

- 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 or the next 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 T3 Schedule 3, *Eligible Taxable Capital Gains*).
- 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. If the trustee has never elected to defer the deemed disposition day, the trust can claim this deduction.
- 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 T3 Schedule 3)			1	
Amounts designated on lines 929 and 930 of T3 Schedule 9	–		2	
Trust's eligible taxable capital gains for the year (line 1 minus line 2)	=		▶	3
Spouse's or common-law partner's cumulative loss amount and cumulative capital gains deduction claimed after 1984 (line 16 of Chart 1 on page 2)	5020 •		4	
Spouse's or common-law partner's cumulative eligible taxable capital gains reported after 1984 (line 25 of Chart 2 on page 2)	5030 •		5	
Subtotal (line 4 minus line 5; if negative, enter "0")	=		▶	6
Net amount (line 3 minus line 6; if negative, enter "0")			▶	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 T3 Schedule 3)				8
Spouse's or common-law partner's unused capital gains deduction for the year (the lesser of the amounts from lines 35 and 42, on page 3)		5200 •		9
Capital gains deduction for resident spousal or common-law partner's trust (line 7, 8, or 9, whichever is less)				10

Enter this amount on line 53 of the T3 return.

Chart 1 – Spouse's or common-law partner's cumulative loss amount and cumulative capital gain deduction claimed after 1984

Amount of line 217 of the spouse's or common-law partner's T1 returns for each year			11
Net capital losses applied after 1984, up to the end of the year of death (line 253 of the spouse's or common-law partner's T1 return for each year)			12
Spouse's or common-law partner's cumulative eligible taxable capital gains (line 25 of Chart 2)	-		13
Subtotal (line 12 minus 13; if negative, enter "0")	=		14
Total capital gains deductions claimed after 1984, up to the end of the year of death (line 254 of the spouse's or common-law partner's T1 returns for each year).		+	15
Subtotal (add lines 11, 14 and 15)	=		16

Enter the result from line 16 on line 4 of this schedule.

Chart 2 – Spouse's or common-law partner's cumulative eligible taxable capital gains reported after 1984

Total taxable capital gains reported after 1984 and before 1992 (line 127 of spouse's or common-law partner's T1 returns for these years). Do not include reserves reported on property disposed of before 1985			17
1992 and 1993 eligible taxable capital gains (line 3 in Part 1 of Form T657 or T657A for 1992 and 1993)	+		18
1994 eligible taxable capital gains (line 5 in Part 1 of Form T657 or T657A for 1994)	+		19
1995 eligible taxable capital gains (line 7 in Part 1 of Form T657, or line 3 of Form T657A for 1995)	+		20
1996 to 1999 eligible taxable capital gains (line 8 in Part 1 of Form T657 for those years)	+		21
2000 eligible taxable capital gains (line 7 in Part 1 of Form T657 for 2000)	+		22
2001 eligible taxable capital gains (line 8 in Part 1 of Form T657 for 2001)	+		23
2002 to 2008 eligible taxable capital gains (line 10 in Part 1 of Form T657 for those years)	+		24
Cumulative eligible taxable capital gains (total of lines 17 to 24)	=		25

Enter the result from line 25 on line 5 of this schedule.

Chart 3 – Spouse's or common-law partner's adjusted capital gains deduction after 1984

Total capital gains deductions claimed after 1984 and before 1988 (line 254 of spouse's or common-law partner's 1985 to 1987 returns)			a
Capital gains deductions claimed in 1988 and 1989 excluding eligible capital property (line 254 of spouse's or common-law partner's 1988 and 1989 returns), minus any amounts reported on lines 543 and 544 on the spouse's or common-law partner's Schedule 3 for 1988 and 1989; if negative, enter "0")	+		b
Adjustment of 1988 and 1989 capital gains deductions excluding eligible capital property (enter 1/4 of amount on line b)	-		c
Capital gains deductions claimed in 1988 and 1989 for eligible capital property (total of lines 254 of spouse's or common-law partner's 1988 and 1989 returns), minus the amount on line b above; not to exceed the total of lines 543 and 544 on the spouse's or common-law partner's Schedule 3 for 1988 and 1989)	+		d
Adjustment of 1988 and 1989 capital gains deductions for eligible capital property (enter 1/3 of amount on line d)	-		e
Total capital gains deductions claimed in 1990 to 1999 (line 254 of spouse's or common-law partner's T1 returns for these years)	+		f
Adjustment of 1990 to 1999 capital gains deductions (enter 1/3 of amount on line f)	-		g
Total capital gains deduction claimed in 2000 (line 254 of spouse's or common-law partner's 2000 return)	+		h
Adjustment of 2000 capital gains deduction. Amount from line h x [1 - (1 ÷ (2 x IR))]	-		i
Total capital gains deduction claimed in 2001 to 2008 (line 254 of spouse's or common-law partner's T1 returns for these years)	+		j
Total of lines a to j	=		k

Note: IR represents the inclusion rate for 2000. This rate is from line 16 in Part 4 of the spouse's or common-law partner's T1 Schedule 3 for 2000, or from the spouse's or common-law partner's notice of assessment or latest notice of reassessment for 2000.

Part 1a – Calculating spouse's or common-law partner's unused capital gains deduction available for the spousal or common-law partner trust's dispositions of qualified farm property, qualified fishing property, and qualified small business corporation shares

Complete this part if:

- the **trust** disposed of qualified farm property, qualified fishing property, or qualified small business corporation shares before March 19, 2007; or
- the **trust** is reporting a reserve in 2008 from the disposition, before March 19, 2007, of qualified farm property, qualified fishing property, and/or qualified small business corporation shares.

Maximum capital gains deduction for qualified farm property, qualified fishing property, and/or qualified small business corporation shares for dispositions before March 19, 2007	\$250,000	00	26
Spouse's or common-law partner's capital gains deductions for dispositions before March 19, 2007 (line k of Chart 3 above)	-		27
Spouse's or common-law partner's unused capital gains deduction available for dispositions of qualified farm property, qualified fishing property, and qualified small business corporation shares (line 26 minus line 27; if negative, enter "0")	=		28

Taxable capital gains from dispositions before March 19, 2007, of qualified farm property, qualified fishing property, and/or qualified small business corporation shares included in the spousal or common-law partner **trust's** income for the year:

Line A of T3 Schedule 1	_____		
Line C of T3 Schedule 1	+	_____	
Line 1, column 3 of T3 Schedule 2	+	_____	
Line 3, column 3 of T3 Schedule 2	+	_____	
Line 5, column 3 of T3 Schedule 2	+	_____	
Line A of T3 Form T1055	+	_____	
Line C of T3 Form T1055	+	_____	
Total	=	_____	X 1/2 ▶ _____ 29
Spousal or common-law partner trust's farming/fishing income eligible for the capital gains deduction (line A of T3 Schedule 3)	+	_____	_____ 30
The trust's total taxable capital gains from the disposition of qualified farm property, qualified fishing property, and qualified small business corporation shares before March 19, 2007 (line 29 plus line 30; if negative, enter "0")	=	_____	_____ 31
Spouse's or common-law partner's unused capital gains deduction available for the spousal or common-law partner trust's dispositions of qualified farm property, qualified fishing property, and qualified small business corporation shares – Enter the lesser of lines 28 and 31			_____ 32

Part 1b – Calculating spouse's or common-law partner's unused capital gains deduction available for the spousal or common-law partner trust's dispositions of qualified farm property, qualified fishing property, and qualified small business corporation shares

Complete this part if:

- the **trust** disposed of qualified farm property, qualified fishing property, or qualified small business corporation shares after March 18, 2007; or
- the **trust** is reporting a reserve in 2008 from the disposition, after March 18, 2007, of qualified farm property, qualified fishing property, and/or qualified small business corporation shares.

Maximum capital gains deduction for qualified farm property, qualified fishing property, and/or qualified small business corporation shares for dispositions after March 18, 2007		\$375,000	00	33
Spouse's or common-law partner's capital gains deductions for dispositions after March 18, 2007 (line k of Chart 3 on page 2)	-	_____		34
Spouse's or common-law partner's unused capital gains deduction available for dispositions of qualified farm property, qualified fishing property, and qualified small business corporation shares (line 33 minus line 34; if negative, enter "0")	=	_____		35

Taxable capital gains from dispositions after March 18, 2007, of qualified farm property, qualified fishing property and/or qualified small business corporation shares included in the spousal or common-law partner **trust's** income for the year:

Line B of T3 Schedule 1	_____		
Line D of T3 Schedule 1	+	_____	
Line 2, column 3 of T3 Schedule 2	+	_____	
Line 4, column 3 of T3 Schedule 2	+	_____	
Line 6, column 3 of T3 Schedule 2	+	_____	
Line B of T3 Form T1055	+	_____	
Line D of T3 Form T1055	+	_____	
Total	=	_____	X 1/2 ▶ _____ 36
Spousal or common-law partner trust's farming/fishing income eligible for the capital gains deduction (line B of T3 Schedule 3)	+	_____	_____ 37
The trust's total taxable capital gains from the disposition of qualified farm property, qualified fishing property, and qualified small business corporation shares after March 18, 2007 (line 36 plus line 37; if negative, enter "0")	=	_____	_____ 38
Spouse's or common-law partner's unused capital gains deduction available for the spousal or common-law partner trust's dispositions of qualified farm property, qualified fishing property, and qualified small business corporation shares – Enter the lesser of lines 35 and 38			_____ 39

Part 1c – Spouse's or common-law partner's unused capital gains deduction for the year

Spouse's or common-law partner's unused capital gains deduction available for the spousal or common-law partner trust's dispositions of qualified farm property, qualified fishing property, and qualified small business corporation shares before March 19, 2007 (the amount from line 32)			_____ 40
Spouse's or common-law partner's unused capital gains deduction available for the spousal or common-law partner trust's dispositions of qualified farm property, qualified fishing property, and qualified small business corporation shares after March 18, 2007 (the amount from line 39)	+	_____	_____ 41
(Subtotal add lines 40 and 41)	=	_____	_____ 42

On line 9, enter the **lesser** of the amounts from lines 35 and 42.