

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 1994

Total taxable capital gains (losses) for 1994 (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-eligible amounts (see back - if loss, show in brackets)			303	•
Subtotal (add lines 302 and 303)			304	
(Amount from line 304 <u> </u> 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 1994 (line 301 or line 306, whichever is amount is less)				307
Net capital losses of other years deducted in 1994 (from line 52 on page 4 of the T3 return)			308	
(line 301 <u> </u> minus line 307 <u> </u>) (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 1994 (line 307 minus line 312 - if negative, enter zero)				313

Part II. Trust's cumulative gains limit for 1994

Taxable capital gains reported after 1984 and before 1994 (from line 322 of 1993 Schedule 3)			320	•
Qualifying taxable capital gains for 1994 (from line 307 of Part I above)			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 1993 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 1994 (line A minus B). If the trust claimed net capital losses of other years and in the same year reported reserves from pre-1985 dispositions, in a 1985 to 1991 taxation year, see the Guide.			323	•
Total losses used to calculate the annual gains limit (from line 312 of Part I above)			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 1994

Annual gains limit (from line 313 of Part I above)				330
Cumulative gains limit (from line 328 of Part II above)			331	
Eligible taxable capital gains designated in earlier years				
From line 332 of 1993 Schedule 3			•	
From line 930 of 1993 Schedule 9			▶	
Subtotal (line 331 minus line 332 - if negative, enter zero)			▶	333
Eligible taxable capital gains (line 330 or line 333, whichever amount is less)				334
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.				