

ELECTION IN RESPECT OF AMOUNTS NOT DEDUCTIBLE AS RESERVES FOR THE YEAR OF DEATH

Do not use this area

- For use *jointly* by a deceased taxpayer's legal representative and a transferee to elect under subsection 72(2) in respect of certain property of the taxpayer transferred or distributed on or after the taxpayer's death to the spouse or common-law partner described in paragraph 70(6)(a) or to a spouse or common-law partner trust described in paragraph 70(6)(b). A spouse or common-law partner trust to qualify as such must be created by the taxpayer's will under the provisions of which the spouse or common-law partner only is entitled to receive all of the income of the trust during the spouse's or common-law partner's lifetime, and no person except the spouse or common-law partner can obtain or use any of the income or capital while the spouse or common-law partner is alive.
- For the election to be valid the deceased taxpayer must have been resident in Canada immediately before death and
 - in the case of a transfer to the spouse or common-law partner, the spouse or common-law partner must have been resident in Canada immediately before the taxpayer's death or
 - in the case of a transfer to a spouse or common-law partner trust, the trust must have been resident in Canada immediately after the time the property vested indefeasibly in the trust.
- One completed copy of this election is to be filed with the deceased taxpayer's income tax return for the year of death and one copy with the transferee's income tax return for the first taxation year ending after the death of the taxpayer.
- Subsections, paragraphs and subparagraphs referred to in this form are those of the *Income Tax Act*.

Particulars of the Deceased	
Name in full (Print)	Day Date of death Month Year
Last address	Social Insurance Number
Name(s) and address(es) of legal representative(s)	

Has property been transferred or distributed to the Spouse or Common-law partner Spouse or Common law-partner trust (check one only)

Particulars of Transferee	
Name in full (Print)	Spouse's or Common law -partner's Social Insurance Number
Address	
Name(s) and address(es) of trustee(s) (if a spouse or common-law partner trust)	

Particulars of Elective Amounts	
(Indicate the type of property in respect of which this election is made by checking (✓) the appropriate box(es) and enter the amount(s) \$)	
(a) <input type="checkbox"/> Amounts receivable on property sold in the course of a business (paragraph 20(1)(n))	_____
(b) <input type="checkbox"/> Unearned commissions (subsection 32(1))	_____
(c) <input type="checkbox"/> Amounts receivable on the disposition of capital property (subparagraph 40(1)(a)(iii) and 44(1)(e)(iii))	_____
(d) <input type="checkbox"/> Amounts receivable on the disposition of foreign resource property (subsection 64(1))	_____
(e) <input type="checkbox"/> Amounts receivable on the disposition of Canadian resource property (subsection 64(1.1))	_____

- By virtue of this election under subsection 72(2):
 - any amount(s) under (a), (b), (c), (d) and (e) above shall be deducted or claimed in computing the deceased taxpayer's income or gain for the year of death, as the case may be.
 - any amount(s) under (a), (b), (d) or (e) above shall be included in computing the income of the transferee for the first taxation year ending after the death of the taxpayer.
 - any amount under (c) above shall, for the purposes of computing the transferee's income for the first taxation year ending after the death of the taxpayer and any subsequent taxation year, be deemed to have been proceeds of disposition of capital property disposed of by the transferee in that first taxation year as well as the transferee's capital gain. Such capital gains arising from the disposition of property occurring after 1984, qualify for the capital gains deduction for 1988 and subsequent taxation years.
- The transferee may apply the provisions of the Act regarding reserves to the elective amounts.
- For additional information refer to current Interpretation Bulletins IT-305 and IT-449.

Election	
We hereby elect to have the provisions of subsection 72(2) of the <i>Income Tax Act</i> apply with respect to the amount(s) reported above.	
_____ Date	_____ Signature(s) of Legal Representative(s)
_____ Date	_____ Signature(s) of Transferee (Spouse, common-law partner or Trustee(s))