

SCHEDULE 3 - CALCULATION OF A TRUST'S ELIGIBLE TAXABLE CAPITAL GAINS

- Complete this schedule if the trust is designating net taxable capital gains to an individual beneficiary to determine the amount that is eligible for the beneficiary's capital gains deduction. Also, complete this schedule if the trust is a spousal trust claiming a capital gains deduction, which is available only in the year the beneficiary spouse dies.
- You should complete this schedule on a yearly basis and keep it with your records until the trust makes a designation.

Part I. Trust's annual gains limit for 1993

Total taxable capital gains (losses) for 1993 (from line 122 of Schedule 1, and line 25 of Form T1055)					301
Reserves related to capital dispositions before 1985 (from line 215 of Schedule 2)					302
Non-qualifying real property and other non-eligible amounts (see back - if loss, show in brackets)					303 •
Subtotal: (add lines 302 and 303)					304
(Amount from line 304 _____ x 3/4) =					305
Total (line 301 minus line 305) (if line 305 is negative, add lines 301 and 305)					306
Total qualifying taxable capital gains for 1993 (lesser of lines 301 and 306)					307
Net capital losses of other years deducted in 1993 (from line 52 on page 4 of the T3 return)					308
(line 301 _____ minus line 307 _____) (if negative, enter zero)					309
Subtotal: (line 308 minus line 309 - if negative, enter zero)					310
Allowable business investment loss (from line 25 on page 2 of the T3 return)					311
Total losses (add lines 310 and 311)					312
Annual gains limit for 1993 (line 307 minus line 312 - if negative, enter zero)					313

Part II. Trust's cumulative gains limit for 1993

Taxable capital gains reported after 1984 and before 1993 (from line 322 of 1992 Schedule 3)					320 •
Qualifying taxable capital gains for 1993 (from line 307 of Part I)					321
Cumulative taxable capital gains eligible for the capital gains deduction (add lines 320 and 321)					322
Cumulative loss amount reported in previous years, after 1984 (from 1992 Schedule 3, line 325)					A
Taxable portion of reserves from pre-1985 dispositions included in income for the years 1985 to 1991 (see guide)					B
Adjusted cumulative loss amount reported after 1984 and before 1993 (line A minus B)					323 •
Total losses used to calculate the annual gains limit (from line 312 of Part I)					324
Cumulative loss amount (add lines 323 and 324)					325
Cumulative net investment loss (from line 433 of Schedule 4)					326
Total losses (add lines 325 and 326)					327
Cumulative gains limit (line 322 minus line 327)					328

Part III. Trust's eligible taxable capital gains for 1993

Annual gains limit (from line 313 of Part I)					330
Cumulative gains limit (from line 328 of Part II)					331
Eligible taxable capital gains designated in earlier years					
From line 332 of 1992 Schedule 3					
From line 930 of 1992 Schedule 9					
Subtotal (line 331 minus line 332 - if negative, enter zero)					332
Eligible taxable capital gains (lesser of line 330 and line 332)					333
Transfer the amount from line 334 to line 501 of Schedule 5, or use it to calculate taxable capital gains eligible for deduction on Schedule 9.					334

Line 303 - Non-qualifying real property (and other non-eligible amounts)

- Use this form to figure out the capital gains (or losses) from real property reported in 1993 that do not qualify for the capital gains deduction, including non-eligible capital gains from information slips.

Description	A	B	C	D	E	F
	Gain (or loss) from real property, reported on Schedule 1 and form T1055			Number of calendar months after February 1992 during which the trust owned the property	Total number of calendar months after 1971 during which the trust owned the property	Non-qualifying amount ** $C \times \frac{D}{E}$ (we need a separate calculation for each property) (use brackets to show loss amounts)
Gain (or loss) included in amount at line 116 of Schedule 1, or at line 25 of form T1055	Reserve included in amount at line 117 of Schedule 1 (if B is negative, show in brackets)	Total gain (or loss) from real property (add columns A and B)	Note: Part months qualify as one month			
Real estate						
Shares *						
Interest in a partnership or trust *						
Interest in an option *						
Non-eligible capital gains from information slips						
Total non-qualifying real property and other non-eligible amounts (add amounts in column F) Transfer this amount to line 303 of Schedule 3, and enter 3/4 of this amount at line 614 of Schedule 6						

* whose fair market value comes mostly from real estate

** You do not have to use the formula in column F to figure out the non-eligible capital gains from information slips. You can use the amount reported on the slips.