

# 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.
- 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 current 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** spousal 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 more information, see "Election to Defer the Deemed Realization Day" in the T3 guide.
- If the spousal trust is claiming a capital gains deduction, you also have to complete Schedule 3.

### Part A – Deceased beneficiary spouse information

Name of deceased beneficiary spouse	Address	Social insurance number						Date of death						
											Ye	ar	Month	Day
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## Part B – Calculating the spousal trust's capital gains deduction on all property

Spousal <b>trust's</b> eligible taxable capital gains for the year from line 334 of Schedule 3		Α			
Amounts designated on line 930 of Schedule 9	-	В			
Trust's eligible taxable capital gains for the year (line A minus line B)	=			501	
Spouse's cumulative loss amount claimed after 1984 (Note 1)		502 •			
<b>Spouse's</b> cumulative eligible taxable capital gains reported after 1984 (Note 2)		503 •			
Subtotal (line 502 minus line 503; if negative, enter "0")	-			504	
Net amount (line 501 minus line 504)			=	▶	 505
Spousal <b>trust's</b> taxable capital gains for the year on qualified farm propand qualified small business corporation shares	erty				
Trust's eligible capital gains (losses) (line 301 of Schedule 3)		509			
Trust's gains or losses from reserves (line 302 of Schedule 3)	+	510			
Subtotal (line 509 plus line 510)	=	X 75% =	-	515	
Deemed taxable capital gains from disposition of eligible capital property (line 308 of Sc	516				
Subtotal	l (line 515 plus lin	e 516)	=	►	 517
Spouse's unused capital gains deduction for the year (Note 3 – Attach	a copy of Form T	657)			520
Capital gains deduction for spousal trust (line 505, 517, or 520, whice Enter this amount on line 53 of the T3 return.	hever is less)				525

#### Note 1

The cumulative loss amount claimed after 1984 is the total of lines 20 to 24 of Form T657.

## Note 2

The cumulative eligible taxable capital gains reported after 1984 is the amount calculated on line 19 of Form T657.

#### Note 3

The unused capital gains deduction for the year is the amount calculated on line 52 of Form T657.

