



## Agreement to Transfer a Forgiven Amount Under Section 80.04

- All legislative references are to the *Income Tax Act*.
- When a commercial obligation is settled for less than its principal amount, the forgiven amount must be accounted for by the debtor under the rules in section 80. If after applying subsections 80(3) and (4), the debtor has designated the forgiven amount to the maximum allowed under subsections 80(5) to (10), section 80.04 allows the debtor to transfer any of the remaining unapplied forgiven amount to an eligible transferee (certain corporations and partnerships to which the debtor is related), as agreed by the parties.
- The amount transferred under this agreement will reduce the amount included in the debtor's income under subsection 80(13). The transferee can apply the amount transferred to reduce tax accounts under subsections 80(3) to (10) and 80(12). If any of the forgiven amount remains unapplied, the transferee must include such amount in income under subsection 80(13), but cannot claim a reserve under section 61.3 or 61.4.
- To be valid, the debtor and eligible transferee must complete this form stating the amount to be transferred. Mail this form to the debtor's tax center, on or before the later of the following dates:
  - the due date for the debtor's, or the transferee's, income tax return for the tax year or fiscal period that includes the time that the particular obligation was settled; or
  - within the period in which the debtor or the transferee can file an objection to an assessment of Part I tax for a tax year or fiscal period as described above; or
  - if the debtor is an individual (other than a trust) or a graduated rate estate, the day that is one year after the taxpayer's filing-due date for the year.
 Find your tax centre's address by going to [cra.gc.ca/tso](http://cra.gc.ca/tso).

**Do not use this area**

- For more details and the meaning of various terms, see subsections 80.04(1) to (14).

**Amount stated under subsection 80.04(4):** \$ \_\_\_\_\_

Debtor's name		Social insurance number, business number or trust account number		Tax year-end		
				Year	Month	Day
Transferee's name		Social insurance number or business number				
Transferee's address					Postal code	
Transferee's tax year-end	Year	Month	Day	Transferee's tax services office		
Name of person to contact for more information			Telephone number			

When the transferee acquires property as consideration for entering into an agreement, please enter the following information (for details, see subsection 80.04(5)).

Description of property transferred	Fair market value (\$)

### Certification

If the debtor or transferee is a corporation, the resolution of the corporation's directors or the document of the corporation's legal administrators authorizing the agreement to be made has to accompany this agreement.

I, \_\_\_\_\_, certify that the information given on this form is, to the best of my knowledge, correct and complete.

_____	_____
Signature of debtor or authorized representative	Date
_____	_____
Signature of transferee or authorized representative	Date

### 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 [cra-arc.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html](http://cra-arc.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html), personal information bank CRA PPU 047.