

**SCHEDULE 2 - CALCULATION OF RESERVES ON DISPOSITIONS OF CAPITAL PROPERTY**

- Use this form to figure out the amounts you need to complete Schedules 1, 3, 6 and 12.
- Column 3 is the capital gain amount from reserves you have to report at line 117 of Schedule 1. You may get a negative amount if you report a current-year disposition on Schedule 1.
- Columns 4, 5, and 6 provide a breakdown of current-year capital gains from column 3 to show the year in which the disposition occurred. You need these amounts to complete Schedules 3, 6, and 12.

	1	2	3	4	5	6
Reserves on dispositions of capital property	Prior-year reserve	Current-year reserve	Column 1 minus Column 2 (See Note below)	Enter the amount from each line in column 3, as applicable, for a disposition occurring in:		
			Include the total in current-year capital gain	1984 and earlier years	1985	1986 and following years
<b>A. For dispositions occurring after 1984 from:</b>						
1. qualified farm property			▶			210
(a) 1985 dispositions			▶			
(b) 1986 and subsequent year dispositions						211
2. qualified small business corporation shares, dispositions after June 17, 1987			▶			212
3. other property			▶			214
<b>B. For all dispositions occurring before 1985</b>			▶		215	
<b>Total</b>			•			216

Transfer the total from column 3 to line 117 of Schedule 1.

Note: If the amount in column 2 is more than the amount in column 1, use brackets in column 3 to show the negative amount.

Transfer the amount from line 215 to line 302 of Schedule 3.

Transfer the amounts from lines 210 to 215 to the appropriate boxes on Schedule 6.

You need the amounts from lines 210 and 215 for Schedule 12 if the trust is claiming reserves related to dispositions before 1986.