



Request for Re-appropriation of T2 Statute-barred Credits

Use this form to request the re-appropriation of T2 statute-barred credits under subsection 221.2(1) of the *Income Tax Act* to an established debt (defined on page 4). Fill out a separate form for each unique business number. For more information and instructions, see page 4.

Part 1 – Identification

Corporation's name		Business number
Mailing address		Postal code
City		Province or territory
Authorized contact's name	Telephone number	Alternate telephone number

Part 2 – T2 statute-barred credit details

Provide the details of the tax year-end(s) where there are T2 statute-barred credit(s). If you need more space, attach a letter containing the details.

Tax year-end where there is a T2 statute-barred credit	Amount of T2 statute-barred credit
Tax year-end Year Month Day 	
Tax year-end Year Month Day 	
Tax year-end Year Month Day 	
Tax year-end Year Month Day 	

Part 3 – Details of where the statute-barred credit(s) should be applied

Do you have established debt (defined on page 4) in respect of this business number? Yes No

If **yes**, complete the area below to indicate where the credit should be applied. The amount applied cannot be more than the established debt on your account.

If **no**, see "Established debt" on page 4.

Program account number	Tax year-end	Amount of T2 statute-barred credit
	Year Month Day 	
	Year Month Day 	
	Year Month Day 	
	Year Month Day 	

Part 5 – Information to support your request

Describe all the circumstances and provide the facts to support your request to re-appropriate T2 statute-barred credits. Include a history of events and, if applicable, any measures that you have taken to correct or avoid this tax situation. If you are claiming financial hardship provide us with your corporation's current financial statements. Make sure you indicate the business number and tax year-end(s) involved. If you need more space, attach a letter.

Lined area for providing supporting information.

Part 6 – Second or subsequent request

Is this a request for a second or subsequent review? Yes No
If **no**, go to Part 7.

If **yes**, provide the file number: SA _____

Provide any additional information or documentation not included with the original request and explain any change in the situation since your last request.

Lined area for providing additional information or documentation.

Part 7 – Certification

I am an authorized signing officer of the corporation. I certify that I have examined this form, including accompanying information and statements, and that the information given on this form is, to the best of my knowledge, correct and complete.

Name of authorized officer

Position or office

Signature of authorized officer

Date yyyy/mm/dd

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 canada.ca/cra-info-source, personal information bank CRA PPU 047.

General information**Who should use this form?**

Use this form to request the re-appropriation of T2 statute-barred credits under subsection 221.2(1) of the *Income Tax Act* to an established debt (defined below). Complete a separate form for each particular business number. When we review your request to re-appropriate T2 statute-barred credits, we will review your accounts to determine if your business is operational and if you are currently compliant with all your tax obligations. If we approve your request, we will apply the amount to the debt using an effective interest date, which is the day we received the request to re-appropriate the credits. We will adjust interest and/or penalties accordingly. You are responsible for any interest and penalties owing on the amount of the debt that exceeds the amount of the credits approved for re-appropriation. You are also responsible for any interest and penalties charged before the Canada Revenue Agency (CRA) received the request.

Supporting documentation

If you have submitted your request through My Business Account, keep your documentation in case we ask to see it. Otherwise, submit all relevant documents to support your request, including correspondence from the CRA.

How do I make my request?

You can make your request by using the Enquiries service in the Corporation section of My Business Account. You will have to provide the same details requested on this form. You can also make your request by sending this completed form with all the supporting documentation to the address listed below.

Definitions

Established debt – For the purposes of the re-appropriation of T2 statute-barred credits, established debt means any debt that may be outstanding in respect of any of the following programs (defined below) associated with a particular business number and administered by the CRA:

- goods and services tax/harmonized sales tax (GST/HST)
- payroll deductions
- import/export
- corporation income tax
- excise tax
- insurance premium tax
- air travellers security charge
- registered charity

Established debt does **not** include:

- debt outstanding on another business entity's account (the first nine digits of the business number are different);
- tax debt with a balance due date that is earlier than the filed date of the return that generated the statute-barred credit;
- protected balances (such as advanced deposits);
- amounts owing as a result of a section 152(7) assessment of a return.

Program account number – consists of the following:

- the nine-digit business number;
- a two-letter program identifier, used to identify the program type; and
- a four-digit reference number to identify each account a business may have within a program type, for example 123456789RC0001.

What do you do if you do not have an established debt?

If the Minister of National Revenue approves your request to re-appropriate T2 statute-barred credits but you do not have any established debt, you can ask that the credits be applied when a debt is established in the future.

General information (continued)

Example

Marie's Chocolate Factory requested the re-appropriation of \$14,000 of T2 statute-barred credits on January 1, 2016. The request was approved but there was no established debt on any of the company's program accounts.

However, Marie's Chocolate Factory was required to make \$1,000 quarterly instalment payments in 2016. The company decided not to make any of their instalment payments or pay their balance due because they have statute-barred credit that has been approved for re-appropriation.

When the company filed their December 31, 2016 T2 return on July 30, 2017, there was a balance owing of \$5,000 plus interest and penalties. After Marie's Chocolate Factory got their 2016 notice of assessment, the owner made a request to have \$5,000 of the approved T2 statute-barred credits applied to the outstanding balance as follows.

To cover the quarterly instalments:

\$1,000 on March 31, 2016

\$1,000 on June 30, 2016

\$1,000 on September 30, 2016

\$1,000 on December 31, 2016

To cover the balance owing:

\$1,000 on February 28, 2017

When the CRA applied the amounts as requested, interest and penalties were no longer applicable. Marie's Chocolate Factory has a \$9,000 balance of T2 statute-barred credits available to apply to any future established debt.

Note

You are responsible for all of your tax obligations and any interest and penalties charged if you miscalculate the application of your T2 statute-barred credits.

Appeals and objections

If your request to re-appropriate T2 statute-barred credits has been approved and you would like to apply the credits to a debt for which an appeal or objection has been filed, you will have to wait until the appeal or objection has been resolved before we apply the credits to the debt. Once the appeal or objection has been resolved, you can submit your request. You are responsible for any interest and penalties owing on the amount of the debt that exceeds the amount of the T2 statute-barred credits approved for re-appropriation. You are also responsible for any interest and penalties charged before the CRA received the request to re-appropriate the credits.

Where do you send this form?

If your corporation is resident or non-resident in Canada, send this completed form with all supporting documents to:

T2 Re-appropriation, Corporate Accounts
Business Returns Division
Winnipeg Tax Centre
66 Stapon Road
Winnipeg MB R3C 3M2

What if you need help?

For more information, go to canada.ca/t2-reappropriation or call 1-800-959-5525.

To get our forms and publications, go to canada.ca/cra-forms or call 1-800-959-5525.