

**BENEFICIARY SPOUSE INFORMATION AND
SPOUSAL TRUST'S CAPITAL GAINS DEDUCTION**

- Enter the applicable taxation year in the box above.
- Use this schedule to calculate a spousal trust's capital gains deduction for the taxation year in which the beneficiary spouse died.
Note: A joint partner trust or an alter ego trust **cannot** claim a capital gains deduction.
- Before completing this schedule, you have to calculate:
 - the trust's eligible taxable capital gains (line 334 of Schedule 3, *Eligible Taxable Capital Gains*); and
 - the spouse's unused lifetime capital gains deduction limit for the year the spouse died (Form T657, *Calculation of Capital Gains Deduction*, for the applicable year). Attach a copy of the spouse's Form T657 to the T3 return.
- If the spousal trust is subject to the deemed realization rule, see the section, "Form T1055, *Summary of Deemed Realizations*" in the T3 guide.
- A **post-1971** partner trust can claim a capital gains deduction on qualified farm property or qualified small business corporation shares in the taxation year the beneficiary spouse dies. The trust can claim the deduction to the extent that the beneficiary spouse could have claimed a deduction for the eligible taxable capital gains if the gains had belonged to that spouse and not to the trust.
- A **pre-1972** spousal trust can claim a capital gains deduction on qualified farm property or qualified small business corporation shares when reporting a deemed realization on the day the beneficiary spouse dies. The trust can claim this deduction if the trustee has never elected to defer the deemed realization day.
- For definitions of **post-1971 partner trust** and **pre-1972 spousal trust**, see the *T3 Trust Guide*.

Part A – Deceased beneficiary spouse information

Name of deceased beneficiary spouse	Address	Social insurance number	Date of death		
			Year	Month	Day
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Part B – Calculating the spousal trust's capital gains deduction on all property

Spousal trust's eligible taxable capital gains for the year from line 334 of Schedule 3	<input type="text"/>	A	
Amounts designated on lines 930 of Schedule 9	-	B	
Trust's eligible taxable capital gains for the year (line A minus line B)	=		<input type="text"/> 501
Spouse's cumulative loss amount claimed after 1984 (Note 1)		502 •	<input type="text"/>
Spouse's cumulative eligible taxable capital gains reported after 1984 (Note 2)	-	503 •	<input type="text"/>
Subtotal (line 502 minus line 503; if negative, enter "0")	=		<input type="text"/> 504
Net amount (line 501 minus line 504)	=		<input type="text"/> 505
Spousal trust's taxable capital gains for the year on qualified farm property and qualified small business corporation shares (line 310 of Schedule 3)			<input type="text"/> 517
Spouse's unused capital gains deduction for the year (Note 3)			<input type="text"/>
<input type="text"/> multiplied by the trust's inclusion rate / divided by the spouse's inclusion rate / =			<input type="text"/> 520 •
Capital gains deduction for spousal trust (line 505, 517, or 520, whichever is less) Enter this amount on line 53 of the T3 return.			<input type="text"/> 525

- Note 1**
The cumulative loss amount claimed after 1984 is the **total** of lines 19 to 23 of Form T657.
- Note 2**
The cumulative eligible taxable capital gains reported after 1984 is the amount calculated on line 18 of Form T657.
- Note 3**
The unused capital gains deduction for the year is the amount calculated on line 57 of Form T657. If the spouse is claiming a capital gains deduction on his or her final return, reduce line 57 of the T657 by the amount claimed on line 254 of the final return.