

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

- Complete this schedule if the trust is a personal trust designating net taxable capital gains to an individual beneficiary to determine the amount that is eligible for the beneficiary's capital gains deduction, or if the trust is a spousal trust claiming a capital gains deduction, which is available only in the year the beneficiary spouse dies.
- If the trust's taxation year includes February 22, 1994, use **Rev.94** Schedule 3, *Calculation of a Trust's Eligible Taxable Capital Gains*, and the **1994** T3 guide instructions.

Part I. Trust's annual gains limit for the year

Eligible capital gains (losses) for the year from lines 101 and 102 of Schedule 1, and lines 1 and 2 of Form T1055			301	
Gains from reserves on qualified farm property and qualified small business corporation shares (amounts from lines 210, 211, and 212 of Schedule 2)			302	
Eligible capital gains from information slips (see note)			304 •	
Partnership share of capital gains on dispositions before February 23, 1994 not reported on Form T5013 from a partnership's fiscal period that included February 22, 1994 (see note)			305 •	
Subtotal (add lines 301, 302, 304 and 305)			306	
(Amount from line 306	x 3/4) =			307
Deemed taxable capital gain on disposition of eligible capital property: Qualified farm property (included in line 07, page 2 of T3 return)				308 •
Deemed taxable capital gain on disposition of eligible capital property before February 23, 1994: Other (Partnership share for a partnership's fiscal period that included February 22, 1994 and included in income at lines 6 or 8 on page 2 of T3 return. See note.)				309 •
Subtotal (add lines 307, 308, and 309)				310
Total taxable capital gains (losses) for the year (from line 122 of Schedule 1 and line 25 of Form T1055)		A		
Deemed taxable capital gains (from lines 308 and 309)		B		
Subtotal (add lines A and B)		C		
Total qualifying taxable capital gains for the year (line 310 or line C, whichever amount is less)				311
Net capital losses of other years deducted in current year (from line 52 on page 4 of the T3 return)			312	
Line C	minus line 311	=	313	
Subtotal (line 312 minus line 313; if negative, enter zero)				314
Allowable business investment loss (from line 25 on page 2 of the T3 return)			315	
Total losses (add lines 314 and 315)				316
Annual gains limit for the year (line 311 minus line 316; if negative, enter zero)				317

Part II. Trust's cumulative gains limit for the year

Taxable capital gains reported after 1984 and before current year (from line 322 of previous year's Schedule 3)			320 •	
Qualifying taxable capital gains for the year (from line 311 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 previous year's Schedule 3, line 325)		D		
Taxable portion of reserves from pre-1985 dispositions included in income for the years 1985 to 1991. 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.		E		
Adjusted cumulative loss amount reported after 1984 and before current year (line D minus line E).			323 •	
Total losses used to calculate the annual gains limit (from line 316 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 the year

Annual gains limit (from line 317 of Part I above)			331	330
Cumulative gains limit (from line 328 of Part II above)				
Eligible taxable capital gains designated in earlier years				
From line 332 of previous year's Schedule 3		F •		
From line 930 of previous year's Schedule 9		G •		
Subtotal (add lines F and G)				332
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. See line 930 of T3 Guide.				

Note:

Lines 304, 305, and 309 apply to spousal trusts claiming a capital gains deduction only.