# 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 T2 short 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" or "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.

#### **NET INCOME (LOSS) FOR INCOME TAX PURPOSES**

SCHEDULE 1 S

Corporation's name	Business Number	Taxatio	Taxation year-end		
		Year	Month	Day	
		1 1 1 1	1 1	ı I	

- 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.

income (loss) after taxes and extraordinary items per financial statements	· · · · · · · · · · · · · · · · · · ·	
itions:		
Provision for income taxes—current	101	
Provision for income taxes—deferred	102	
Amortization of tangible assets	104	
Amortization of intangible assets	400	
Recapture of capital cost allowance from Schedule 8	407	
Gain on sale of eligible capital property from Schedule 10	400	
Income or loss for tax purposes—joint ventures or partnerships	400	
Loss on disposal of assets	444	
Charitable donations from Schedule 2	449	
Taxable capital gains from Schedule 6	442	
Depreciation in inventory—end of year	775	
Non-deductible meals and entertainment expenses	104	
Tax reserves deducted in prior year from Schedule 13	405	
	<del></del>	
Other additions:	5000	
600 601	291	
602	292	
603		
604	293 294	
Total of fields 101 to 294	500	
	Subtatal (amount A plus amount D)	(
uctions:	Subtotal (amount A plus amount B)	— `
Bad debt	304	
Book income of joint venture or partnership	305	
	206	
Book income of joint venture or partnership Equity in income from subsidiaries or affiliates	306	
Book income of joint venture or partnership	306 401	
Book income of joint venture or partnership Equity in income from subsidiaries or affiliates Gain on disposal of assets per financial statements Capital cost allowance from Schedule 8	306 401 403	
Book income of joint venture or partnership  Equity in income from subsidiaries or affiliates  Gain on disposal of assets per financial statements  Capital cost allowance from Schedule 8  Terminal loss from Schedule 8	306 401 403 404	
Book income of joint venture or partnership Equity in income from subsidiaries or affiliates Gain on disposal of assets per financial statements Capital cost allowance from Schedule 8 Terminal loss from Schedule 8 Cumulative eligible capital deduction from Schedule 10	306 401 403 404 405	
Book income of joint venture or partnership  Equity in income from subsidiaries or affiliates  Gain on disposal of assets per financial statements  Capital cost allowance from Schedule 8  Terminal loss from Schedule 8	306 401 403 404 405	
Book income of joint venture or partnership  Equity in income from subsidiaries or affiliates  Gain on disposal of assets per financial statements  Capital cost allowance from Schedule 8  Terminal loss from Schedule 8  Cumulative eligible capital deduction from Schedule 10  Allowable business investment loss—Schedule 6  Holdbacks	306 401 403 404 405 406 408	
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## CAPITAL COST ALLOWANCE (CCA) (1998 and later taxation years)

Na	ame of corp	oration								Busine	ss Number	Taxation Year	on year end Month Day
	For more	e information, see t	the section called '	Capital Cost Allo	wance" in the T	2 Corporation Inco	ome Tax Guide.						
	Is the co	rporation electing	under regulation 1	101(5q)? <b>101</b>	1 Yes	2 No							
Ī	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	Reduced undepreciated capital cost (column 6 <b>minus</b> column 7)	CCA rate %	Recapture of capital cost allowance	Terminal loss	Capital cost allowance (column 8 multiplied by column 9; or a lower amount)	Undepreciated capital cost at the end of the year (column 6 <b>minus</b> column 12)
	200	CCA schedule)	203	205	207		211		212	213	215	217	220
1.										· · · · · · · · · · · · · · · · · · ·			
2.													
3.													
4.													
5.													
6.													
7.													
8.													
9.													
10.													
		excluded from column	n 3. List separately a	ny acquisitions that	are not subject to	the 50% rule, see R	ty would have been pr egulation 1100(2) and		Totals				
	Note 3.	The net cost of acquisition of the taxation year is See the <i>T2 Corporation</i>	shorter than 365 day	s, prorate the CCA	claim.	stments from colum	n 4.			Enter the total of	column 11 on line	107 of Schedule 1. 404 of Schedule 1. 403 of Schedule 1.	

#### SCHEDULE 50 Code 0401

## **SHAREHOLDER INFORMATION (2004 and later taxation years)**

Name of corporation	Business Number	Taxation year-end		
		Year	Month	Day
		1 1 1 1 '	l i	i i

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 (after name, indicate in brackets if the shareholder is a corporation, partnership, individual or trust)	Business Number (If a corporation is not registered, enter "NR")	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** (2004 and later taxation years)

200 S

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 T2 Corporation - Income Tax Guide (T4012).

Send one completed copy of this return, including schedules, and the General Index of Financial Information (GIFI) to your tax services office or to the tax centre that serves the corporation. You have to file the return within six months after the end 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.

		Code 0401
	055	Do not use this area
i		

Ide	ntification
Business Number (BN) (item 11)	
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? 004 1 Yes 2 No
Address of head office (item 13) Has the address changed since the last time we were notified?  O11 O12 City City Province, territory, or state O15 Country (other than Canada) O18 Postal code/ZIP code O18	To which taxation year does this return apply? (item 17)  Taxation year start  Taxation year-end  O60  YYYY MM DD  Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year?  If yes, provide the date control was acquired  O63  1 Yes  2 No  YYYY MM DD
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 a partnership? (item 18)
City Province, territory, or state  Country (other than Canada) Postal code/ZIP code	Incorporation? (item 19)
Location of books and records (item 15)  Has the location of books and records changed since the last time we were notified?	Has there been a wind-up of a subsidiary under section 88 during the current taxation year? (item 21)
031 032	Is this the final return up to dissolution? (item 23)
City Province, territory, or state  035	"Nil" or "net loss" for income tax purposes from Schedule 1, financial statements, or GIFI
Type of corporation at the end of the taxation year (item 16)  Canadian-controlled private corporation (CCPC)  Other corporation (specify below)	Provincial or territorial jurisdiction (item 132) 750
If the corporation is exempt from tax under section 149 tick one of the following boxes: (item 25)  An agricultural organization, a board of trade or a chamber of commerce; or, a non-profit club, society or association  Non-profit corporations for scientific research and experimental development  Certain farmers' and fishermen's insurers  Exempt under other paragraphs of section 149 (specify)	If there are excess payments in this year's instalment account, indicate whether they should be: (item 160)  Refunded, Transferred to next year's account, or Applied to another liability. (attach instructions)
	use this area
091     092     093       097     —	094 095 096 096 096 096 096 096 096 096 096 096

	Attachments		
Fina	ancial statement information – Use GIFI schedules 100, 125, and 141.		
Sch	nedules – Depending on the circumstances, you may need to attach some schedules to this return. Answer the following questions.  For each Yes response, attach the schedule that applies to the T2 short return.		
Guid	de 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?	Ш	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?	Ш	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 46	Is the corporation an associated Canadian-controlled private corporation?		23 50
	Additional information ————————————————————————————————————		
	the corporation inactive? (item 48) 1 Yes as the major business activity changed since the last return was filed? (enter Yes for first-time filers) (item 49) 1 Yes 1 Yes	2 N 2 N	
	hat is the corporation's major business activity? (item 50)		
lf t	the major activity involves the resale of goods, indicate whether it is wholesale or retail (item 51)	2 Reta	ail
sol apı	pecify the principal product(s) mined, manufactured, ld, constructed, or services provided, giving the proximate percentage of the total revenue that each oduct or service represents. (item 52)  284 286 288		% % %
	Certification (item 165)		
-,	(Last name in block letters)  951 (First name in block letters)  (Position, office, or rank	,	,
the	n an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statemen e information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating incom kation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.		
9	55 <u>956</u> ( )		
	(Date (yyyy/mm/dd)) (Signature of an authorized signing officer of the corporation) (Telephone numb	oer)	

957 Is the contact person the same as the authorized signing officer? If No, complete the information below. 2 No 959 958 (Name in block letters) (Telephone number) - Language of correspondence - Langue de correspondance (item 166) Indicate the language of your choice. Indiquez la langue de correspondance de votre choix. 990 1 English/Anglais 2 Français/French page 2

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