T3 – [ ][ ][ ][ ]

CUMULATIVE NET INVESTMENT LOSS

SCHEDULE 4

- **Include a completed copy of this schedule with the trust's return.**
- Enter the applicable tax year in the box above.
- 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 generally mean income and expenses for property including dividends, interest, rental income, and royalties.
- Complete this schedule if the trust is a personal trust that has qualified farm or fishing 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 or fishing 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, *Spousal or Common-Law Partner Trust's Capital Gains Deduction in Year of Beneficiary's Death*, in the year the beneficiary spouse or common-law partner dies.
- Trusts with qualified farm or fishing 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 later years to calculate eligible taxable capital gains on Schedule 3, *Eligible Taxable Capital Gains.*
- The CNIL calculated on line 28 of this schedule 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)					1
Accounting fees (do not include amounts included above as a carrying charge)	4020 •			+	2
Trustee fees against any property income	4030 •			+	3
Foreign taxes on property (deducted under subsection 20(11) or 20(12))	4040 •			+	4
Debt obligations under subsection 20(21)	4050 •			+	5
Net rental losses (amount shown as a loss on line 09 of the T3 return)				+	6
Share of partnership's net loss other than allowable capital losses (see Note 1), plus loss from a limited partnership deducted by the trust	4070 •			+	7
Other property expenses not included above (see Note 2)	4080 •			+	8
Net capital losses of other years deducted in the year (line 52 of the T3 return)			9		
Amount from line 13 of Schedule 3		–	10		
Subtotal (line 9 minus line 10; if negative, enter "0")		=	▶	+	11
Total investment expenses claimed in the year (add lines 1 to 8 and line 11)				=	12
Total investment expenses claimed in previous years (line 14 of previous year's Schedule 4)	4130 •			+	13
Cumulative investment expenses (line 12 plus line 13)				= ▶	14

Note 1

Only a specified member should report a share of a partnership's net loss excluding allowable capital losses. A specified member is generally a limited partner or a partner who is not actively engaged in a partnership business (other than financing that 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 part of proceeds from dispositions of depreciable property (except passenger vehicles that cost more than $30,000);
- 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.

Investment income

Enter the cumulative investment expenses from line 14 on the previous page.				14
Investment income reported in the year				
Taxable income from eligible dividends (line 2 of Schedule 8 × **1.41**)		=	15	
Taxable income from dividends other than eligible dividends (line 1 of Schedule 8 × **1.25**)		= +	16	
Foreign investment income (line 04 of the T3 return)		+	17	
Other investment income (line 05 of the T3 return)		+	18	
Net rental income (line 09 of the T3 return)		+	19	
Specified member's share of partnership's net income other than taxable capital gains (see Note 3)	4250 •	+	20	
Other property income (see Note 4)	4260 •	+	21	
Taxable capital gains (losses) for the year (total of amounts from line 21 of Schedule 1, line 25 of Form T1055, and line 5 of Schedule 3, if applicable)	22			
Amount from line 10 of Schedule 3, if applicable	– 23			
Subtotal (line 22 minus line 23; if negative, enter "0")	= ▶	+	24	
Total investment income reported in the year (add lines 15 to 21 and 24)		=	25	
Total investment income reported in previous years (line 27 of previous year's Schedule 4)	4310 •	+	26	
Cumulative investment income (line 25 plus line 26)		=	▶	– 27
Cumulative net investment loss (line 14 minus line 27; if negative, enter "0") Enter this amount on line 25 of Schedule 3.				= 28

Note 3

A specified member is generally a limited partner, or is a partner who is not actively engaged in a partnership business (other than financing that business), or in a similar business outside of the partnership.

Note 4

Other property income can include:

- capital gains from ineligible property (line 9 of Schedule 3 minus line 6 of Schedule 3);
- recaptured capital cost allowance related to property income, including insurance proceeds (other than amounts included on line 19);
- 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.