



**CALCULATION OF AGGREGATE INVESTMENT INCOME AND ACTIVE BUSINESS INCOME
(2004 and later taxation years)**

Name of corporation	Business Number	Taxation year-end Year Month Day
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- This schedule is for the use of Canadian-controlled private corporations to calculate:
 - foreign investment income and aggregate investment income for the purpose of determining the refundable portion of Part I tax, as defined in subsection 129(4) of the *Income Tax Act*;
 - income from an active business carried on in Canada for the small business deduction; and
 - specified partnership income for members of one or more partnership(s) (complete the back.)
- For more information, see the sections called "Small Business Deduction" and "Refundable Portion of Part 1 Tax" in the *T2 Corporation Income Tax Guide*.

Part 1 – Foreign and aggregate investment income calculation

	Foreign investment income	Aggregate investment income	
The eligible portion of taxable capital gains included in income for the year	001	002	A
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	009	012	B
Net capital losses of other years claimed on line 332 on the T2 return		022	C
Total of amounts B and C			D
Amount A minus amount D (if negative, enter "0")			E
Total income from property (in box 32 include income from a specified investment business carried on in Canada other than income from a source outside Canada)	019	032	F
Exempt income	029	042	G
Amounts received from NISA Fund No. 2 that were included in computing the corporation's income for the year		052	H
Taxable dividends deductible from Schedule 3, and taxable dividends deductible under paragraph 113(1)(d) and subsection 113(2)	049	062	I
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	059	072	J
Total of amounts G, H, I, and J			K
Amount F minus amount K			L
Total of amount E plus amount L			M
Total losses from property (in box 82 include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)	069	082	N
Amount M minus amount N (if negative, enter "0")	079 O	092 P	

Note: The aggregate investment income is the aggregate world source income.

Enter amount O, foreign investment income, on line 445 of the T2 return.
Enter amount P, aggregate investment income, on line 440 of the T2 return.

Part 2 – Specified partnership income

A		B	C
Partnership name		Total income (loss) of partnership from an active business	Corporation's share of amount in column B
200		300	310
1.			
2.			
3.			
4.			
5.			

D	E	F	G	H	I
Adjustments [add prior-year reserves under subsection 34.2(5), and deduct expenses incurred to earn partnership income, including any reserve under subsection 34.2(4)]	Corporation's income (loss) of the partnership (column C plus column D)	Number of days in the partnership's fiscal period	Prorated business limit (column C ÷ column B) x [business limit* x (column F ÷ 365)] (if column C is negative, enter "0")**	Column E minus column G (if negative, enter "0")	Lesser of columns E and G (if column E is negative, enter "0")
315	320	325	330		340
1.					
2.					
3.					
4.					
5.					

Total	350	Total	385	360
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Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount 370 _____

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column E) 380 _____

Total of lines 370 and 380 J _____

Amount at line 385 or line J, whichever is less 390 _____

Specified partnership income (line 360 plus line 390) 400 _____

- * Use one of the following business limits to calculate column G, whichever applies:
- \$225,000 if the corporation's taxation year ends in 2003;
 - \$250,000 if the corporation's taxation year ends in 2004; or
 - \$300,000 if the corporation's taxation year ends in 2005 or after.
- ** When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is not netted against the partnership's income.

Part 3 – Determination of partnership income

Corporation's share of partnership income from active businesses carried on in Canada after deducting related expenses – from line 350 above (if the net amount is negative, enter "0" on line O) K _____

Add: Specified partnership loss (from line 380 above) L _____

Subtotal M _____

Deduct: Specified partnership income (from line 400 above) N _____

Partnership income* (enter on line S below) 450 O _____

* If the amount on line 450 is positive, complete Schedule 70.

Part 4 – Income from active business carried on in Canada

Net income for income tax purposes from line 300 of the T2 return P _____

Deduct: Foreign business income after deducting related expenses * 500 _____

Taxable capital gains minus allowable capital loss – amount A minus amount B* (page 1)** _____

Net property income = amount F minus amounts G, H, and N * (page 1) Q _____

Personal services business income after deducting related expenses * 520 _____

Net amount R _____

Deduct: Partnership income (line 450 above) S _____

Income from active business carried on in Canada (enter on line 400 of the T2 return – if negative, enter "0") T _____

* If negative, enter amount in brackets, and **add** instead of **subtracting**.

** This amount may only be negative to the extent of any allowable business investment losses.