



Statement of Business or Professional Activities

- For each business or profession, complete a **separate** Form T2125.
- File each completed Form T2125 with your *Income Tax and Benefit Return*.
- For more information on how to complete this form, see Guide T4002, *Business and Professional Income*.

Identification			
Your name		Your social insurance number	
Business name		Business Number	
Business address		City, province, or territory	Postal code
Fiscal period	Year	Month	Day
From:		To:	
Main product or service		Was 2008 your last year of business? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Tax shelter identification number		Partnership filer identification number	Your percentage of the partnership %
Name and address of person or firm preparing this form			

Part 1 – Business income

2. If you have business income, tick this box and complete this part. **Do not complete parts 1 and 2 on the same form.**

Sales, commissions, or fees A

Minus

Goods and services tax/harmonized sales tax (GST/HST) and provincial sales tax (PST) (if included in sales above)

Returns, allowances, and discounts (if included in sales above)

Total of the above two lines B

Adjusted gross sales (line A minus line B) C

Enter this amount on line 8000 in Part 3, below

Part 2 – Professional income

3. If you have professional income, tick this box and complete this part. **Do not complete parts 1 and 2 on the same form.**

Professional fees (includes work-in-progress) D

Minus

Goods and services tax/harmonized sales tax (GST/HST) and provincial sales tax (PST) (if included in fees above)

Work-in-progress (WIP), end of the year, per election to exclude WIP (see Chapter 2 of the guide)

Total of the above two lines E

Plus

Work-in-progress (WIP), start of the year, per election to exclude WIP (see Chapter 2 of the guide)

Subtotal (line D minus line E)

Adjusted professional fees (total of the above two lines) F

Enter this amount on line 8000 in Part 3, below

Part 3 – Gross business or professional income

Adjusted gross sales (from line C in Part 1) or adjusted professional fees (from line F in Part 2) **8000** G

Plus

Reserves deducted last year **8290**

Other income **8230**

Total of the above two lines H

Gross business or professional income (line G plus line H) **8299**

Enter this amount on the appropriate line of your income tax and benefit return: business on line 162, professional on line 164, or commission on line 166

Part 4 – Cost of goods sold and gross profit

If you have business income, complete this part. Enter only the business part of the costs.

Gross business income from line 8299 in Part 3 on page 1					I
Opening inventory (include raw materials, goods in process, and finished goods)	8300				
Purchases during the year (net of returns, allowances, and discounts)	8320				
Subcontracts	8360				
Direct wage costs	8340				
Other costs	8450				
Total of the above five lines					
Minus					
Closing inventory (include raw materials, goods in process, and finished goods)	8500				J
Cost of goods sold	8518				
Gross profit (line I minus line J)				8519	

Part 5 – Net income (loss) before adjustments

Gross profit from line 8519 in Part 4 above, or gross income from line 8299 in Part 3 on page 1					K
Expenses (enter only the business part)					
Advertising	8521				
Meals and entertainment (allowable part only)	8523				
Bad debts	8590				
Insurance	8690				
Interest	8710				
Business tax, fees, licences, dues, memberships, and subscriptions	8760				
Office expenses	8810				
Supplies	8811				
Legal, accounting, and other professional fees	8860				
Management and administration fees	8871				
Rent	8910				
Maintenance and repairs	8960				
Salaries, wages, and benefits (including employer's contributions)	9060				
Property taxes	9180				
Travel (including transportation fees, accommodations, and allowable part of meals)	9200				
Telephone and utilities	9220				
Fuel costs (except for motor vehicles)	9224				
Delivery, freight, and express	9275				
Motor vehicle expenses (not including CCA) (see Chart A on page 5)	9281				
Allowance on eligible capital property	9935				
Capital cost allowance (CCA) (from Area A on page 4)	9936				
Other expenses	9270				
Total business expenses	9368				L
Net income (loss) before adjustments (line K minus line L)				9369	

Part 6 – Your net income (loss)

Your share of the amount on line 9369 in Part 5 above					M
Minus – Other amounts deductible from your share of net partnership income (loss) (from the chart on page 3)	9943				N
Net income (loss) after adjustments (line M minus line N)					O
Minus – Business-use-of-home expenses (from the chart on page 3)	9945				P
Your net income (loss) (line O minus line P)	9946				

Enter this amount on the appropriate line of your income tax and benefit return: business on line 135, professional on line 137, or commission on line 139

Other amounts deductible from your share of net partnership income (loss)

Claim expenses you incurred that were not included in the partnership statement of income and expenses, and for which the partnership did not reimburse you.

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total (enter this amount on line 9943 in Part 6 on page 2)	_____

Calculation of business-use-of-home expenses

Heat	_____	_____
Electricity	_____	_____
Insurance	_____	_____
Maintenance	_____	_____
Mortgage interest	_____	_____
Property taxes	_____	_____
Other expenses	_____	_____
Subtotal	_____	_____
Minus – Personal use part	_____	_____
Subtotal	_____	_____
Plus – Capital cost allowance (business part only)	_____	_____
– Amount carried forward from previous year	_____	_____
Subtotal	_____	1
Minus – Net income (loss) after adjustments (from line O in Part 6 on page 2) – If negative, enter "0."	_____	2
Business-use-of-home expenses available to carry forward (line 1 minus line 2) – If negative, enter "0."	_____	_____
Allowable claim (the lesser of amounts 1 or 2 above) – Enter this amount on line 9945 in Part 6.	_____	_____

Details of other partners

Name and address _____	Share of net income or (loss) \$ _____	Percentage of partnership % _____
Name and address _____	Share of net income or (loss) \$ _____	Percentage of partnership % _____
Name and address _____	Share of net income or (loss) \$ _____	Percentage of partnership % _____
Name and address _____	Share of net income or (loss) \$ _____	Percentage of partnership % _____

Details of equity

Total business liabilities	9931	_____
Drawings in 2008	9932	_____
Capital contributions in 2008	9933	_____

Area A – Calculation of capital cost allowance (CCA) claim

1 Class number	2 Undepreciated capital cost (UCC) at the start of the year	3 Cost of additions in the year (see areas B and C below)	4 Proceeds of dispositions in the year (see areas D and E below)	5* UCC after additions and dispositions (col. 2 plus col. 3 minus col. 4)	6 Adjustment for current-year additions $1/2 \times (\text{col. 3} - \text{col. 4})$ If negative, enter "0."	7 Base amount for CCA (col. 5 minus col. 6)	8 Rate %	9 CCA for the year (col. 7 x col. 8 or an adjusted amount)	10 UCC at the end of the year (col. 5 minus col. 9)

Total CCA claim for the year (enter this amount, minus any personal part and any CCA for business-use-of-home expenses, on line 9936 in Part 5 on page 2**)

* If you have a negative amount in this column, add it to income as a recapture on line 8230, "Other income," in Part 3 on page 1. If no property is left in the class and there is a positive amount in the column, deduct the amount from income as a terminal loss on line 9270, "Other expenses," in Part 5 on page 2. Recapture and terminal loss do not apply to a class 10.1 property. For more information, see Chapter 4 in the *Business and Professional Income* guide.

** For information on the CCA for "Calculation of business-use-of-home expenses," see Chapter 4 – "Special Situations" in the *Business and Professional Income* guide.

Area B – Details of equipment additions in the year

1 Class number	2 Property details	3 Total cost	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)

Total equipment additions in the year 9925

Area C – Details of building additions in the year

1 Class number	2 Property details	3 Total cost	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)

Total building additions in the year 9927

Area D – Details of equipment dispositions in the year

1 Class number	2 Property details	3 Proceeds of disposition (should not be more than the capital cost)	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)

Note: If you disposed of property from your business in the year, see Chapter 4 in the *Business and Professional Income* guide for information about your proceeds of disposition.

Total equipment dispositions in the year 9926

Area E – Details of building dispositions in the year

1 Class number	2 Property details	3 Proceeds of disposition (should not be more than the capital cost)	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)

Note: If you disposed of property from your business in the year, see Chapter 4 in the *Business and Professional Income* guide for information about your proceeds of disposition.

Total building dispositions in the year 9928

Area F – Details of land additions and dispositions in the year

Total cost of all land additions in the year	9923
Total proceeds from all land dispositions in the year	9924

Note: You cannot claim capital cost allowance on land.

Chart A – Motor vehicle expenses

Enter the kilometres you drove in the tax year to earn business income		1
Enter the total kilometres you drove in the tax year		2
Fuel and oil		3
Interest (see Chart B below)		4
Insurance		5
Licence and registration		6
Maintenance and repairs		7
Leasing (see Chart C below)		8
Other expenses (please specify)		9
		10
Total motor vehicle expenses: Add lines 3 to 10		11
Business use part: $\left(\begin{array}{l} \text{line 1 :} \\ \text{line 2 :} \end{array} \right) \times \text{line 11 :}$		12
		13
Business parking fees		14
Supplementary business insurance		15
Add lines 12, 13, and 14		15

Allowable motor vehicle expenses: Enter the amount from line 15 on line 9281 in Part 5 on page 2.

Note: You can claim CCA on motor vehicles in Area A on page 4.

Chart B – Available interest expense for passenger vehicles

Total interest payable (accrual method) or paid (cash method) in the fiscal period		A
$\$10^* \times$ the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method)		B
Available interest expense: amount A or B, whichever is less (enter this amount on line 4 of Chart A above)		\$

* For passenger vehicles bought from 2001 to 2008.

Chart C – Eligible leasing costs for passenger vehicles

Total lease charges incurred in your 2008 fiscal period for the vehicle		1
Total lease payments deducted before your 2008 fiscal period for the vehicle		2
Total number of days the vehicle was leased in your 2008 and previous fiscal periods		3
Manufacturer's list price		4
The amount on line 4 or (\$35,294 + GST* and PST, or HST on \$35,294), whichever is more		5
$\$ \times 85\% =$		5
$\frac{[(\$800 + \text{GST}^* \text{ and PST, or HST on } \$800) \times \text{line 3}]}{30} - \text{line 2:}$		6
$\frac{[(\$30,000 + \text{GST}^* \text{ and PST, or HST on } \$30,000) \times \text{line 1}]}{\text{line 5}}$		7
Eligible leasing cost: line 6 or 7, whichever is less		\$
(Enter this amount on line 8 of Chart A above.)		

* Use a GST rate of 5% or HST rate of 13% **after** December 31, 2007.
Use a GST rate of 6% or HST rate of 14% from July 1, 2006 to December 31, 2007.