## 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;
  - it is reporting in Canadian currency; and
  - it does not have an Ontario transitional tax debit.
- 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 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 schedules 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.
- \* If your corporation is inactive (you answered **yes** on line 280) and there is no balance sheet or income statement information to report, you do not have to attach these schedules. However, they will be accepted if filed.

Depending on the circumstances, you may have to attach other forms or schedules. For more information, see page 2 of the *T2 Short Return* and the *T2 Guide*. For your convenience, this package includes the short version of Schedule 1, a Schedule 8, and a Schedule 50.

#### Note

If you need a copy of Guide T4012, *T2 Corporation – Income Tax Guide,* or other schedules, go to **www.cra.gc.ca/forms** or call **1-800-959-2221**. If you need any additional information that would help you complete this return, call our Business Enquiries line at **1-800-959-5525**.



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

oration's name Business Number					ear-end	
		ł	Year		Month	Day
		1 L				

- 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.
- For more information, see Guide T4012, T2 Corporation Income Tax Guide.

Not income (loss) ofter toyon and outroordingry items per financial statements	A
Additions:  Provision for income taxes – current	101
Provision for income taxes – deferred	400
Amortization of tangible assets	104
Amortization of intangible assets  Amortization of intangible assets	106
•	407
Recapture of capital cost allowance from Schedule 8	109
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	
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	
Other additions:	
600	290
601	<u>291</u>
602	292
603	293
604	294
•••	· · · · · · · · · · · · · · · · · · ·
Total of lines 101 to	o 294 <b>500</b> B
	Subtotal (amount A <b>plus</b> amount B) C
Deductions:	Custotal (allount / plub allount b)
Bad debt	304
Book income of joint venture or partnership	205
Equity in income from subsidiaries or affiliates	206
Gain on disposal of assets per financial statements	404
Capital cost allowance from Schedule 8	400
Terminal loss from Schedule 8	40.4
Cumulative eligible capital deduction from Schedule 10	
Allowable business investment loss from Schedule 6	
Holdbacks	400
Tax reserves claimed in current year from Schedule 13	442
Contributions to deferred income plans from Schedule 15	77 <del>5</del>
	···· <del>-</del>
Other deductions:	
700	390
701	<mark>391</mark>
702	392
703	393
704	394
	510
Total of lines 304 to	o 394 510 D
Nil not income or (loca) for income toy numbers a second C minus are and D	E
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 <i>T2 Short return</i> . If the amount on line E	
file a regular T2 Corporation – Income Tax Return.	i o a positivo attiourit,

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

**SCHEDULE 8** 

١	Name of corporation						Busine	ss Number	Tax Year	year-end Month Day								
	For mor	e information, see t	he section called "	Capital Cost Allov	vance" in the T	2 Corporation Inco	ome Tax Guide.											
	Is the co	orporation electing u	under Regulation 1	101(5q)? <b>101</b>	1 Yes	2 No	]											
	1 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)	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) (see note 2 below)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Undepreciated capital cost (column 2 plus column 3 plus or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) (see note 3 below)	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Capital cost allowance (for declining balance method, column 8 multiplied by column 9, or a lower amount) (see note 5 below)	13 Undepreciated capital cost at the end of the year (column 6 <b>minu</b> column 12)					
	200	201	203	205	207		211		212	213	215	217	220					
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2.																		
3.																		
4.																		
5.																		
6.																		
7.																		
8.																		
9.																		
10.																		
		Include any property a excluded from column Include amounts trans	<ol> <li>3. List separately ar sferred under section</li> </ol>	ny acquisitions that a 85, or on amalgama	re not subject to ation and winding	the 50% rule, see Re	egulation 1100(2) and	(2.2).	Totals									
	Note 3. The net cost of acquisitions is the cost of acquisitions (column 3) <b>plus</b> or <b>minus</b> certain adjustments from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, Capital Cost Allowance – General Comments.																	
	Note 4.	Enter a rate only if yo calculations are alway										e 404 of Schedule 1. e 403 of Schedule 1.						
	Note 5.	If the tax year is short	er than 365 days, pro	orate the CCA claim.	Some classes of	property do not have	e to be prorated. See	calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 12.  Enter the total of column 12 on line 403 of Schedule 1.  Enter the total of column 12 on line 403 of Schedule 1.										

T2 Corporation Income Tax Guide for more information.

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

SCH	IEDULE	<b>50</b>
	Code 0	601

Name of corporation	Business Number	Tax y	ear-end Month	
·		Year	Month	Day
		1 1 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				
	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.						
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#### T2 SHORT RETURN (2011 and later tax years)

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2040	4	4	^

Do not use this area

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

All legislative references in this return are to the federal Income Tax Act. This return may contain changes that had not yet

	entre or tax services office. You have nore information, see www.cra.gc.															
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02																
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	me we were notified?	010	1 Yes	s	2	No	0	60						061	Í	
yes	, complete lines 011 to 018.				_		_   _	_	YYYY	М	м	DD D			YYYY	MM DD
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12								which su previou						063	1 Yes	2 No
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	ve were notified?	020	1 Ye	s L	2	No		bsection						220	1 Yes	2 No
yes	, complete lines 021 to 028.			-			30	DSCCIIOI	1240(0	). i ) :						
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25	J., 1	026		,	,	•	IS	this the	-		_			070	1 Yes	2 No
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	, complete lines 031 to 038.	. —					ye	ar?						072	1 Yes	2 No
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40	Type of corporation at the end of		ax year					solutio			•			078	1 Yes	2 No
			•													
1	Canadian-controlled private co	orporati	on (CCI	-C)			"NI	il" or "n	at loss	s" for i	ncom	a tay	,			
2	Other private corporation							rposes								
3	Public corporation							tement			, .		-	300	(	

 Canada

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750

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095

Corporation controlled by a public corporation

If the corporation is exempt from tax under section 149, tick one

An agricultural organization, a board of trade or a chamber of commerce; or

Non-profit corporations for scientific research and experimental development

Other corporation (specify)

a non-profit club, society or association

Certain farmers' and fishermen's insurers

Exempt under other paragraphs of section 149

of the following boxes:

Do not use this area

statements, or GIFI

Tax instalments paid ......

If there are excess payments in this year's

instalment account, indicate the refund code

Provincial or territorial

jurisdiction .....

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 <b>yes</b> response, attach the schedule that applies to the T2 Short Return.	
Food C	Schedule 1
(i) le the corporation including a schodule to show the continuity of lesses? or	· ·
(ii) Do you want to carry back the current year's loss to a previous tax year?	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
Is the corporation related to any other corporations?	9
Does the corporation have any property that is eligible capital property?	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	11
Is the corporation claiming deductible reserves?	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?	23
Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	50
Additional information	
Is the corporation inactive?	10 <u> </u>
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.	— % %
If the corporation's major business activity is construction, did you have any subcontractors during the tax year? 295 1 Yes 2	No 🔙
Certification —	
<sub>1.</sub> 950 954	
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 the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.	
955 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 <b>no</b> , complete the information below 957 1 Yes 2 No	
958	
Name in block letters Telephone number	
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.	