

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

- Use this form to calculate the amounts you need to complete Schedules 1, 3, and 12.
- Column 3 is the capital gain amount from reserves you have to report at line 117 of Schedule 1. If you report a current-year disposition on Schedule 1, you may have a negative amount.

	1	2	3
Reserves on dispositions of capital property	Prior-year reserve	Current-year reserve	Column 1 minus column 2 (see note below)  Include the total in current-year capital gain
<b>A. For dispositions occurring after 1984, from:</b>			
1. Qualified farm property			
a) 1985 dispositions			210
b) 1986 and subsequent year dispositions			211
2. Qualified small business corporation share dispositions after June 17, 1987			
			212
3. Other property			
			214
<b>B. For dispositions occurring before 1985</b>			
			215
<b>Total</b>			216

**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.

If the trust is claiming reserves related to dispositions before 1986, transfer 1/4 of the amounts from lines 210 and 215 in columns 1 and 2 to the chart for line 1203, Schedule 12.

If the trust claimed a reserve on line 209 in previous years, include the prior-year reserve amount on line 214, column 1.

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