

Part 3A – Business income

Fill in this part **only** if you have business income. If you have professional income, leave this part blank and fill in Part 3B.
If you have both business and professional income, you have to fill out a separate Form T2125 for each.

Part 3B – Professional income

Fill in this part **only** if you have professional income. If you have business income, leave this part blank and fill in Part 3A.
If you have both business and professional income, you have to fill out a separate Form T2125 for each.

Note: New rules allow you to include your work-in-progress (WIP) progressively if you elected to use billed-basis accounting for the last tax year that started before March 22, 2017. Generally, for the first tax year that starts after March 21, 2017, you must include 20% of the lesser of the cost and the fair market value of WIP. The inclusion rate increases to 40% in the second tax year that starts after March 21, 2017, 60% in the third year, 80% in the fourth year and 100% in the fifth and all subsequent tax years. For more information, see Chapter 2 of Guide T4002.

Part 3A – Business income		
Gross sales, commissions or fees (include GST/HST collected or collectible)		3A
GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 3A)		3B
Subtotal: Amount 3A minus amount 3B		3C
If you are using the quick method for GST/HST – Government assistance calculated as follows:		
GST/HST collected or collectible on sales, commissions and fees eligible for the quick method		3D
GST/HST remitted, (sales, commissions and fees eligible for the quick method plus GST/HST collected or collectible) multiplied by the applicable quick method remittance rate		3E
Subtotal: Amount 3D minus amount 3E		3F
Adjusted gross sales: Amount 3C plus amount 3F (enter on line 8000 of Part 3C)		3G

Part 3B – Professional income		
Gross professional fees including work-in-progress (WIP) and GST/HST collected or collectible		3H
GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 3H) and any WIP at the end of the year you elected to exclude		3I
Subtotal: Amount 3H minus amount 3I		3J
If you are using the quick method for GST/HST – Government assistance calculated as follows:		
GST/HST collected or collectible on professional fees eligible for the quick method		3K
GST/HST remitted, (professional fees eligible for the quick method plus GST/HST collected or collectible) multiplied by the applicable quick method remittance rate		3L
Subtotal: Amount 3K minus amount 3L		3M
WIP at the start of the year, per your election to exclude WIP at the end of last year (see Guide T4002, Chapter 2)		3N
Adjusted professional fees: Amount 3J plus amount 3M plus amount 3N (enter on line 8000 of Part 3C)		3O

Part 3C – Gross business or professional income		
Adjusted gross sales (amount 3G) or adjusted professional fees (amount 3O)	8000	
Reserves deducted last year	8290	
Other income (specify)*: _____	8230	
Subtotal: Line 8290 plus line 8230		3P
Gross business or professional income: Line 8000 plus amount 3P	8299	
Report the gross business or professional income from line 8299 on the applicable line of your income tax and benefit return as indicated below:		
<ul style="list-style-type: none"> • business income on line 13499 • professional income on line 13699 • commission income on line 13899 		
* You may have received assistance from COVID-related measures from the federal, provincial or territorial governments. For more information, go to canada.ca/cra-coronavirus .		

For Parts 3D, 4 and 5, if GST/HST has been remitted or an input tax credit has been claimed, do not include GST/HST when you calculate the cost of goods sold, expenses or net income (loss). If you are using the quick method for GST/HST, include the GST/HST paid or payable when you calculate the cost of goods sold, expenses or net income (loss).

Part 3D – Cost of goods sold and gross profit

If you have business income, fill in this part. Enter only the business part of the costs.

Gross business income (line 8299 of Part 3C)				3Q
Opening inventory (include raw materials, goods in process and finished goods)	8300		3R	
Purchases during the year (net of returns, allowances and discounts)	8320		3S	
Direct wage costs	8340		3T	
Subcontracts	8360		3U	
Other costs	8450		3V	
Subtotal: Add amounts 3R to 3V			3W	
Closing inventory (include raw materials, goods in process and finished goods)	8500			
Cost of goods sold: Amount 3W minus line 8500	8518			
Gross profit (or loss): Amount 3Q minus line 8518.			8519	

Part 4 – Net income (loss) before adjustments

Gross business or professional income (line 8299 of Part 3C) or Gross profit (line 8519 of Part 3D) 4A

Expenses (enter only the business part)				
Advertising	8521		4B	
Meals and entertainment	8523		4C	
Bad debts	8590		4D	
Insurance	8690		4E	
Interest and bank charges	8710		4F	
Business taxes, licences and memberships	8760		4G	
Office expenses	8810		4H	
Office stationery and supplies	8811		4I	
Professional fees (includes legal and accounting fees)	8860		4J	
Management and administration fees	8871		4K	
Rent	8910		4L	
Repairs and maintenance	8960		4M	
Salaries, wages and benefits (including employer's contributions)	9060		4N	
Property taxes	9180		4O	
Travel expenses	9200		4P	
Utilities	9220		4Q	
Fuel costs (except for motor vehicles)	9224		4R	
Delivery, freight and express	9275		4S	
Motor vehicle expenses (not including CCA) (amount 16 of Chart A)	9281		4T	
Capital cost allowance (CCA). Enter amount i of Area A minus any personal part and any CCA for business-use-of-home expenses	9936		4U	
Other expenses (specify):	9270		4V	
Total expenses: Total of amounts 4B to 4V	9368			
Net income (loss) before adjustments: Amount 4A minus line 9368			9369	

Part 5 – Your net income (loss)

Your share of line 9369 or the amount from your T5013 slip, Statement of Partnership Income			5A	
Canadian journalism labour tax credit allocated to you in the year (box 236 of your T5013 slip)			5B	
GST/HST rebate for partners received in the year	9974			
Total: Amount 5A plus amount 5B plus line 9974				5C
Other amounts deductible from your share of net partnership income (loss) (amount 6F)			9943	
Net income (loss) after adjustments: Amount 5C minus line 9943				5D
Business-use-of-home expenses (amount 7P)			9945	
Your net income (loss): Amount 5D minus line 9945			9946	

Report the net income amount from line 9946 on the applicable line of your income tax and benefit return as indicated below:

- business income on line 13500
- professional income on line 13700
- commission income on line 13900

Part 6 – Other amounts deductible from your share of net partnership income (loss)

Claim expenses you incurred that were not included in the partnership statement of income and expenses, and for which the partnership did not reimburse you. These claims must not be included in the claims already calculated for the partnership.

List details of expenses:

Expense amounts

_____	_____	6A
_____	_____	6B
_____	_____	6C
_____	_____	6D
_____	_____	6E
Total other amounts deductible from your share of the net partnership income (loss): Add amounts 6A to 6E (enter this on line 9943 of Part 5)		6F

Part 7 – Calculating business-use-of-home expenses

Heat	_____	7A
Electricity	_____	7B
Insurance	_____	7C
Maintenance	_____	7D
Mortgage interest	_____	7E
Property taxes	_____	7F
Other expenses (specify): _____	_____	7G
Subtotal: Add amounts 7A to 7G		7H
Personal-use part of the business-use-of-home expenses	_____	7I
Subtotal: Amount 7H minus amount 7I		7J
Capital cost allowance (business part only), which means amount i of Area A minus any portion of capital cost allowance that is for personal use or entered on line 9936 of Part 4	_____	7K
Amount carried forward from previous year	_____	7L
Subtotal: Add amounts 7J to 7L		7M
Net income (loss) after adjustments (amount 5D) (if negative, enter "0")	_____	7N
Business-use-of-home expenses available to carry forward: Amount 7M minus amount 7N (if negative, enter "0")		7O
Allowable claim: Amount 7M or 7N above, whichever is less (enter your share of this amount on line 9945 of Part 5)		7P

Part 8 – Details of other partners

Do not fill in this chart if you must file a partnership information return.

Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) \$	Percentage of partnership %
Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) \$	Percentage of partnership %
Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) \$	Percentage of partnership %
Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) \$	Percentage of partnership %

Part 9 – Details of equity

Total business liabilities	9931	_____
Drawings in the current year	9932	_____
Capital contributions in the current year	9933	_____

Area D – Equipment dispositions in the year

1 Class number	2 Property description	3 Proceeds of disposition (should not be more than the capital cost)	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
Total equipment dispositions in the year: Total of column 5				9926

Note: If you disposed of property in the year, see Chapter 3 of Guide T4002 for information about your proceeds of disposition.

Area E – Building dispositions in the year

1 Class number	2 Property description	3 Proceeds of disposition (should not be more than the capital cost)	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
Total building dispositions in the year: Total of column 5				9928

Note: If you disposed of property in the year, see Chapter 3 of Guide T4002 for information about your proceeds of disposition.

Area F – Land additions and dispositions in the year

Total cost of all land additions in the year	9923	_____
Total proceeds from all land dispositions in the year	9924	_____

Note: You cannot claim capital cost allowance on land. For more information, see Chapter 3 of Guide T4002.

Chart A – Motor vehicle expenses

Kilometres you drove in the fiscal period that was part of earning business income	_____	1
Total kilometres you drove in the fiscal period	_____	2
Fuel and oil	_____	3
Interest (use Chart B below)	_____	4
Insurance	_____	5
Licence and registration	_____	6
Maintenance and repairs	_____	7
Leasing (use Chart C below)	_____	8
Electricity for zero-emission vehicles	_____	9
Other expenses (specify): _____	_____	10
_____	_____	11
Total motor vehicle expenses: Add amounts 3 to 11	_____	12
Business use part: Amount 1: _____ ÷ amount 2: _____ × amount 12: _____ = _____	_____	13
Business parking fees	_____	14
Supplementary business insurance	_____	15
Allowable motor vehicle expenses: Add amounts 13, 14 and 15 (enter this total on line 9281 of Part 4)	_____	16

Note: You can claim capital cost allowance on motor vehicles in Area A.

Chart B – Available interest expense for passenger vehicles and zero-emission passenger vehicles

Total interest payable (accrual method) or paid (cash method) in the fiscal period	_____	17
_____ \$10* × the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method)	_____	18
Available interest expense: Amount 17 or 18, whichever is less (include this in amount 4 of Chart A above)	_____	19

* For passenger vehicles bought after 2000.

Chart C – Eligible leasing cost for passenger vehicles**

Total lease charges incurred in your current fiscal period for the vehicle		20
Total lease payments deducted before your current fiscal period for the vehicle		21
Total number of days the vehicle was leased in your current and previous fiscal periods		22
Manufacturer's list price		23
Use a GST rate of 5% or HST rate applicable to your province.		
Amount 23 or (\$35,294 + GST and PST, or HST on \$35,294), whichever is more	▶	24
[(\$800 + GST and PST, or \$800 + HST) × amount 22] ÷	=	25
Amount 25: _____ - amount 21: _____	=	26
[(\$30,000 + GST and PST, or \$30,000 + HST) × amount 20] ÷ amount 24	=	27
Eligible leasing cost: Amount 26 or 27, whichever is less (enter in amount 8 of Chart A above).	=	28

** Includes a vehicle that would qualify as a zero-emission passenger vehicle if you owned it.

See the privacy notice on your return.