



SUMMARY OF DEEMED REALIZATIONS (2000 and following taxation years)

Name of trust	Trust account number T - -	Taxation year
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Instructions

- Use this form to report deemed realizations on the following days:
 - A - by a spousal trust, on the day the beneficiary spouse dies;
 - B - for a joint partner trust, on the day the settlor or the beneficiary spouse dies, whichever is later;
 - C - for an alter ego trust, on the day the settlor dies, unless the trust filed an election not to be considered an alter ego trust, in which case F, below, applies;
 - D - for a trust that distributes property after December 17, 1999, to a beneficiary in respect of the beneficiary's capital interest in the trust and it is reasonable to consider that the distribution was financed by a liability of the trust, and one of the reasons for incurring the liability was to avoid paying taxes because of the death of any individual, the day the property was distributed;
 - E - where an individual has transferred property (other than Canadian real estate, Canadian resource property or a timber resource property, property of a business carried on by the trust through a permanent establishment in Canada, or certain pension interests or rights) after December 17, 1999, to a trust for the transferor's spouse, or a person who has since become the transferor's spouse, and it is reasonable to conclude that the property was transferred knowing that the individual planned to emigrate from Canada, the day the individual ceases to be a resident of Canada;
 - F - for other trusts, 21 years after the trust was created; and
 - G - for trusts listed in A, B, C, and F, above, every 21 years, on the anniversary of the day established above.

- See "Types of Trusts" in the *T3 Trust Guide* for definitions of "spousal trust," "joint partner trust," or "alter ego trust."

- Do not report a deemed realization on any property that was actually disposed of in the taxation year, unless this is a post-1971 spousal or partner trust. Use the appropriate form (for example, Schedule 1, *Dispositions of Capital Property*) to report the actual disposition.

- You will also have to complete the Capital Gains (Losses) Charts in Appendix A of the *T3 Trust Guide* if:
 - you completed Schedule 1, *Dispositions of Capital Property*, to report capital gains or losses; or
 - the trust has a business investment loss in the year.

Note: Inclusion rate for line 25

To determine the correct inclusion rate to use for line 25, follow the tables in Chapter 3 of the *T3 Trust Guide*.

Deceased beneficiary spouse or deceased settlor information

Name of deceased beneficiary spouse	Address	Social insurance number 	Date of death		
			Year 	Month 	Day

Name of deceased settlor	Address	Social insurance number 	Date of death		
			Year 	Month 	Day

Schedule 1, adjusted line 122

- Complete this area if you calculated a deemed allowable capital loss on line 25 of this form **and** a taxable capital gain on line 122 of Schedule 1.

Taxable capital gains (positive amount only, from line 122 of Schedule 1)		51
Deemed allowable capital losses (line 25 of this form)		52
Adjusted taxable capital gains (line 51 minus line 52 – if the result is negative, enter "0"). Enter this amount on line 01 of the T3 return.		53

Calculation for election on Form T2223, *Election Under Subsection 159(6.1) by a Trust to Defer Payment of Income Tax*

- To determine how much tax the trust can elect to defer, you need to calculate the following amounts:

- Line 82 (below)—taxable income excluding deemed realizations reported on line 11 of the T3 return;
You may have to adjust the following lines on the T3 return if the amounts have increased or decreased as a result of deemed realizations:
 - Line 01—taxable capital gains;
 - Line 47—total income allocations and designations to beneficiaries;
 - Line 51—non-capital losses of other years;
 - Line 52—net capital losses of other years;
 - Line 53—capital gains deduction for resident spouse trust; and
 - Line 54—if this line includes losses from previous years that have been fully or partially applied against income from deemed realizations.
- Line 83 (below)—total taxes payable, based on taxable income excluding deemed realizations; and
- Line 84 (below)—increase in total taxes payable, resulting from the deemed realizations.

Total taxes payable on taxable income with deemed realizations included in income (lines 81 and 82 of the T3 return)			81
Taxable income with deemed realizations excluded from income (attach a copy of the calculation)		82 •	
Total taxes payable on taxable income with deemed realizations excluded from income (attach a copy of the calculation)			83 •
Amount of tax on which the trust can elect to defer payment (line 81 minus line 83). Enter this amount on Form T2223.			84