



## SUMMARY OF DEEMED REALIZATIONS (2001 and later 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 or common-law partner trust, on the day the beneficiary spouse or common-law partner dies;
  - B - for a joint spousal or common-law partner trust, on the day the settlor or the beneficiary spouse or common-law partner 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 G, below, applies;
  - D - for a trust that distributes property 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 common-law partner, and it is reasonable to conclude that the property was transferred knowing that the individual planned to emigrate from Canada, the day the individual stops being a resident of Canada;
  - F - a trust to which property was transferred by an individual (other than a trust) where the transfer did not result in a change in beneficial ownership of that property and no person (other than the individual) has any absolute or contingent right as a beneficiary under the trust, the day on which the death of the individual occurs;
  - G - for other trusts, 21 years after the trust was created; and
  - H - for trusts listed in A, B, C, F, and G, above, every 21 years, on the anniversary of the day established.
  
- See "Types of Trusts" in the *T3 Trust Guide* for definitions of "spousal or common-law partner trust," "joint spousal or common-law 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 spousal or common-law partner trust, a joint spousal or common-law partner trust, or an alter ego trust. Use the appropriate form (for example, Schedule 1, *Dispositions of Capital Property*) to report the actual disposition.

**Note: Inclusion rate for line 25**

If the trust's year end is in 2001, and it disposed of capital property in that taxation year **before** October 18, 2000, use the 2000 version of both Form T1055 and the *T3 Trust Guide* to calculate the inclusion rate for line 25.

### Deceased beneficiary spouse, common-law partner, deceased settlor, or transfer information

Name of deceased beneficiary spouse or common-law partner	Address	Social insurance number 	Date of death Year       Month     Day
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Name of deceased settlor	Address	Social insurance number 	Date of death Year       Month     Day
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Did an individual transfer property to the trust in the taxation year, according to situation E above?  
If yes, enter the date of the transfer, or the date the individual stopped being a resident of Canada.

Yes    No   
 

Date		
Year	Month	Day

Qualified small business corporation shares		(1) Year of acquisition	(2) Deemed proceeds of disposition	(3) Adjusted cost base	(4) Gain (or loss) (col. 2 minus col. 3)	
Number	Name of corporation and class of shares					
		Total				1 •
Qualified farm property						
Address or legal description						
		Total				2 •
Mutual fund units and other shares						
Number	Name of fund or corporation and class of shares					
		Total				3 •
Real estate and depreciable property						
Address or legal description						
		Total				4 •
Bonds, debentures, promissory notes, and other properties						
Face value	Maturity date	Name of issuer				
		Total				5 •
Personal-use property (full description)						
		Total				6 •
Listed personal property (LPP) (full description)						
						7 •
Subtract: LPP losses from line 107 of Schedule 1 and unapplied LPP losses of other years not claimed on line 108 of Schedule 1						8 •
		<b>Total (gain only)</b>				9
Total of all net gains (or losses) from capital properties (add lines 1 to 6 plus line 9)						20
Total deemed taxable capital gains (allowable capital losses) from deemed realizations (line 20 $\times$ 1/2 *) =						25 •
*See the Note on page 1						
Deemed taxable capital gains (positive amount only, from line 25)						30
Net capital losses (line 122 of Schedule 1)						31
Adjusted deemed taxable capital gains (line 30 minus line 31 – if result is negative, enter "0")						32 •
<b>Depreciable property – Recapture</b>						
Class No.	Capital cost **	Undepreciated capital cost	Recapture (positive amounts only)			
Total					33	

\*\* Enter the fair market value if it is less than the capital cost. For timber resource property, always enter the fair market value.

Canadian and foreign resource property (income amount)		34 •
Subtract: Canadian and foreign resource property (deduction amount)		35 •
Net Canadian and foreign resource property (line 34 minus line 35)		36
Land held in inventory (income/loss amount)		37 •
<b>Total income/losses</b> from deemed realizations (add lines 32, 33, 36, and 37). Enter this amount on line 11 of the T3 return.		42 •

**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 <b>minus</b> 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) of the Income Tax Act, 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 or common-law partner trust only; 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 <b>included</b> 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 <b>excluded</b> from income (attach a copy of the calculation)		83 •
Amount of tax on which the trust can elect to defer payment (line 81 <b>minus</b> line 83). Enter this amount on Form T2223.		84