

- Enter the applicable tax year in the box above. **Include a completed copy of this schedule with the trust's return.**
- Use this schedule to calculate a spousal or common-law partner trust's capital gains deduction for the tax year in which the beneficiary spouse or common-law partner died. The trust must be a resident of Canada throughout the current calendar year to be eligible to claim the capital gains deduction. For this deduction, we also consider the trust to be a resident throughout the current year if the trust was a resident of Canada for part of the current year and throughout the previous year, or the following year.

Note: A joint spousal or common-law partner trust, an alter ego trust, or a trust that elected to defer the deemed disposition day **cannot** claim a capital gains deduction.

- Before completing this schedule, you have to calculate:
 - the trust's eligible taxable capital gains (line 34 of Schedule 3, *Eligible Taxable Capital Gains*); and
 - the spouse's or common-law partner's unused lifetime capital gains deduction limit for the year the spouse or common-law partner died (Form T657, *Calculation of Capital Gains Deduction*, for the year of death).
- If the spousal or common-law partner trust is subject to a deemed disposition, see the section called "Form T1055, *Summary of Deemed Dispositions*" in the publication T4013, *T3 Trust Guide*.
- A **post-1971 spousal or common-law partner trust** can claim a capital gains deduction on qualified farm property, qualified fishing property or qualified small business corporation shares in the tax year the beneficiary spouse or common-law partner dies. The trust can claim the deduction to the extent that the beneficiary spouse or common-law partner could have claimed a deduction for the eligible taxable capital gains if the gains had belonged to that spouse or common-law partner and not to the trust.
- A **pre-1972 spousal trust** can claim a capital gains deduction on qualified farm property, qualified fishing property or qualified small business corporation shares when reporting a deemed disposition on the day the beneficiary spouse dies. The trust can claim this deduction if the trustee has never elected to defer the deemed disposition day.
- For definitions of **post-1971 spousal or common-law partner trust** and **pre-1972 spousal trust**, see Chart 1 in the *T3 Trust Guide*.

Part A – Deceased beneficiary spouse or common-law partner information

| | | | | | |
|---|---------|-------------------------|---------------|-------|-----|
| Name of deceased beneficiary spouse or common-law partner | Address | Social insurance number | Date of death | | |
| | | | Year | Month | Day |
| | | | | | |

Part B – Calculating the spousal or common-law partner trust's capital gains deduction on all property

| | | | | |
|--|----------------------|----------------------|---|--------------------------|
| Spousal or common-law partner trust's eligible taxable capital gains for the year (line 34 of Schedule 3) | <input type="text"/> | <input type="text"/> | 1 | |
| Amounts designated on lines 929 and 930 of Schedule 9 | - | <input type="text"/> | 2 | |
| Trust's eligible taxable capital gains for the year (line 1 minus line 2) | = | <input type="text"/> | ▶ | <input type="text"/> 3 |
| Spouse's or common-law partner's cumulative loss amount and cumulative capital gains deduction claimed after 1984 (see Note 1) | 5020 • | <input type="text"/> | 4 | |
| Spouse's or common-law partner's cumulative eligible taxable capital gains reported after 1984 (see Note 2) | 5030 • | - | 5 | |
| Subtotal (line 4 minus line 5; if negative, enter "0") | = | <input type="text"/> | ▶ | - <input type="text"/> 6 |
| Net amount (line 3 minus line 6) | | <input type="text"/> | ▶ | <input type="text"/> 7 |
| Spousal or common-law partner trust's taxable capital gains for the year on qualified farm or fishing property and qualified small business corporation shares (line 6 of Schedule 3) | | <input type="text"/> | | <input type="text"/> 8 |
| Spouse's or common-law partner's unused capital gains deduction for the year. (line 49 of Form T657– attach a copy of Form T657) | 5200 • | <input type="text"/> | | <input type="text"/> 9 |
| Capital gains deduction for resident spousal or common-law partner trust (line 7, 8, or 9, whichever is less) | | <input type="text"/> | | <input type="text"/> 10 |

Enter this amount on line 53 of the T3 return.

Note 1

The cumulative loss amount and cumulative capital gains deduction claimed after 1984 are the total of the amounts from lines 25, 26, 27, and 29 of Form T657.

Note 2

The cumulative eligible taxable capital gains reported after 1984 is the amount on line 23 of Form T657.