletin IT-471, *Merger of Partnerships*.

**Do not use this area**

Name of former partnership	Cessation date Year   Month   Day
Address	Partnership identification number

Name of person to contact for more information	Area code	Telephone number
Address		

**Do not use this area**

Total remittance accompanying this election  
(details on page 2) .....

**Penalty for late-filed elections**

An election that is filed after its due date is subject to a late-filing penalty. Form T2060 can be filed within 3 years after its due date if an estimate of the penalty is paid at the time of filing. Form T2060 can be filed after the 3-year period, but in these situations, a written explanation of the reason for why the election is late-filed must be attached for consideration by the Minister and an estimate of the applicable penalty must be paid at the time of submission.

Calculation of late-filed penalty:

Partnership property received by all former members in consideration for all interests in the partnership:

All amounts of money .....	_____	A
<b>Add:</b> the fair market value of other property .....	_____	B
	Subtotal A + B	C
<b>Less:</b> the sum of the proceeds of disposition of each former member's partnership interests as determined under paragraph 98(3)(a) .....	_____	D
Difference (C – D) .....	_____	E
Amount E _____ x 1/4 x 1% x N = .....	_____	F
\$100 x N = .....	_____	G

N represents the sum of each month or each part of month in the period from the due date to the actual filing date. Amount G cannot exceed \$8,000.

Late-filing penalty is the lesser of F and G above ..... H  
(enter the amount in the space provided on page 1)

Make cheque or money order payable to the Receiver General, if a penalty is payable. Specify on the remittance "T2060" and, to ensure proper credit, indicate the name and social insurance number of the taxpayer, or Business Number if a corporation.

Daily compound interest at a prescribed rate will apply to unpaid amounts, including late-filing penalties.

**Election**

We hereby jointly elect under subsection 98(3) for the property mentioned in Schedule A. We certify that the information given in this election is, to the best of our knowledge, true, correct, and complete in every respect.

1.	Name and address of former partner (print)		Social insurance number or Business Number
	Signature of former partner or authorized officer	Date	Former partner's tax services office
2.	Name and address of former partner (print)		Social insurance number or Business Number
	Signature of former partner or authorized officer	Date	Former partner's tax services office
3.	Name and address of former partner (print)		Social insurance number or Business Number
	Signature of former partner or authorized officer	Date	Former partner's tax services office
4.	Name and address of former partner (print)		Social insurance number or Business Number
	Signature of former partner or authorized officer	Date	Former partner's tax services office

All former partners, or a former partner authorized in writing by all former partners to sign for them, have to sign the election form. Where a former partner is authorized to sign for the purpose of making the election, that person should complete area 1 above and attach a copy of the authorizing agreement (the partnership agreement will not be accepted, as the partnership has ceased to exist). If space is insufficient, attach a complete schedule giving similar detail.

**Schedule A**

- Photocopy this page or attach a schedule giving similar detail where there are more than two former partners, as Canada Revenue Agency requires the information in the "Particulars of property disposed of" and the "Deemed proceeds of disposal" sections for each former partner.
- If a member of the partnership was itself a partnership, attach a list showing each partner's name and social insurance number or Business Number. Also, indicate the taxation year end of the partnership.

Name of former partnership member	Social insurance number or Business Number
Address	Tax services office
Postal code	Taxation year end
	Year Month Day

**Particulars of property disposed of**

Disposal date	Detailed description	Cost amount to partnership	X	% of interest held by this partner in former partnership	=	Cost amount to this former partner
Attach schedule giving similar detail if space not sufficient.						Total cost amount to this former partner

**Deemed proceeds of disposal**

Amount of any money received on cessation of the partnership's existence. . . . . \_\_\_\_\_

**Add:** total cost amount to this partner as determined above. . . . . \_\_\_\_\_

Total \_\_\_\_\_ I

Adjusted cost base of the partnership interest immediately before cessation of the partnership (attach computation including, if applicable, Form T2065). . . . . \_\_\_\_\_ J

Deemed proceeds of disposal (greater of amounts I and J). . . . . \_\_\_\_\_

If amount J exceeds amount I, attach a schedule showing the allocation of the excess to determine the deemed cost of the former partnership member's interest in each property. Where amount I exceeds amount J, a capital gain could result and should be reported on the former partnership member's income tax return.

Name of former partnership member	Social insurance number or Business Number
Address	Tax services office
Postal code	Taxation year end
	Year Month Day

**Particulars of property disposed of**

Disposal date	Detailed description	Cost amount to partnership	X	% of interest held by this partner in former partnership	=	Cost amount to this former partner
Attach schedule giving similar detail if space not sufficient.						Total cost amount to this former partner

**Deemed proceeds of disposal**

Amount of any money received on cessation of the partnership's existence. . . . . \_\_\_\_\_

**Add:** total cost amount to this partner as determined above. . . . . \_\_\_\_\_

Total \_\_\_\_\_ I

Adjusted cost base of the partnership interest immediately before cessation of the partnership (attach computation including, if applicable, Form T2065). . . . . \_\_\_\_\_ J

Deemed proceeds of disposal (greater of amounts I and J). . . . . \_\_\_\_\_

If amount J exceeds amount I, attach a schedule showing the allocation of the excess to determine the deemed cost of the former partnership member's interest in each property. Where amount I exceeds amount J, a capital gain could result and should be reported on the former partnership member's income tax return.