Income Inclusion for Corporations that are Members of Single-Tier Partnerships (2019 and later tax years)

Corporation's name	Business number	Tax year-end		
		Year	Month	Day

- If the corporation is a member of a single-tier partnership that has a fiscal period-end that differs from the corporation's tax year-end, use this schedule to determine the corporation's income inclusion in respect of the partnership for the tax year under sections 34.2 and 34.3 of the Income Tax Act. Complete a separate schedule for each single-tier partnership.
- Complete Part 2 of this schedule to calculate the adjusted stub period accrual (ASPA) in respect of a single-tier partnership if all of the following conditions apply:
 - the corporation has a significant interest in the partnership at the end of the last fiscal period of the partnership that ends in the tax year
 - another fiscal period of the partnership starts in the tax year and ends after the tax year of the corporation
 - at the end of the tax year, the corporation is entitled to a share of the income, loss, taxable capital gain, or allowable capital loss of the partnership for the fiscal period that ends after the end of the tax year
 - the corporation is **not** a professional corporation
- Significant interest means that the corporation, or the corporation together with one or more persons or partnerships related to or affiliated with the corporation, is entitled to more than 10% of the income or loss of the partnership or more than 10% of the assets (net of liabilities) of the partnership if it were to cease to exist.
- Generally, amounts included or claimed under subsections 34.2(2), 34.2(3), and 34.2(4) are deemed to have the same character and be in the same proportions as the partnership income to which they relate. For example, if a corporation receives \$100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of \$40,000 of active business income, \$30,000 of income from property and \$30,000 as a taxable capital gain, the corporation's ASPA for the partnership would be 40% active business income, 30% property income and 30% taxable capital gains.
- Section 34.2 does not apply when calculating, for a tax year of a foreign affiliate of a corporation resident in Canada, the affiliate's foreign accrual property income for the corporation and, generally, the affiliate's exempt surplus or exempt deficit, hybrid surplus or hybrid deficit, and taxable surplus or taxable deficit, for the corporation. See subsection 34.2(8).
- All legislative references are to the Income Tax Act and Income Tax Regulations. This schedule does not replace the Act and its regulations.
- This schedule is a worksheet only. You do not have to file it with your T2 Corporation Income Tax Return.
- · Report on Schedule 73, Income Inclusion Summary for Corporations that are Members of Partnerships, the amounts calculated on this schedule. File Schedule 73 with the corporation's T2 return.

- Part 1 - Partnership information ————————————————————————————————————					
Partnership's account number:					
		eriod-start	1	period-end	
The start and end dates of the fiscal period of the partnership:	Year	Month Day	Year	Month Day	

A corporation's ASPA in respect of a partnership gives an estimate of the income that the corporation is deferring during a stumembership in a partnership that has a fiscal period that differs from the corporation's tax year. Where the last fiscal period of corporation's tax year and ends after that tax year, the stub period is normally the period from the start of that fiscal period to tax year.	f the partnership begins in the
If the corporation becomes a member of a partnership during a fiscal period of the partnership, see Part 3.	
Corporation's share of income of the partnership for the fiscal period(s) (note 1) that end(s) in the tax year of the corporation (other than dividends for which a deduction is available under section 112 or 113)	_2A
Corporation's share of loss of the partnership for the fiscal period(s) (note 1) that end(s) in the tax year of the corporation	.2B
Subtotal (amount 2A minus amount 2B)	▶ 20
Corporation's share of taxable capital gain of the partnership for the fiscal period(s) (note 1) that end(s) in the tax year of the corporation	2D
Corporation's share of allowable capital loss of the partnership for the fiscal period(s) (note 1) that end(s) in the tax year of the corporation (cannot be more than amount 2D)	_2E
Subtotal (amount 2D minus amount 2E)	▶ 2F
Subtotal (amount 2C plus amo	ount 2F) 2G
Number of days that are in both the corporation's tax year and the fiscal period of the partnership that starts in the corporation's tax year and ends after the tax year (the stub period)	2H
Number of days in the fiscal period(s) of the partnership that end(s) in the corporation's tax year (note 2)	<u> </u>
Stub period accrual (amount 2G multiplied by amo	ount 2H) 2I
Enter amount 2I in column 1 of Schedule 73 (if negative, enter "0").	
Designated qualified resource expenses [subsections 66.1(6), 66.2(5), 66.21(1), and 66.4(5)] (note 3) for the stub period	2J
Enter amount 2J in column 2 of Schedule 73.	
Discretionary amount designated by the corporation (note 4)	2K
Enter amount 2K in column 3 of Schedule 73.	
Subtotal (amount 2J plus amount 2K)	▶ 2L
ASPA for the tax year (amount 2I minus amount 2L) (if negative, enter "0")	2M
Note 1. The corporation can have more than one fiscal period of the partnership that ends in its tax year. Enter the income or for all of the fiscal periods.	loss allocated to the corporation
Note 2. The number of days could be more than 365 if there is more than one fiscal period of the partnership that ends in the	corporation's tax year.
Note 3. Subsection 34.2(6) gives the designated amount for qualified resource expenses. Once filed, the designation cannot corporation can designate an amount as its qualified resource expense for the stub period in respect of a partnership gets in writing from the partnership, before the corporation's filing due date for the tax year for which the ASPA is beir identifying the relevant expenses. The relevant expenses are those identified by the partnership as being the corporate expenses incurred by the partnership, determined as if those expenses had been incurred by the partnership in its last tax year (that is, based on the corporation's share for the last fiscal period, and not at the end of the tax year). The armore than the maximum amount that would be deductible by the corporation for the identified resource expenses und and 66.4 in calculating its income if the partnership's fiscal period ended at the end of the corporation's tax year.	to the extent the corporation ng calculated, information tion's qualified resource st fiscal period that ended in the nount designated cannot be
Note 4. The corporation can designate an amount (other than an amount included on amount 2J) on its T2 Corporation Income the corporation's filing due date. Once filed, the designation cannot be amended or revoked. The corporation may hat income shortfall adjustment to account for under-reported income when the corporation has made a discretionary of inclusion for a previous tax year. For the calculation of the income shortfall adjustment, see Part 4.	ve to include in its income an

 Part 3 – Income inclusion for a new corporate member of 	a partnership ———		
If the corporation (other than a professional corporation) becomes a member of that starts in the corporation's tax year and ends after the tax year, but on or be interest in the partnership at the end of the particular period, the corporation mathe lesser of:	efore the filing due date for that	at year, and the corporation has a sig	gnificant
Amount, if any, designated by the corporation		<u></u>	3A
and			
Corporation's income from the partnership for the particular period (other than dividends for which a deduction is available under section 112 or 11	13)	3B	
Number of days that are in both the corporation's tax year and the particular period	=	3C	
Number of days in the particular period	_		
Income inclusion for a new corporate member of a partnership for the tax (if negative, enter "0")	year (amount 3A or 3D, which		3E
Enter amount 3E in column 6 of Schedule 73.			
Part 4 – Income shortfall adjustment			
Complete this part only if the corporation designated a discretionary amount at partnership the corporation is a member of. Section 34.3 may require a corpor shortfall adjustment to account for under-reported income.	amount 2K in Part 2 of the ba	se year's Schedule 71* for any qua	
The base year is the preceding tax year of the corporation in which began the	fiscal period of the qualifying	partnership that ends in the corporat	ion tax year.
If the corporate partner is a member of more than one qualifying partnership , a tax year, offset an over-reported ASPA in respect of a qualifying partnership.			
A qualifying partnership is a partnership that has a fiscal period that began in corporation had to calculate an ASPA for the preceding tax year in which the fis			of which the
The actual stub period accrual is the recalculation of the ASPA in respect of a partnership income allocated to the corporation for the last fiscal period of the partnership income allocated to the corporation for the last fiscal period of the partnership income allocated to the corporation for the last fiscal period of the partnership income allocated to the corporation for the last fiscal period of the partnership income allocated to the corporation for the last fiscal period of the partnership income allocated to the corporation for the last fiscal period of the partnership income allocated to the corporation for the last fiscal period of the partnership income allocated to the corporation for the last fiscal period of the partnership income allocated to the corporation for the last fiscal period of the partnership income allocated to the corporation for the last fiscal period of the partnership income allocated to the partnership income allocated			ıal
Corporation's share of income of the qualifying partnership for the last fiscal pase year (other than dividends for which a deduction was available under sec		4A	
Corporation's share of loss of the qualifying partnership for the last fiscal peri base year		4B	
Subtotal (amoun	nt 4A minus amount 4B)	<u> </u>	40
Corporation's share of taxable capital gain (note 5) of the qualifying partnersh period that began in the base year		4D	
Corporation's share of allowable capital loss (note 5) of the qualifying partner period that began in the base year (cannot be more than amount 4D)	ship for the last fiscal	4E	
Subtotal (amoun	it 4D minus amount 4E)	>	4F
	Subtotal (amo	unt 4C plus amount 4F)	40
Number of days that are in both the base year and the fiscal period of the partnership	=	4H	
Number of days in the fiscal period of the partnership			
	Subtotal (amount 4G m	ultiplied by amount 4H)	41
Amount of the qualified resource expense [subsections 66.1(6), 66.2(5), 66.21(partnership that was designated by the corporate partner for the base year (a	mount 2J from Part 2 of the		 4J
base year's Schedule 71**)			
Actual stub period accrual in respect of the qualifying partnership (amount 41	minus amount 4J)	·····	4k
* In pre-2019 versions of Schedule 71, this amount appeared at amount k of P ** In pre-2019 versions of Schedule 71, this amount appeared at amount j of Pa			
Note 5. In calculating the actual stub period accrual to determine the income inform one qualifying partnership against all or part of the taxable capital			tal losses

Part 4 – Income shortfall adjustment (continued) ————————————————————————————————————	
ASPA from the base year (amount 2M from Part 2 of Schedule 71* for the base year)	4L
Discretionary amount designated from the base year (amount 2K from Part 2 of Schedule 71** for the base year)	4M
Subtotal (amount 4L plus amount 4M) (if negative, enter "0")	4N
Base amount (amount 4K or amount 4N, whichever is less)	40
Subtotal (amount 40 minus amount 4L) (this amount can be positive or negative)	4P
Number of days in the period that starts on the day after the day on which the base year ends, and ends on the day on which the tax year ends	
Subtotal (amount 4P multiplied by amount 4Q)	4R
Average daily rate of interest determined by reference to the prescribed rate of interest under paragraph 4301(a) of the Income Tax Regulations for the period referred to at amount 4Q	
Income shortfall adjustment (amount 4R multiplied by amount 4S)	4T
Base amount 40 multiplied by amount 4Q	
Amount 4U multiplied by amount 4S	
Threshold amount (25% of amount 4V) (if negative, enter "0")	4W
* In pre-2019 versions of Schedule 71, this amount appeared at amount K of Part 3. ** In pre-2019 versions of Schedule 71, this amount appeared at amount k of Part 3.	