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.

SCHEDULE 1 S

Code 0101

NET INCOME (LOSS) FO	OR INCOME TAX PURPOS	DES

Corporation's name	Business Number			
		Year	Month	Day
		1 1 1 1	1 1	1

- This schedule lets you reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please give us the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. Report amounts according to Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.

dditions:		· · · · · · · · · · · · · · · · · · ·	A
	101		
Provision for income taxes—current Provision for income taxes—deferred	400		
	104		
Amortization of tangible assets	106		
Amortization of intangible assets Recapture of capital cost allowance from Schedule 8			
	400		
Gain on sale of eligible capital property from Schedule 10	400		
Income or loss for tax purposes—joint ventures or partnerships	444		
Loss on disposal of assets	440		
Charitable donations from Schedule 2	440		
Taxable capital gains from Schedule 6	447		
Depreciation in inventory—end of year	404		
Non-deductible meals and entertainment expenses	4 O E		
Tax reserves deducted in prior year from Schedule 13			
Other additions:	_		
	290		
601	291		
602	292		
603	293		
604	294		
Total of fields 101 to 294	Subtotal (amount	A plus amount B)	B C
eductions:			
Bad debt	304		
Book income of joint venture or partnership	305		
Equity in income from subsidiaries or affiliates	306		
Gain on disposal of assets per financial statements	400		
Capital cost allowance from Schedule 8	40.4		
	404		
Terminal loss from Schedule 8			
Cumulative eligible capital deduction from Schedule 10	400		
	406		
Cumulative eligible capital deduction from Schedule 10	406 408		
Cumulative eligible capital deduction from Schedule 10 Allowable business investment loss—Schedule 6	406 408 413		
Cumulative eligible capital deduction from Schedule 10 Allowable business investment loss—Schedule 6 Holdbacks	406 408		
Cumulative eligible capital deduction from Schedule 10 Allowable business investment loss—Schedule 6 Holdbacks Tax reserves claimed in current year from Schedule 13	406 408 413		
Cumulative eligible capital deduction from Schedule 10 Allowable business investment loss—Schedule 6 Holdbacks Tax reserves claimed in current year from Schedule 13 Contributions to deferred income plans from Schedule 15 Other deductions:	406 408 413		
Cumulative eligible capital deduction from Schedule 10 Allowable business investment loss—Schedule 6 Holdbacks Tax reserves claimed in current year from Schedule 13 Contributions to deferred income plans from Schedule 15 Other deductions:	406 408 413		
Cumulative eligible capital deduction from Schedule 10 Allowable business investment loss—Schedule 6 Holdbacks Tax reserves claimed in current year from Schedule 13 Contributions to deferred income plans from Schedule 15 Other deductions: 700 701	406 408 413 417 390		
Cumulative eligible capital deduction from Schedule 10 Allowable business investment loss—Schedule 6 Holdbacks Tax reserves claimed in current year from Schedule 13 Contributions to deferred income plans from Schedule 15 Other deductions: 700 701 702 703	406 408 413 417 390 391		
Cumulative eligible capital deduction from Schedule 10 Allowable business investment loss—Schedule 6 Holdbacks Tax reserves claimed in current year from Schedule 13 Contributions to deferred income plans from Schedule 15 Other deductions: 700 701	406 408 413 417 390 391 392		
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Cumulative eligible capital deduction from Schedule 10 Allowable business investment loss—Schedule 6 Holdbacks Tax reserves claimed in current year from Schedule 13 Contributions to deferred income plans from Schedule 15 Other deductions: 700 701 702 703 704 Total of fields 304 to 394	390 391 392 393 394	>	
Cumulative eligible capital deduction from Schedule 10 Allowable business investment loss—Schedule 6 Holdbacks Tax reserves claimed in current year from Schedule 13 Contributions to deferred income plans from Schedule 15 Other deductions: 700 701 702 703 704	406 408 413 417 390 391 392 393 394 510	>	C



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

Ν	lame of corpo	oration									Busines	ss Number	Taxation Year	on year end Month Day
													real	World Day
	For more	e information, see t	he section called "	Capital Cost Allo	wance" in the Ta	2 Corporation Inco	ome Tax Guide.							
	Is the co	rporation electing ι	under regulation 11	101(5q)? 101	1 Yes	2 No]							
	1	2	3	4	5	6	7	8		9	10	11	12	13
	Class number	Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the year from last year's	Cost of acquisitions during the year (new property must be available for use) See note 1 below	Net adjustments (show negative amounts in brackets)	Proceeds of dispositions during the year (amount not to exceed the capital cost)	Undepreciated capital cost (column 2 plus column 3 plus or minus column 4 minus column 5)	50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	Reduc undepred capital ((column 6 column	ciated cost minus	CCA rate %	Recapture of capital cost allowance	Terminal loss	Capital cost allowance (column 8 multiplied by column 9; or a lower amount) See note 3 below	Undepreciated capital cost at the end of the year (column 6 minus column 12)
	200	CCA schedule)	203	205	207		211			212	213	215	217	220
1.														
2.														
3.														
4.														
5.														
6.														
7.														
8.														
9.														
10.														
							y would have been pr egulation 1100(2) and		т	Totals				
	Note 2.	The net cost of acquis	sitions is the cost of a	acquisitions plus or	minus certain adju	stments from column	n 4.			_			t	_
		f the taxation year is See the <i>T2 Corporatio</i>									Enter the total of	column 11 on line	107 of Schedule 1. 404 of Schedule 1. 403 of Schedule 1.	

SCHEDULE 50

SHAREHOLDER INFORMATION (1998 and later taxation years)

Name of corporation	Business Number	Taxation year end		
		Year	Month	Day
		1 1 1 1		

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
	100	200	300	400	500
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
0.					

Agence des douanes et du revenu du Canada

T2 SHORT RETURN (2001 and later taxation years)

Identification -

055

This form serves as a federal and provincial or territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the Income Tax Act. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, including proposed legislation, see the corresponding items in the 2001 T2 Corporation Income Tax Guide.

Send one completed copy of this return, including schedules, and the General Index of Financial Information (GIFI) to tax services office or to the tax centre that serves the corporation. You have to file the return within six months after the of the corporation's taxation year. See items 1 to 5 in the guide for more information on when and how to file T2 returns

our end
004 1 Yes 2 No
urn apply? (item 17)
Taxation year-end 061
YYYY MM DD
ce 063 1 Yes 2 No
<u> </u>
067 1 Yes 2 No
070 1 Yes 2 No 771 1 Yes 2 No
idiary under section 88 during the
072 1 Yes 2 No
076 1 Yes 2 No
078 1 Yes 2 No
I)
750
840
in this year's instalment account, should be: (item 159)
account, or

UST .	Canadia
097	
	094 095 096
Do not use	e this area
Exempt under other paragraphs of section 149 (please specify)	3 Applied to another liability. (attach instructions)
Non-profit corporations for scientific research and experimental development Certain farmers' and fishermen's insurers	1 Refunded, 2 Transferred to next year's account, or
An agricultural organization, a board of trade or a chamber of commerce; or, a non-profit club, society or association	please indicate whether they should be: (item 159)
If the corporation is exempt from tax under section 149 tick one of the following boxes: (item 25)	If there are excess payments in this year's instalment account,
	Tax instalments paid (item 158)
Canadian-controlled private corporation (CCPC) 5 Other corporation (please specify, below)	Provincial or territorial jurisdiction (item 131)
040 Type of corporation at the end of the taxation year (item 16)	purposes from Schedule 1, financial statements, or GIFI
Country (other than Canada) Postal code/ZIP code 037 038	"Nil" or "net loss" for income tax
City Province, territory, or state 035	Is this the final return up to dissolution? (item 23)
032	Is this the final taxation year before amalgamation? (item 22)
Location of books and records (item 15)	If yes, please provide Schedule 24 1 Yes 2 No 2
Country (other than Canada) Postal code/ZIP code 027 028	Has there been a wind-up of a subsidiary under section 88 during the current taxation year? (item 21)
City Province, territory, or state 025 026	If yes, please provide Schedule 24
023	Amalgamation? (item 20)
021 c/o	Is this the first year of filing after: Incorporation? (item 19) O70 1 Yes 2 No
020 1 Yes 2 No	a partnership? (item 18)
Mailing address (if different from head office address) (item 14) Has the address changed since the last time we were notified?	Is the corporation a professional corporation that is a member of
017	acquired
015 Country (other than Canada) Postal code/ZIP code	If yes, provide the date control was
City Province, territory, or state	Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year?
011	060 MM DD YYYY MM DD
Has the address changed since the last time we were notified?	Taxation year start Taxation year-end
Address of head office (item 13)	To which taxation year does this return apply? (item 17)
Has the corporation changed its name since the last time we were notified? 003 1 Yes 2 No	If yes, do you have a copy of the articles of amendment?
002	
Business Number (BN) (item 11)	
Business Number (BN) (item 11)	

Attachments

Fina	ancial statement information – For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141.		
	edules – 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	e 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?		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?		4
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?		6
57	Does the corporation have any property that is eligible for capital cost allowance?		8
58	Does the corporation have any property that is eligible capital property?		10
27	Is the corporation related to any other corporations?		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		11
60	Is the corporation claiming reserves of any kind?		13
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?		15
29	Is the corporation an associated Canadian-controlled private corporation?		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?		50
	he corporation inactive? (item 48)	2 N 2 N	_
Wh (on	nat is the corporation's major business activity? (item 50)		
	· · · · · · · · · · · · · · · · · · ·	2 Reta	il
solo app	ecify the principal product(s) mined, manufactured, d, constructed, or services provided, giving the proximate percentage of the total revenue that each duct or service represents. (item 52) 284 285 287 289		% % %
	Certification (item 164)		
L 95			
1, 55	Last name in block letters First name in block letters Position, office, or rank		,
	an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statement		
	information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income ation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.	for thi	S
95	Date (yyyy/mm/dd) Signature of an authorized signing officer of the corporation Telephone number	oer	
Is the	e contact person the same as the authorized signing officer? If <i>no</i> , complete the information below 957 1 Yes 2 No	_	
	_		
95	Name in block letters 959 () Telephone number	oer	
	Language of correspondence – Langue de correspondance (item 165)		
99	Please indicate the language of your choice. Indiguer la langua de correspondance de votre choix 2 Français/French		

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