



CALCULATION OF CUMULATIVE NET INVESTMENT LOSS (CNIL) TO DECEMBER 31, 1997

- Use this form if you had any **investment income** or **investment expenses** for 1997.
- Your CNIL reduces the amount of your cumulative gains limit for the year and may affect the allowable amount of your capital gains deduction.
- Even if you are not claiming a capital gains deduction in 1997, you should still complete this form if you had any investment income or expenses in 1997. Since the balance in your CNIL account is a cumulative total, you may need this information in a future year. Keep one copy for your records and attach the other copy to your return.
- If you need more information, contact your tax services office.

Note

If you have capital gains other than from the disposition of qualified farm property or qualified small business corporation shares in 1997, you should start by completing Chart A on the back of this form to determine if you have additional investment income to include when you calculate your CNIL.

Part 1 – Investment expenses claimed on your 1997 return		
Carrying charges and interest expenses (from line 221)		1
Net rental losses (from line 126 or related schedules or statements)	+	2
Limited or non-active partnership losses (from line 122) other than allowable capital losses	+	3
Limited partnership losses of other years after 1985 (from line 251)	+	4
50% of exploration and development expenses (from line 224)	+	5
Any other investment expenses claimed in 1997 to earn property income (see the list of other investment expenses below)	6808 +	6
Additional investment expenses: If you did not complete Chart A on the back of this form, enter "0." Otherwise, enter the lesser of line 17 in Chart A, or the amount you claimed on line 253 of your return	+	7
Total investment expenses claimed in 1997 (total of lines 1 to 7)	=	▶ A

Part 2 – Investment income reported on your 1997 return		
Investment income (from lines 120 and 121)		8
Net rental income, including recaptured capital cost allowance (from line 126)	+	9
Net income from limited or non-active partnership (from line 122) other than taxable capital gains	+	10
Any other property income reported in 1997 (see the list of other investment income below), including annuity payments taxable under paragraph 56(1)(d) or 56(1)(d.1) minus the capital portion deducted under paragraph 60(a)	6810 +	11
50% of income from the recovery of exploration and development expenses (from line 130)	6811 +	12
Additional investment income: If you did not complete Chart A on the back of this form, enter "0." Otherwise, enter the amount from line 17 in Chart A	+	13
Total investment income reported in 1997 (total of lines 8 to 13)	=	▶ B

Other investment expenses

Include: • repayments of inducements • repayments of refund interest • the uncollectible portion of proceeds from dispositions of depreciable property (except passenger vehicles that cost more than \$25,000) • sale of agreement for sale or mortgage included in proceeds of disposition in a previous year under subsection 20(5) • foreign non-business tax under subsections 20(11) and 20(12) • life insurance premiums deducted from property income • capital cost allowance claimed on certified films and videotapes • farming losses claimed by a non-active partner or a limited partner.

Do not include: • expenses incurred to earn business income • repayment of shareholders' loans deducted under paragraph 20(1)(j) • interest paid on money borrowed to: i) buy an income-averaging annuity contract; ii) pay a premium under a registered retirement savings plan; iii) make a contribution to a registered pension plan; or iv) make a contribution to a deferred profit-sharing plan.

Other property income

Include: • amounts from insurance proceeds for the recapture of capital cost allowance (other than amounts already included on line 9) • home insulation or energy conversion grants under paragraph 12(1)(u) • payments received as an inducement or reimbursement • income from the appropriation of property to a shareholder • farming income reported by a non-active or a limited partner • other income from a trust • allowable capital losses included in partnership losses of other years after 1985.

Do not include: • income amounts that relate to business income • payments received from an income-averaging annuity contract • payments received from an annuity contract bought under a deferred profit-sharing plan • shareholders' loans included in income under subsection 15(2).

Do not use this area
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Part 3 – Cumulative net investment loss (CNIL)

Total investment expenses claimed in 1997 (from line A in Part 1)	_____	14	
Total investment expenses claimed in previous years (after 1987): Enter the amount from line 16 in Part 3 of Form T936 for 1996. If you did not complete Form T936 for 1996, see note 1 below	+ _____	15	
Cumulative investment expenses (total of lines 14 and 15)	= _____		▶ 16
Total investment income reported in 1997 (from line B in Part 2)	_____	17	
Total investment income reported in previous years (after 1987): Enter the amount from line 19 in Part 3 of Form T936 for 1996. If you did not complete Form T936 for 1996, see note 2 below	+ _____	18	
Cumulative investment income (total of lines 17 and 18)	= _____		▶ 19
Cumulative net investment loss (CNIL) to December 31, 1997 (line 16 minus line 19; if negative, enter "0")	= _____		C

If you are claiming a capital gains deduction on your 1997 return, enter the amount from line C on line 24 of Form T657.

Notes

1. To calculate your **total investment expenses from previous years** complete Part I of Form T936 for each year from 1988 to 1996 in which you had investment expenses (do not complete line 7 for 1988 to 1991). Add the amounts from line A and enter the total on line 15 of Form T936 for 1997.
2. To calculate your **total investment income from previous years** complete Part II of Form T936 for each year from 1988 to 1996 in which you had investment income (do not complete line 13 for 1988 to 1991). Add the amounts from line B and enter the total on line 18 of Form T936 for 1997.

Chart A

Enter the amount from line 199 of Schedule 3 (if negative, show it in brackets)	_____	1	
Enter the amount from line 173 of Schedule 3	+ _____	2	
Line 1 plus line 2 (if negative, enter "0"). If the amount on this line is zero, do not complete lines 4 to 16, and enter "0" on line 17	= _____	3	
Enter the amount from line 1 above (if negative, enter "0")	_____	4	
Enter the amount from lines 107, 110, and 124 of Schedule 3 (if negative, show it in brackets)	_____	5	
If you reported an amount on line 192 of Schedule 3, enter the total of the amounts from lines 6683 and 6690 on Form T2017. Otherwise, enter the amount from line 5 on line 7	+ _____	6	
Line 5 plus line 6 (if negative, enter "0")	= _____	7	
Enter 3/4 of line 7	_____	8	
Line 4 minus line 8 (if negative, enter "0"). If the amount on this line is zero, do not complete lines 10 to 16, and enter "0" on line 17	= _____	9	
Total net non-eligible taxable capital gains (line 3 or line 9, whichever is less). If the amount on this line includes an amount from a T3 slip, complete lines 11 to 15 below. Otherwise, enter "0" on line 16	_____	10	
Enter the amount from box 21 of all 1997 T3 slips	_____	11	
Enter the amount from box 30 of all 1997 T3 slips	- _____	12	
Line 11 minus line 12	= _____	13	
Enter the portion, if any, of the amount from line 195 of Schedule 3, used to reduce the gain on line 13	- _____	14	
Line 13 minus line 14	= _____	15	
Enter 3/4 of line 15	_____	16	
Additional investment income (line 10 minus line 16; if negative, enter "0")	= _____	17	