# The T2 Short Return

# Who can use the T2 Short Return?

The T2 Short Return 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 Return 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 tax 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. For your convenience, this package includes the short version of Schedule 1, a Schedule 8, and a Schedule 50.

If you need help completing this return, call our Business Enquiries line at 1-800-959-5525. If you need a copy of the T2 Corporation – Income Tax Guide or other schedules, call 1-800-959-2221 or visit our Web site at www.cra.gc.ca/forms.

Agence du revenu du Canada

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

**SCHEDULE 1 S** 

Cada	0001

Corporation's name	Business Number	Tax year-end	
		Year	Month Day
			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*.

Recapture of capital cost allowance from Schedule 8  Gain on sale of eligible capital property from Schedule 10  Income or loss for tax purposes – joint ventures or partnerships  Loss on disposal of assets  Charitable donations from Schedule 2	04 06 07 08 09 11	
Provision for income taxes – deferred  Amortization of tangible assets  Amortization of intangible assets  Recapture of capital cost allowance from Schedule 8  Gain on sale of eligible capital property from Schedule 10  Income or loss for tax purposes – joint ventures or partnerships  Loss on disposal of assets  Charitable donations from Schedule 2	04 06 07 08 09 11	
Amortization of tangible assets  Amortization of intangible assets  Recapture of capital cost allowance from Schedule 8  Gain on sale of eligible capital property from Schedule 10  Income or loss for tax purposes – joint ventures or partnerships  Loss on disposal of assets  Charitable donations from Schedule 2	04 06 07 08 09 11	
Amortization of intangible assets  Recapture of capital cost allowance from Schedule 8  Gain on sale of eligible capital property from Schedule 10  Income or loss for tax purposes – joint ventures or partnerships  Loss on disposal of assets  Charitable donations from Schedule 2	06 07 08 09 11	
Recapture of capital cost allowance from Schedule 8  Gain on sale of eligible capital property from Schedule 10  Income or loss for tax purposes – joint ventures or partnerships  Loss on disposal of assets  Charitable donations from Schedule 2	07 08 09 11	
Gain on sale of eligible capital property from Schedule 10 Income or loss for tax purposes – joint ventures or partnerships Loss on disposal of assets Charitable donations from Schedule 2	08 09 11 12	
Income or loss for tax purposes – joint ventures or partnerships  Loss on disposal of assets  Charitable donations from Schedule 2	09 11 12	
Loss on disposal of assets  Charitable donations from Schedule 2	11	
Charitable donations from Schedule 2	12	
Grantable deriations from editeduals 2		
raxable dapital game from concade o	13	
Depreciation in inventory – end of year		
Non-deductible meals and entertainment expenses	-	
Tax reserves deducted in prior year from Schedule 13	25	
Other additions:		
600 29	90	
601	91	
602	92	
	93	
604	94	
Total of fields 101 to 294	00	<b>В</b>
	Subtotal (amount A plus amou	unt B) C
eductions:	04	
Bau debt		
200 million of joint voltage of parallele inp.	06	
Equity in income from subsidiance of animates		
Gain on disposal of assets per financial statements	03	
Capital cost allowance from conclude 0		
Terminarioss from Concade o		
	05	
Allowable business investment loss – deflecture o	08	
Tioldbacks		
Tax reserves claimed in current year from Schedule 13		
Contributions to deferred income plans from Schedule 15 4		
Other deductions:		
700	90	
701 39	91	
702 39	92	
703	93	
704	94	
Total of fields 304 to 394	10	<b>D</b>
Total of fields 304 to 394		
il net income or (loss) for income tax purposes – amount C minus amount D		<u></u> E
nter amount E on line 300 on page 1 of the T2 Short return. If the amount on line E is a posi lease file a regular T2 Corporation – Income Tax Return.	itive amount,	

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# CAPITAL COST ALLOWANCE (CCA) (2006 and later tax years)

SCHEDULE 8 Code 0601

N	ame of corpo	oration								Busine	ss Number	Year	Month Day
		e information, see to				2 Corporation Inco	ome Tax Guide.						
	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 column 13 of last year's CCA schedule)	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 3 below	Reduced undepreciate capital cost (column 6 min column 7)	t % nus	Recapture of capital cost allowance	Terminal loss	Capital cost allowance (column 8 multiplied by clown 9; or a lower amount) See note 4 below	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.													
		Include any property a	3. List separately an	y acquisitions that a	are not subject to the	ne 50% rule, see Reg	ulation 1100(2) and (2	2.2).	Totals				
Note 2. Include amounts transferred under section 85, or on amalgamation and winding-up of a subsidiary. See the <i>T2 Corporation Income Tax Guide</i> for other examples of adjustments to include in column 4.  Note 3. The net cost of acquisitions is the cost of acquisitions (column 3) plus or minus certain adjustments from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT–285, <i>Capital Cost Allowance – General Comments</i> .  Note 4. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the <i>T2</i> Enter the total of column 12 on line 403 of See the <i>T2</i> Enter the total of column 12 on line 403 of See the <i>T2</i>						404 of Schedule 1.							

# **SHAREHOLDER INFORMATION (2006 and later taxation years)**

**SCHEDULE 50** Code 0601

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

	Provide	only one number per sha	reholder		
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	Trust number	Percentage common shares	Percentage preferred shares
100	200	300	350	400	500
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2.					
3.					
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5.					
5.					
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3.					
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#### **T2 SHORT RETURN** (2006 and later tax years)

200	٤
Code	60.

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 corporation 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. For more information on how to complete the return, see 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 tax centre. You have to file the return within six months after the end of the corporation's tax year. For more information on when and how to file T2 returns, refer to the Guide under the heading "Before you start."

	200
	Code 0601
055	Do not use this area

Iden	tification ———	
Business Number (BN) 001 Corporation's name		
002		
Has the corporation changed its name since the last time you filed your T2 return?   1 Yes 2 No 2	If yes, do you have a copy of the articles of amendment? (Do Not Submit)	004 1 Yes 2 No
Address of head office	To which tax year does this return apply?	
Has this address changed since the last time you filed your T2 return?	Tax year start	Tax year-end
last time you filed your T2 return?	060	061
011	YYYY MM DD	YYYY MM DD
012	Has there been an acquisition of control to which subsection 249(4) applies since	
City Province, territory, or state	the previous tax year?	063 1 Yes 2 No
015	If yes, provide the date control was	oc-
Country (other than Canada) Postal code/ZIP code 017	acquired	YYYY MM DD
		YYYY   MM   DD
Mailing address (if different from head office address)  Has this address changed since the last	Is the corporation a professional	
time you filed your T2 return?	corporation that is a member of a partnership?	067 1 Yes 2 No
(If yes, complete lines 021 to 028)	o parameter production and the control of the contr	
021 <u>c/o</u>	Is this the first year of filing after:	
022	Incorporation?	070 1 Yes 2 No
023	Amalgamation?	071 1 Yes 2 No
City Province, territory, or state 025	If yes, complete and attach Schedule 24	
Country (other than Canada) Postal code/ZIP code	Has there been a wind-up of a subsidiary	
027	under section 88 during the current tax year?	072 1 Yes 2 No
Location of books and records	If yes, complete and attach Schedule 24	
Has the location of books and records changed since the last time you filed your	Is this the final tax year before	
T2 return?	amalgamation?	076 1 Yes 2 No
(If yes, complete lines 031 to 038)	Is this the final return up to	078 1 Yes 2 No
031 032	dissolution?	078 1 Yes 2 No
City Province, territory, or state	"Nil" or "net loss" for income tax	
035	purposes from Schedule 1, financial statements, or GIFI	300 (
Country (other than Canada) Postal code/ZIP code		·
037	Provincial or territorial	
Type of corporation at the end of the tax year	jurisdiction	750
1 Canadian-controlled private corporation (CCPC)	Tax instalments paid	840
085 If the corporation is exempt from tax under section 149, tick one of the following boxes:	894 If there are excess payments in this	s year's instalment account,
An agricultural organization, a board of trade or a chamber of commerce; or	indicate whether they should be:	
a non-profit club, society or association  Non-profit corporations for scientific research and experimental development	1 Refunded,	
3 Certain farmers' and fishermen's insurers	Transferred to next year's account  Applied to another liability, (attach	
4 Exempt under other paragraphs of section 149 (specify)	3 Applied to another liability. (attack	i irisu dedoris)
Do not u	se this area	
091 092 093	094 095	096

_	Attachments		
	Financial statement information – Use GIFI 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 the schedule that applies to the T2 Short return.	Vos	Schedule
	Is the net loss or the net income shown on the financial statements different from the net loss or nil income for income tax?		1
	(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 tax year?	Ш	4
	Has the corporation realized any capital gains or incurred any capital losses during the tax year?		6
	Does the corporation have any property that is eligible for capital cost allowance?		8
	Does the corporation have any property that is eligible capital property?		10
	Is the corporation related to any other corporations?		9
	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
	Is the corporation claiming reserves of any kind?		13
	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?		14
	Is the corporation claiming a deduction for payments to a type of employee benefit plan?		15
	Is the corporation an associated Canadian-controlled private corporation?  Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?  173		23 50
•	Additional information ————————————————————————————————————		
	Is the corporation inactive?  Has the major business activity changed since the last return was filed? (enter Yes for first-time filers)  1 Yes 280 1 Yes 1 Yes	2 l 2 l	No
	What is the corporation's major business activity?		
	If the major activity involves the resale of goods, indicate whether it is wholesale or retail	2 Ret	ail
	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.		% % %
L			
Γ	Certification————————————————————————————————————		
	951 954 954		,
١	(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 statemen	′	nd 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 incom		
١	tax year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.		
١	955 (Date (yyyy/mm/dd)) (Signature of an authorized signing officer of the corporation) (Telephone number of the corporation)	ber)	
1	(1917) (Telephone number of the corporation) (Telephone number of the corporation)	551)	

Is the contact person the same as the authorized signing officer? If No, complete the information below.....

957 1 Yes 2 No 959 ( )

(Name in block letters) (Telephone number)

Language of correspondence – Langue de correspondance

Indicate the language of correspondence by entering 1 for English or 2 for French.
Indiquez la langue de correspondance en inscrivant 1 pour anglais ou 2 pour français.

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