

Canadä

- Enter the applicable taxation year in the box above.
- Complete this schedule if the trust is a personal trust that has qualified farm property or qualified small business corporation shares, is reporting any investment income or claiming any investment expenses, and is:
  - designating taxable capital gains from qualified farm property, qualified small business corporation shares, or reserves on these
    properties to an individual beneficiary; or
  - a spousal or common-law partner trust claiming a capital gains deduction on Schedule 5, Beneficiary Spouse or Common-Law Partner Information and Spousal or Common-Law Partner Trust's Capital Gains Deduction, in the year the beneficiary spouse or common-law partner dies.
- The cumulative net investment loss (CNIL) is the trust's total investment expenses for years ending after 1987, minus the trust's total
  investment income for years ending after 1987. For purposes of the CNIL, investment income and expenses refer to income and
  expenses related to property including dividends, interest, rental income, and royalties.
- Trusts with qualified farm property or qualified small business corporation shares should complete this schedule each year and keep it with the trust's records. Do this even for years when the trust is not reporting capital gains or losses, and is not designating eligible taxable capital gains to its beneficiaries. The balance in the trust's CNIL account is a cumulative total. You need the total of the trust's investment income and expenses for 1988 and following years to calculate eligible taxable capital gains on Schedule 3, *Eligible Taxable Capital Gains*.
- The CNIL calculated on line 433 will reduce the trust's cumulative gains limit calculated on Schedule 3. This may reduce the trust's eligible taxable capital gains that qualify for the capital gains deduction.

### Investment expenses

Investment expenses claimed in the year

Carrying charges and interest expenses (line 21 of the T3 return)		401	
Accounting fees (do not include amounts included above as a carrying charge)	4020 • +	402	
Trustee fees against any property income	4030 • +	403	
Foreign taxes relating to property (deducted under subsection 20(11) or 20(12))	4040 • +	404	
Debt obligations under subsection 20(21)	4050 • +	405	
Net rental losses (line 09 of the T3 return)	+	406	
Specified member's share of partnership's net loss other than allowable capital losses (see Note 1)	4070 • +	407	
Other property expenses not included above (see Note 2)	4080 • +	408	
Net capital losses of other years deducted in the year (line 52 of the T3 return)	409		
Amount from line 314 of Schedule 3	410		
Subtotal (line 409 minus line 410; if negative, enter "0")	• +	411	
Total investment expenses claimed in the year (add lines 401 to 408 and line 411)	=	412	
Total investment expenses claimed in previous years (line 414 of previous year's Schedule 4)	4130 • +	413	
(line 414 of previous year's Schedule 4) mulative investment expenses (line 412 plus line 413)	<u>4130 ●</u> +	413	4

### Note 1

• A specified member is a limited partner or a partner who is not actively engaged in a partnership business or in a similar business outside of the partnership.

### Note 2

- Other property expenses can include:
  - 50% of resource and exploration expenses renounced by a corporation, or incurred by a partnership, while the trust was a specified member;
  - expenses to buy or sell units, interests, or shares, or to borrow money;
  - repayments of inducements;
  - repayments of refund interest;
  - the uncollectible portion of proceeds from dispositions of depreciable property (except passenger vehicles that cost more than \$30,000)

Note For trusts with taxation years beginning in 2000, and ending in 2001, the exception for passenger vehicles applies to those vehicles that cost more than \$27,000, if the trust disposed of the vehicle in 2000;

- sale or agreement for sale or mortgage included in proceeds of disposition in a previous year under subsection 20(5);
- life insurance premiums deducted from property income; and
- capital cost allowance claimed on certified films and videotapes.

(Ce formulaire existe en français.)

# Investment income

Enter the cumulative investment expenses from line 414			►	414
Investment income reported in the year				
Taxable dividend income (line 03 of the T3 return	X 1.25)	=	421	
Foreign investment income (line 04 of the T3 return)		+	422	
Other investment income (line 05 of the T3 return)		+	423	
Net rental income (line 09 of the T3 return)		+	424	
Specified member's share of partnership's net income other than taxable cap	oital gains (see Note 3)	4250 ● <b>+</b>	425	
Other property income (see Note 4)		4260 • +	426	
Taxable capital gains (losses) for the year (total of amounts from line 122 of Schedule 1, line 25 of Form T1055, and line 308 of Schedule 3, if applicable) Amount from line 311 of Schedule 3, if applicable		427		
Subtotal (line 427 minus line 428; if negative, enter "0")		420	1	
Total investment income reported in the year (add lines 421 to 426 and	- 1 429)	=	429 430	
Total investment income reported in previous years				
(line 432 of previous year's Schedule 4)		4310 ● <b>+</b>	431	
Cumulative investment income (line 430 plus line 431)		=	▶ -	432
<b>Cumulative net investment loss</b> (line 414 minus line 432; if negative, en Enter this amount on line 326 of Schedule 3.	ter "0")			433

## Note 3

• A specified member is a limited partner or a partner who is not actively engaged in a partnership business or in a similar business outside of the partnership.

## Note 4

- Other property income can include:
  - recaptured capital cost allowance related to property income, including insurance proceeds (other than amounts included on line 424);
  - amounts paid out of Net Income Stabilization Account (NISA) Fund 2, reported on line 10 of the T3 return;
  - home insulation or energy conversion grants under paragraph 12(1)(u);
  - payments received as an inducement or reimbursement; and
  - income from the appropriation of property to a shareholder.