

**CORPORATION LOSS CONTINUITY AND APPLICATION
(2000 and later taxation years)**

Name of corporation	Business Number	Taxation year-end						
		<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%; text-align: center;">Year</td> <td style="width:33%; text-align: center;">Month</td> <td style="width:33%; text-align: center;">Day</td> </tr> <tr> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> </tr> </table>	Year	Month	Day			
Year	Month	Day						

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For a detailed description and calculation of these losses, see Interpretation Bulletin IT-232, *Losses – Their Deductibility in the Loss Year or in Other Years*. For information on these losses, see the *T2 Corporation Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or forward it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act*.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)		
Taxable dividends deductible under sections 112, 113, or subsection 138(6)		
Amount of Part VI.1 tax deductible		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		
Subtotal (if positive, enter "0")		
Deduct: (increase a loss)		
Section 110.5 – Addition for foreign tax deductions		
Add: (decrease a loss)	Subtotal	
Current-year farm loss		
Current-year non-capital loss (if positive, enter "0")		

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year		
Deduct: Non-capital loss expired after seven taxation years	100	
Non-capital losses at beginning of taxation year	102	
Add: Non-capital losses transferred on amalgamation or wind-up of subsidiary corporation	105	
Current-year non-capital loss (from calculation above)	110	
Deduct:		
Amount applied against taxable income (enter on line 331 of the T2 return)	130	
Amount applied against taxable dividends subject to Part IV tax	135	
Section 80 – Adjustments for forgiven amounts	140	
Other adjustments	150	
Deduct – Request to carry back non-capital loss to:		Subtotal
First preceding taxation year to reduce taxable income	901	
Second preceding taxation year to reduce taxable income	902	
Third preceding taxation year to reduce taxable income	903	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	911	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax . .	912	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	913	
Non-capital losses – Closing balance		180

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator	190	Yes <input type="checkbox"/>
Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.		

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at end of preceding taxation year	200	_____	
Capital losses transferred on amalgamation or wind-up of subsidiary corporation	205	_____	
Current-year capital loss (from Schedule 6 calculation)	210	_____	
Add:			
Allowable business investment loss expired as non-capital loss _____ x 4/3	220	_____	
Deduct:			Subtotal _____
Amount applied against current-year capital gain (see note 1)	225	_____	
Section 80 – Adjustments for forgiven amounts	240	_____	
Other adjustments	250	_____	
Deduct – Request to carry back capital loss to: (see note 2)			Subtotal _____
First preceding taxation year	951	_____	
Second preceding taxation year	952	_____	
Third preceding taxation year	953	_____	
Capital losses – Closing balance	280	_____	=====

Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

Note 2

Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss it is applied.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year	300	_____	
Deduct: Farm loss expired after 10 taxation years	302	_____	
Farm losses at beginning of taxation year	305	_____	
Add: Farm losses transferred on amalgamation or wind-up of subsidiary corporation	310	_____	
Current-year farm loss		_____	
Deduct:			
Amount applied against taxable income (enter on line 334 of the T2 return)	330	_____	
Amount applied against taxable dividends subject to Part IV tax	335	_____	
Section 80 – Adjustments for forgiven amounts	340	_____	
Other adjustments	350	_____	
			Subtotal _____
Deduct – Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income	921	_____	
Second preceding taxation year to reduce taxable income	922	_____	
Third preceding taxation year to reduce taxable income	923	_____	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931	_____	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932	_____	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933	_____	
Farm losses – Closing balance	380	_____	=====

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485	_____	A
Minus the deductible farm loss:			
\$2,500 plus B or C, whichever is less	\$ 2,500	_____	
(Amount A above _____ – \$2,500) divided by 2 =	B	_____	
	C	_____	
	\$ 6,250	_____	
Current-year restricted farm loss (enter this amount on line 410 of next page)		_____	=====

Part 7 – Limited partnership losses

Current-year limited partnership losses						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 - 5 If negative, enter "0"	Current-year limited partnership losses Column 3 - 6
600	602	604	606	608		620
1.						
2.						
3.						
4.						
5.						

Total (enter this amount on line 222 of Schedule 1)

Limited partnership losses from prior taxation years that may be applied in the current year						
1	2	3	4	5	6	7
Partnership identifier	Fiscal period ending	Limited partnership losses at end of preceding taxation year	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 - 5 If negative, enter "0"	Limited partnership losses that may be applied in the year The lesser of columns 3 and 6
630	632	634	636	638		650
1.						
2.						
3.						
4.						
5.						

Continuity of limited partnership losses that can be carried forward to future taxation years					
Partnership identifier	Limited partnership losses at end of preceding taxation year	Limited partnership losses transferred on amalgamation or wind-up of subsidiary	Current-year limited partnership losses (from column 620)	Limited partnership losses applied (cannot exceed column 650)	Limited partnership losses closing balance (662 + 664 + 670 - 675)
660	662	664	670	675	680
1.					
2.					
3.					
4.					
5.					

Total (enter this amount on line 335 of the T2 return)

Note: If you need more space, please continue on a separate schedule.