

- For use by an individual who was resident in Canada throughout 1987 to compute a deduction for capital gains realized on a disposition of capital property in 1987 in accordance with section 110.6 of the Income Tax Act.
- An individual who ceased to be resident in Canada in 1987, but who was resident in Canada throughout 1986, shall be deemed for the purpose of section 110.6 to be resident in Canada throughout 1987.
- A reserve claimed in respect of a disposition of qualified farm property after 1984 will qualify for the capital gains deduction when brought into income in a subsequent year. Reserves claimed in respect of dispositions of other capital property do not qualify for the deduction.
- You must file an income tax return for 1987 if you have a capital disposition to report even if you have no tax payable. Failure to report a capital gain or to file an income tax return may result in the loss of the capital gains deduction in respect of that disposition.
- For details of what is considered to be qualified farm property, refer to the 1987 Farmer's Income Tax Guide.
- For further information on capital gains refer to the 1987 T1 Guide for Capital Gains.
- Additional information may be obtained from your District Taxation Office.

DETACH HERE

NAME IN FULL (Print)	SOCIAL INSURANCE NUMBER
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PART 1 — CALCULATION OF ANNUAL GAINS LIMIT FOR 1987

(For all dispositions of capital property in 1987, complete Part 1)

(a) Total of all net gains (from line 540 on Schedule 3)	1	
Subtract: 1987 Reserve claimed at line 542 on Schedule 3 in respect of 1987 non-farm dispositions only	2	
Net capital gain on 1987 dispositions	3	
Net taxable capital gains reported on 1987 dispositions (50% of amount at line 3 above)	4	
(b) Capital losses of other years deducted (from line 253 on page 2 of your return)	5	
Add: Allowable business investment losses (from line 217 on page 2 of your return)	6	
Total of above losses in 1987	7	
ANNUAL GAINS LIMIT (subtract line 7 from 4 — if negative, enter zero)	8	

Note: A reserve in respect of a disposition of qualified farm property after 1984 is included in the amount recorded at line 540 on Schedule 3.

PART 2 — CALCULATION OF CUMULATIVE GAINS LIMIT FOR 1987

(For all dispositions of capital property in 1987, complete Part 2)

(a) Net taxable Capital gains reported after 1984 and before 1987	9	
Add: Net taxable capital gains reported in 1987 (from line 4 in Part 1 above)	10	
Cumulative taxable capital gains reported after 1984	11	
(b) Add: Allowable capital loss claimed in 1985 (maximum \$2000.00)	12	
Allowable business investment losses claimed after 1984 and before 1987	13	
Net capital losses of other years claimed after 1984 and before 1987	14	
Total of above losses claimed after 1984 and before 1987	15	
Add: Total losses claimed in 1987 (from line 7 in Part 1 above)	16	
Cumulative loss amount claimed after 1984	17	
Add:		
(c) Total capital gains deductions claimed after 1984 and before 1987	18	
Sub-total	19	
CUMULATIVE GAINS LIMIT FOR 1987 (line 11 minus line 19 — if negative, enter zero)	20	

PART 3 — CALCULATION OF CAPITAL GAINS DEDUCTION — QUALIFIED FARM PROPERTY

(Complete this part if you disposed of qualified farm property in 1987)

Farm capital gains deduction for 1987	250,000.00	
Subtract: Farm capital gains deductions claimed after 1984 and before 1987		
Farm capital gains deduction available for 1987		(A)
Total of all net gains from disposition of qualified farm property included in line 540 on Schedule 3	21	
Taxable capital gains on disposition of qualified farm property after 1984 (50% of amount at line 21 above)		(B)
Annual gains limit (from line 8 in Part 1 above)		(C)
Cumulative gains limit (from line 20 in Part 2 above)		(D)
FARM CAPITAL GAINS DEDUCTION — Enter at line (E) an amount not exceeding the least of (A), (B), (C), and (D). If you did not have other dispositions of capital property, complete Part 5 below.		(E)

PART 4 — CALCULATION OF CAPITAL GAINS DEDUCTION — OTHER CAPITAL PROPERTY

(Complete this part if you disposed of capital property other than qualified farm property in 1987)

Maximum capital gains deduction for 1987	50,000.00	
Subtract: Capital gains deductions allowed after 1984 and before 1987 — Other Capital Property only		
Capital gains deduction available for 1987 (if negative — enter zero)		(F)
Annual gains limit (from line 8 in Part 1 above)		
Subtract: Farm capital gains deduction (from line (E) in Part 3 above)		
Net annual gains limit (if negative — enter zero)		(G)
Cumulative gains limit (from line 20 in Part 2 above)		
Subtract: Farm capital gains deduction (from line (E) in Part 3 above)		
Net cumulative gains limit (if negative — enter zero)		(H)
CAPITAL GAINS DEDUCTION ON OTHER CAPITAL PROPERTY — Enter at line (I) an amount not exceeding the least of (F), (G) and (H).		(I)

PART 5 — CALCULATION OF CAPITAL GAINS DEDUCTION FOR 1987 — ALL PROPERTY

MAXIMUM LIFETIME DEDUCTION — ALL PROPERTY	250,000.00	
Subtract: Capital gains deductions claimed in previous years (line 18 above)		
Capital gains deduction available for 1987		(J)
Subtract: Total of amounts (E) and (I) above		(K)
Capital Gains Deduction available for subsequent taxation years (if negative, enter zero)		

Enter an amount not exceeding the least of amounts (J) and (K) at line 254 on page 2 of your return.