

Agency

# 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 throughout the tax year;
  - 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.

## Note

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, visit our Web site at www.cra.gc.ca/forms or call 1-800-959-2221.

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Code	0601
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oration's name	Business Numbe	т	ear end
pration's name	Business Numbe	Year	ear-end Month Day
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 applica according to Generally Accepted Accounting Principles (GAAP).	able lines that contain a n	umbered black box. Report	amounts
For more information, see the T2 Corporation – Income Tax Guide.			
et income (loss) after taxes and extraordinary items per financial statements		· · · · · · · · · · · · · · · · · · ·	
dditions:	101		
Provision for income taxes – current	102		
Provision for income taxes – deferred	104		
Amortization of tangible assets	106		
Amortization of intangible assets	407		
Recapture of capital cost allowance from Schedule 8	100		
Gain on sale of eligible capital property from Schedule 10	100		
Income or loss for tax purposes – joint ventures or partnerships			
Loss on disposal of assets			
Charitable donations from Schedule 2	440		
Taxable capital gains from Schedule 6			
Depreciation in inventory – end of year			
Non-deductible meals and entertainment expenses			
Tax reserves deducted in prior year from Schedule 13	125		
Other additions:	000		
600	290		
601	291		
602	292		
603	293		
604	294		
	500	•	
Total of lines 101 to 294	500	►	
	Subtotal (amount A <b>pl</b>	us amount B)	
eductions:	304		
Bad debt	205		
Book income of joint venture or partnership.	200		
Equity in income from subsidiaries or affiliates			
Gain on disposal of assets per financial statements	402		
Capital cost allowance from Schedule 8	·		
Terminal loss from Schedule 8			
Cumulative eligible capital deduction from Schedule 10	·		
Allowable business investment loss from Schedule 6	408		
Holdbacks			
Tax reserves claimed in current year from Schedule 13	417		
Contributions to deferred income plans from Schedule 15	417		
Other deductions:			
700	390		
701	391		
	202		

Total of lines 304 to 394 510

394

Nil net income or (loss) for income tax purposes – amount C minus amount D ..... =

Enter amount E on line 300 on page 1 of the T2 Short return. If the amount on line E is a positive amount, please file a regular T2 Corporation – Income Tax Return.

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

Ν	ame of corpor	ration								Busine	ss Number		on year end	
												Year	Month	Day
		information, see t				2 Corporation Inco	ome Tax Guide. ]							<u> </u>
	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	Cost of acquisitions during the year (new property must be available for use)	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)	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 <b>multiplied</b> by column 9; or a lower amount)	Undepre capital at the of the y (column 6 columr	cost end /ear <b>minus</b>
		column 13 of last year's CCA schedule)	See note 1 below	See note 2 below			See note 3 below					See note 4 below		
	200	201	203	205	207		211		212	213	215	217	220	D
1.														
2.														
3.														
4.														
5.														
6.														
7.														
8.														
9.														
1														

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. Include amounts transferred under section 85, or on amalgamation and winding-up of a subsidiary. See the T2 Corporation Income Tax Guide 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, Capital Cost Allowance - General Comments.

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 T2 Corporation Income Tax Guide for more information.

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.

Totals

Code 0601



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

Code 0601

Name of corporation	Business Number	Taxation year-end		
		Year	Month	Day
			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				
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
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

	ORT RETURN d later tax years)	<b>200</b> S Code 0701							
Parts, sections, subsections, and paragraphs mentioned on this return refer to the <i>Income Tax Act</i> . This return may contain changes that had not yet become law at the time of printing.									
Send one completed copy of this return, including schedules, and the <i>General Index of Financial Information (GIFI)</i> 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 see www.cra.gc.ca or the T2 Corporation - Incom	e Tax Guide (T4012)								
Ide	entification								
Business Number (BN)	R C								
002									
Has the corporation changed its name since the last time you filed your T2 return?	If <b>yes</b> , do you have a copy of the articles of amendment? ( <i>Do not submit</i> ) 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? (If yes, complete lines 011 to 018)0101 Yes2 No	Tax year start           060         061           YYYY         MM         DD	Tax year-end							
011	Has there been an acquisition of control to which subsection 249(4) applies since the previous tax year?	1 Yes 2 No							
City Province, territory, or sta									
Country (other than Canada) Postal code/ZIP code 017 018	Is the date on line 061 a deemed tax	YYYY MM DD							
Mailing address (if different from head office address)	year-end in accordance with subsection 066 249(3.1)?	1 Yes 2 No							
Has this address changed since the last time you filed your T2 return? 020 1 Yes 2 No ( (If yes, complete lines 021 to 028) 021 c/o	Is the corporation a professional corporation that is a member of a partnership?	1 Yes 2 No							
022	Is this the first year of filing after:								
023     City     Province, territory, or state       025     026	, inalgamation	1 Yes 2 No 1 Yes 2 No							
Country (other than Canada) Postal code/ZIP code	If yes, complete and attach Schedule 24 Has there been a wind-up of a subsidiary								
Location of books and records Has the location of books and records	under section 88 during the current tax year?	1 Yes 2 No							
changed since the last time you filed your T2 return? 030 1 Yes 2 No	If <b>yes</b> , complete and attach Schedule 24								
(If yes, complete lines 031 to 038) 031	Is this the final tax year before amalgamation?	1 Yes 2 No							
032 City Province, territory, or sta 035	ls this the final return up to dissolution?	1 Yes 2 No							
Country (other than Canada) Postal code/ZIP code	"Nil" or "net loss" for income tax								
040 Type of corporation at the end of the tax year	purposes from Schedule 1, financial         300           statements, or GIFI         300	()							
1 Canadian-controlled private corporation (CCPC)	Provincial or territorial								
085 If the corporation is exempt from tax under section 149, tick or of the following boxes:	jurisdiction								
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									
<ul> <li>Certain farmers' and fishermen's insurers</li> <li>Exempt under other paragraphs of section 149 (specify)</li> </ul>	If there are excess payments in this year's	894							
	_ instalment account, indicate the refund code:	💻 🛄							
Do no 091 092 093	094 095	096							
T2 Short E (07) (Vous pouvez obtenir ce formulaire en	français à www.arc.gc.ca ou au 1-800-959-3376) Pa	ge 1 of 2 Canada							

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.			
		Yes	Schedule
Is the net income/loss shown on the financial statements different from the nil net income or net loss for income tax purposes?	201		1
(i) Is the corporation including a schedule to show the continuity of losses? or	204		4
(ii) Do you want to carry back the current year's loss to a previous tax year?			-
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
Does the corporation have any property that is eligible for capital cost allowance?	208		8
Is the corporation related to any other corporations?	150		9
Does the corporation have any property that is eligible capital property?	210		10
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.	162		11
Is the corporation claiming reserves of any kind?	213		13
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation an associated Canadian-controlled private corporation?	160		23
Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173		50

	Additional information	
	return was filed? (enter <b>yes</b> for first-time filers)	2 No 2 No
What is the corporation's major business activity? (only complete if <b>yes</b> was entered at line 281) If the major activity involves the resale of goods, indicate		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.	284       285         286       287         288       289	% %

			Certification ———				_
			oortinoution				
<sub>l,</sub> 950		951		954			
	(Last name in block letters)	(F	First name in block letters)		(Position, offic	e, or rank)	1
the inform	uthorized signing officer of the corp nation given on this return is, to th is consistent with that of the previo	e best of my knowledge, co	orrect and complete. I furthe	er certify that the met	hod of calculatir		
955	(Date (yyyy/mm/dd))	(Signature of an authorize	ed signing officer of the corporat	956	(Toloph	– none number)	
	(Date (yyyy/min/du))	(Signature of an authorize	ed signing oncer of the corporat	ion)	(Telepi	ione number)	
Is the cor	ntact person the same as the auth	orized signing officer? If no	o, complete the information	below 957	1 Yes	2 No	
958				959		_	
(Name in block letters)					(Teleph	none number)	
		Language of correspo	ndence – Langue de co	orrespondance —			
990	Indicate the language of corresp Indiquez la langue de correspor	bondence by entering 1 for	English or 2 for French.				