Canada Customs and Revenue Agency

Agence des douanes et du revenu du Canada

RECONCILIATION OF 2004 BUSINESS INCOME FOR TAX PURPOSES

- Use this form **only** if your first fiscal period ending in 2004 does **not** end on December 31, 2004, or if you completed this form last year.
- For more information and **instructions** on completing this form, see the *Reconciliation of Business Income for Tax Purposes* guide.
- If you are completing Part 2 of this form for the first time, check the box indicating your choice, sign and date your election at the bottom of this page.

Identification

Social insurance number:

⬜⬜⬜ - ⬜⬜⬜ - ⬜⬜⬜

Business Number:

⬜⬜⬜⬜⬜⬜⬜⬜⬜⬜⬜⬜⬜⬜⬜

Part 1 – Converting to a December 31 fiscal period end

	Business 1		Business 2	
Net income (loss) for your first fiscal period ending in 2004 (if applicable)		A		A
Net income (loss) for the period ending December 31, 2004		B		B
Reserve deducted last year		C		C
Subtotal (line A **plus** line B and line C)		D		D
Last year's additional business income (if converting this year)		E		E
Subtotal (line D **minus** line E)		F		F

Calculating your allowable reserve:

	Business 1	Business 2
December 31, 1995 income for each business (if negative, enter "0")	G	G
• Amount from line G for each business x 15%	H	H
• Reserve deducted last year	I	I
• Your income for the year (according to the chart at the end of this guide)	J	J

Important Note:
Lines G, H, I, J and K apply only to an individual who is a partner of a partnership that includes a professional corporation as a partner with a qualifying fiscal period that ended in 1996. ALL OTHERS proceed to line L (K=0).

Reserve amount – Enter an amount not more than the least of the amounts on lines H, I, and J for each business .... K + ... K ► **6672** ....

Net income (loss) for each business – Report this amount on the appropriate line of your income tax return (line F **minus** line K) .... L L

Part 2 – Electing to have a fiscal period which does not end on December 31 (alternative method)

	Business 1		Business 2	
Net income (loss) for your fiscal period ending in 2004		M		M
Additional business income		N		N
Reserve deducted last year		O		O
Subtotal (line M **plus** line N **and** line O)		P		P
Last year's additional business income		Q		Q
Net income (loss) for each business – Report this amount on the appropriate line of your income tax return (line P **minus** line Q)		R		R

Election

I choose to have a fiscal period that does not end on December 31 for all businesses listed in Part 2. ⬜

I choose to revoke my previously filed election to have a fiscal period that does not end on December 31, and convert to a December 31 fiscal period end (attach a note to list the business(es) you want to convert). Check the box at line number **6673**. **6673** ⬜

Name (please print)	Signature	Date

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