

Part V Tax Return – Tax on Non-qualified Investments of a Registered Charity

 Use this form if you are liable to pay tax under subsection 189(1). You are liable to pay tax if interest paid within 30 days after the tax year end on a debt owing on a non-qualified investment to a registered charity that is a private foundation was less than the amount of interest that would be payable on the debt calculated using prescribed rates. 	Do not use this area
• Unless otherwise noted, all legislative references are to the Income Tax Act.	
• Non-qualified investment and private foundation are defined in subsection 149.1(1).	
 Mail two completed copies of this return, separately from any other return to your tax centre with any tax owing. Mail the copies on or before the day you are required, or would be required, to file a return of income under Part I. 	

Find your tax centre's address by going to cra.gc.ca/tso.

• Penalties may apply if this return is filed after the due date.

Name of taxpayer			Social insurance, trust account, or business number
Address			Postal code
Tax year for the period	Year Month Day Start	Year Month Day	Tax services office

Name of private foundation	Business number
Address	Postal code
Name of the contact person	Telephone number

— Part V tax payable ———

Fill out the applicable schedules on pages 2 and 3 before completing this area.	
Total minimum interest payable (from Schedule C).	D
Deduct: Interest paid for the tax year on the debts included in Schedule A E	
Amount of dividends the private foundation received in the year on the shares included in Schedule B F	
Subtotal (amount E plus amount F)	G
Part V tax payable (amount D minus amount G) (if negative, enter "0")	H

Total amount remitted (enter amount enclosed)	Do not use this area
Make your cheque or money order payable to the Receiver General. On the back, write T2140, the taxpayer's name, and their social insurance, trust account or business number.	

- Certification

I certify that the information given on this tax return, and on any documents attached is correct and complete.

Name of authorized officer

Position or office

Signature of authorized officer

Date yyyy/mm/dd



Information and instructions

- Non-qualified investments refer to certain categories of debt, shares, or rights if they are held by a private foundation. This definition excludes debts or shares held by an excluded corporation, publicly-traded shares, and certain qualifying shares and the rights to acquire those shares. For a complete definition see subsection 149.1(1).
- When determining the tax payable under subsection 189(1), exclude debts to which subsection 80.4(1) applies or would apply but for subsection 80.4(3).
- When calculating the tax payable under subsection 189(1), a share or a right to acquire a share of a corporation that is held by the private foundation and that is a non-qualified investment is deemed to be a debt the corporation owes to the private foundation under subsection 189(3).
- You must calculate the minimum interest payable for each debt owing and for each class of shares or rights to acquire a particular class of shares held by the foundation that is deemed to be a debt owing to the foundation.

— Schedule A –

Summary of debts owing by taxpayers to the private foundation (at any time in the tax year):				
A Description of debts (for example, type of debt instrument, interest rates, repayment terms)	B Amount owing	C Interest paid *		
Total interest paid (enter at amount E, on page 1)				

Amount of interest for the year paid on the debt no later than 30 days after the end of the year.

— Schedule B –

Calculation of deemed debt owing, amount for shares and rights held by the private foundation (at any time during the taxpayer's year):						
A Description of shares and rights	B Date acquired	C Number of shares/rights held	D Fair market value *	E Cost amount to foundation **	F Deemed debt owing ***	G Dividends received on shares

Total dividends received on shares (enter at amount F, on page 1) ____

* If share or right was last acquired before April 22, 1982.

** Adjusted cost amount to the foundation as determined under the Income Tax Act.

*** Cost amount of the shares or rights you last acquired before April 22, 1982. The deemed debt owing amount is whichever is more: the cost amount to the foundation or the fair market value on April 21, 1982.

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Calculation of minimum interest payable (calculate ea	ch debt/deemed debt owing):			
A Amount of debt/deemed debt owing *	B Minimum interest rate ** %	C Minimum interest payable Column A x B		
Total minimu	m interest payable (enter at amount D, on page 1)			
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 * Enter amounts from schedules A and B. ** Subsections 189(2), 189(3) and 189(4) 				
(1) In the case of a debt owing, the interest rate i	s the least of the following amounts:			
	ne Income Tax Regulations for the period in the year	the debt was outstanding and was a non-qualified		
	an arm's length transaction if the foundation had bee	en in the business of lending money; and		
(c) where that debt was incurred before Apri which this return applies).	I 22, 1982, a yearly rate of 6% plus 2% for each caler	ndar year after 1982 (not including the year to		
(2) In the case of a share or right to acquire a sh	are, the interest rate is 2/3 of the rates prescribed by	law during the period in the tax year.		
(3) In the case of a share or right to acquire a share that you last acquired before April 22, 1982, the interest rate is the lower of the following amounts:				
(a) a yearly rate of 2/3 of such rates required by law; or				
(b) a yearly rate of 4% plus 1% for each of the five calendar years after 1982, that is 4% for the years 1983 to 1987; 5% for the years 1988 to 1992; 6% for the years 1993 to 1997; 7% for the years 1998 to 2002; 8% for the years 2003 to 2007, 9% for the years 2008 to 2012; and 10% for the years 2013 to 2017.				
(4) If the debt/deemed debt owing was not outsta	anding throughout the year, the rate determined in (1)	, (2), or (3) above is to be pro-rated as follows:		
	ber of days in the period during the debt/deemed debt was owing	=		
N	umber of days in the tax year			
— Privacy statement				

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the *Act* such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source at cra.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html, Personal Information Bank CRA PPU 047.