



## The T2 Short

### Who can use the T2 Short?

The T2 Short is a simpler version of the *T2 Corporation Income Tax Return*. There are two categories of corporations that are eligible to use this return:

- You can use this return if the corporation meets **all** of the following conditions:
  - It is a Canadian-controlled private corporation.
  - It has either a nil net income for income tax purposes this year, or a loss this year.
  - It has a permanent establishment in only one province or territory.
  - It is not claiming any refundable tax credits (other than a refund of instalments paid).
  - It did not receive or pay out any taxable dividends.
- You can also use this return for a tax-exempt corporation (such as a non-profit organization) that has a permanent establishment in only one province or territory.

If the corporation does not fit into either of the above categories, please file a regular *T2 Corporation Income Tax Return*.

Except for Quebec, Ontario, and Alberta, the T2 Short also serves as a provincial or territorial income tax return.

### What should you attach to the return?

There are three things you have to attach to this return:

- Schedule 100, *Balance Sheet Information*, showing the financial position of the corporation at the end of the taxation year;
- Schedule 125, *Income Statement Information*, showing the corporation's income and expenses for the year (if the corporation did not earn any income or incur any expenses, simply state "no income - no expenses"); and
- Schedule 141, *Notes Checklist*, for any notes to the financial statement information and to indicate the involvement of an accountant.

**Depending on the circumstances, you may have to attach other forms or schedules. For more information, see page 2 of the T2 Short return.** On the back of this page, we have provided a short version of Schedule 1. If you need to complete this schedule, you can attach this page to the T2 Short return.

#### Note

If you need help completing this return, or you need a copy of the *T2 Corporation Income Tax Guide*, call or visit your tax services office.





**CAPITAL COST ALLOWANCE (CCA) (1998 and later taxation years)**

Name of corporation	Business Number	Taxation year end Year   Month   Day
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For more information, see the section called "Capital Cost Allowance" in the *T2 Corporation Income Tax Guide*.

Is the corporation electing under regulation 1101(5q)? **101** 1 Yes  2 No

1 Class number	2 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the year from last year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use)  See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Undepreciated capital cost (column 2 <b>plus</b> column 3 <b>plus</b> or <b>minus</b> column 4 <b>minus</b> column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)  See note 2 below	8 Reduced undepreciated capital cost (column 6 <b>minus</b> column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Capital cost allowance (column 8 <b>multiplied</b> by column 9; or a lower amount)  See note 3 below	13 Undepreciated capital cost at the end of the year (column 6 <b>minus</b> column 12)
200	201	203	205	207	211	212	213	215	217	220		
1.												
2.												
3.												
4.												
5.												
6.												
7.												
8.												
9.												
10.												

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.  
See the *T2 Corporation Income Tax Guide* for more information.

**Totals**

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Enter the total of column 10 on line 107 of Schedule 1.  
Enter the total of column 11 on line 404 of Schedule 1.  
Enter the total of column 12 on line 403 of Schedule 1.



**SHAREHOLDER INFORMATION (1998 and later taxation years)**

Name of corporation	Business Number	Taxation year end Year   Month   Day		
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All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

	Name of shareholder	Business Number	Social Insurance Number	Percentage common shares	Percentage preferred shares
	<b>100</b>	<b>200</b>	<b>300</b>	<b>400</b>	<b>500</b>
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					



**Attachments**

**Financial statement information** – For taxation years ending in 2000 and later, use GIFL schedules 100, 125, and 141.

**Schedules** – Depending on the circumstances, you may need to attach some schedules to this return. Answer the following questions. For each yes response, attach to the T2 short return the schedule that applies.

Guide item		Yes	Schedule
55 Is the net loss or the net income shown on the financial statements different from the net loss or nil income for income tax purposes?	<b>201</b>	<input type="checkbox"/>	1
69-76 (i) Is the corporation including a schedule to show the continuity of losses? or (ii) Do you want to carry back the current year's loss to a preceding taxation year? .....	<b>204</b>	<input type="checkbox"/>	4
56 Has the corporation realized any capital gains or incurred any capital losses during the taxation year? .....	<b>206</b>	<input type="checkbox"/>	6
57 Does the corporation have any property that is eligible for capital cost allowance? .....	<b>208</b>	<input type="checkbox"/>	8
58 Does the corporation have any property that is eligible capital property? .....	<b>210</b>	<input type="checkbox"/>	10
27 Is the corporation related to any other corporations? .....	<b>150</b>	<input type="checkbox"/>	9
32 Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's-length transactions with non-residents .....	<b>162</b>	<input type="checkbox"/>	11
60 Is the corporation claiming reserves of any kind? .....	<b>213</b>	<input type="checkbox"/>	13
34 Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? .....	<b>164</b>	<input type="checkbox"/>	14
35 Is the corporation claiming a deduction for payments to a type of employee benefit plan? .....	<b>165</b>	<input type="checkbox"/>	15
29 Is the corporation an associated Canadian-controlled private corporation? .....	<b>160</b>	<input type="checkbox"/>	23
46 Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares? .....	<b>173</b>	<input type="checkbox"/>	50

**Additional information**

Is the corporation inactive? (item 48) ..... **280** 1 Yes  2 No

Has the major business activity changed since the last return was filed? (enter yes for first-time filers) (item 49) ..... **281** 1 Yes  2 No

What is the corporation's major business activity? (item 50) ..... **282** \_\_\_\_\_  
(only complete if yes was entered at line 281)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51) ..... **283** 1 Wholesale  2 Retail

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents. (item 52)

<b>284</b> _____	<b>285</b> _____ %
<b>286</b> _____	<b>287</b> _____ %
<b>288</b> _____	<b>289</b> _____ %

**Certification** (item 164)

I, **950** \_\_\_\_\_ **951** \_\_\_\_\_ **954** \_\_\_\_\_,  
Last name in block letters First name in block letters Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

**955** \_\_\_\_\_ **956** (\_\_\_\_\_) \_\_\_\_\_  
Date (yyyy/mm/dd) Signature of an authorized signing officer of the corporation Telephone number

Is the contact person the same as the authorized signing officer? If *no*, complete the information below ..... **957** 1 Yes  2 No

**958** \_\_\_\_\_ **959** (\_\_\_\_\_) \_\_\_\_\_  
Name in block letters Telephone number

**Language of correspondence – Langue de correspondance** (item 165)

**990** Please indicate the language of your choice. 1 English/Anglais  2 Français/French   
Indiquer la langue de correspondance de votre choix.