



## Aggregate Investment Income and Income Eligible for the Small Business Deduction (2019 and later tax years)

Corporation's name	Business number	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Tax year-end</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">Year</td> <td style="text-align: center;">Month</td> <td style="text-align: center;">Day</td> <td></td> </tr> <tr> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> </tr> </table>	Tax year-end				Year	Month	Day					
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- Use this schedule if you are a Canadian-controlled private corporation (CCPC) to calculate:
  - your aggregate investment income and foreign investment income, as defined in subsection 129(4), to determine the refundable portion of Part I tax, and your adjusted aggregate investment income, as defined in subsection 125(7), for the purpose of the business limit reduction
  - your **specified partnership income**, as defined in subsection 125(7), if you are a member (or **designated member**) of one or more partnerships, and
  - your income from an active business carried on in Canada eligible for the small business deduction including any **specified corporate income** as defined in subsection 125(7)
- Use this schedule if another CCPC is making an assignment of **business limit** under subsection 125(3.2) to you.
- Use this schedule if you are a member of a partnership to assign **specified partnership business limit** to a **designated member** under subsection 125(8).
 

**Note:** If you are an individual, a trust, or a corporation that is not a CCPC, **only** complete Table 1 (columns A1, B1, C1, G1, H1 and J1) and Table 3 to make this assignment. Individuals and trusts can attach the pages with these completed tables to their respective tax returns.
- The adjusted aggregate investment income, for the purpose of the business limit reduction, also applies to a tax year of a corporation that begins before 2019 and ends after 2018 under the following circumstances:
  - the corporation's preceding tax year was, because of a transaction or event or a series of transactions or events, shorter than it would have been in the absence of that transaction, event or series, and
  - one of the reasons for the transaction, event or series was to defer the application of subsections 125(5.1), (5.2) and (7) to the corporation
- All legislative references are to the federal Income Tax Act.
- For more information, see **Small Business Deduction** and **Refundable Portion of Part I Tax** in Guide T4012, T2 Corporation – Income Tax Guide.

### Part 1 – Aggregate investment income

Aggregate investment income is all **world** source income.

Eligible portion of taxable capital gains for the year .....	<b>002</b>	
Eligible portion of allowable capital losses for the year (including allowable business investment losses) .....	<b>012</b>	
Net capital losses of previous years claimed on line 332 on the T2 return .....	<b>022</b>	
Subtotal (line 012 <b>plus</b> line 022) .....		A
Line 002 <b>minus</b> amount A (if negative, enter "0") .....		B
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada) .....	<b>032</b>	
Exempt income .....	<b>042</b>	
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year .....	<b>052</b>	
Taxable dividends deductible (total of column F on Schedule 3 <b>minus</b> related expenses) .....	<b>062</b>	
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) .....	<b>072</b>	
Subtotal ( <b>add</b> lines 042, 052, 062 and 072) .....		C
Subtotal (line 032 <b>minus</b> amount C) .....		D
Amount B <b>plus</b> amount D .....		E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada) .....	<b>082</b>	
Amount E <b>minus</b> line 082 (if negative, enter "0") (enter on line 440 of the T2 return) .....	<b>092</b>	

**Part 2 – Adjusted aggregate investment income**

Eligible portion of taxable capital gains for the year (other than taxable capital gains from the disposition of an active asset <a href="#">note 13</a> )	<b>705</b>	
Eligible portion of allowable capital losses for the year (including allowable business investment losses) (other than allowable capital losses from the disposition of an active asset <a href="#">note 13</a> )	<b>710</b>	
Subtotal (line 705 <b>minus</b> line 710) (if negative, enter "0")		F
Total income from property <a href="#">note 14</a>	<b>715</b>	
Exempt income	<b>720</b>	
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	<b>725</b>	
Dividends from connected corporations	<b>730</b>	
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	<b>735</b>	
Subtotal ( <b>add</b> lines 720, 725, 730 and 735)	▶	G
Subtotal (line 715 <b>minus</b> amount G)	▶	H
Amount F <b>plus</b> amount H		I
Total losses from property <a href="#">note 14</a>	<b>740</b>	
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year	<b>741</b>	
<b>Adjusted aggregate investment income</b> (amount I <b>minus</b> line 740, <b>plus</b> line 741) (if negative, enter "0")	<b>745</b>	

**If this is your first tax year starting after 2018, complete the following portion.**

Eligible portion of taxable capital gains for each tax year that ended in the preceding calendar year (other than taxable capital gains from the disposition of an active asset <a href="#">note 13</a> )			2A
Eligible portion of allowable capital losses for each tax year that ended in the preceding calendar year (including allowable business investment losses)(other than allowable capital losses from the disposition of an active asset <a href="#">note 13</a> )			2B
Subtotal (amount 2A <b>minus</b> amount 2B) (if negative, enter "0")			2C
Total income from property for each tax year that ended in the preceding calendar year <a href="#">note 14</a>			2D
Exempt income for each tax year that ended in the preceding calendar year			2E
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for each tax year that ended in the preceding calendar year			2F
Dividends from connected corporations for each tax year that ended in the preceding calendar year			2G
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) for each tax year that ended in the preceding calendar year			2H
Subtotal ( <b>add</b> amounts 2E, 2F, 2G and 2H)	▶		2I
Subtotal (amount 2D <b>minus</b> amount 2I)	▶		2J
Amount 2C <b>plus</b> amount 2J			2K
Total losses from property for each tax year that ended in the preceding calendar year <a href="#">note 14</a>			2L
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for each tax year that ended in the preceding calendar year	<b>742</b>		
<b>Adjusted aggregate investment income</b> (amount 2K <b>minus</b> amount 2L, <b>plus</b> line 742) (if negative, enter "0") (enter the total of line 744 and the adjusted aggregate investment income of all associated corporations on line 417 of the T2 return)	<b>744</b>		

**Part 3 – Foreign investment income**

Foreign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year .....	<b>001</b>		
Eligible portion of allowable capital losses for the year (including allowable business investment losses) .....	<b>009</b>		
Subtotal (line 001 <b>minus</b> line 009) (if negative, enter "0")			J
 Total income from property from a source <b>outside Canada</b> (net of related expenses) .....	<b>019</b>		
Exempt income .....	<b>029</b>		
Taxable dividends deductible (total of column F on Schedule 3 <b>minus</b> related expenses) .....	<b>049</b>		
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) .....	<b>059</b>		
Subtotal ( <b>add</b> lines 029, 049, and 059)			▶ K
Subtotal (line 019 <b>minus</b> amount K)			▶ L
		Amount J <b>plus</b> amount L	M
Total losses from property from a source <b>outside Canada</b> .....	<b>069</b>		
Amount M <b>minus</b> line 069 (if negative, enter "0") (enter on line 445 of the T2 return) .....	<b>079</b>		

**Part 4 – Specified partnership income**

**Table 1 – Specified partnership income**

A1 Partnership name	B1 Total income (loss) of partnership from an active business	C1 Your share of amount in column B1	D1 Income of the corporation from providing (directly or indirectly) services or property to the partnership
<b>200</b>	<b>300</b>	<b>310</b>	<b>311</b>

E1 Adjustments (add or deduct the prorated amounts calculated under section 34.2 <i>note 1</i> and deduct expenses the corporation incurred to earn partnership income)	F1 Corporation's income (loss) in respect of the partnership <i>note 2</i> ( <b>add</b> columns C1, D1 and E1)	G1 Number of days in the partnership's fiscal period <i>note 15</i>	H1 Prorated business limit <i>notes 2 and 3</i> (column C1 ÷ column B1) × [\$500,000 × (column G1 ÷ 365)] (if column C1 is negative, enter "0")
<b>315</b>	<b>320</b>	<b>325</b>	<b>330</b>

Total **350**

I1 Specified partnership business limit <b>assigned to you</b> (from H2 in Table 2) <i>note 5</i>	J1 Specified partnership business limit <b>assigned by you</b> (from F3 in Table 3) <i>note 6</i>	K1 Specified partnership business limit amount (column H1 <b>plus</b> column I1 <b>minus</b> column J1)	L1 Column F1 <b>minus</b> column K1 (if negative, enter "0")	M1 Lesser of columns F1 and K1 (if column F1 is negative, enter "0") <i>note 4</i>
<b>335</b>	<b>336</b>			<b>340</b>

Total **385** **360**

Corporation's losses for the year from an active business carried on in Canada  
(other than as a member of a partnership) – enter as a positive amount . . . . . **370** \_\_\_\_\_

Specified partnership loss of the corporation for the year – enter as a positive amount  
(total of all negative amounts in column F1) . . . . . **380** \_\_\_\_\_

Subtotal (line 370 **plus** line 380) \_\_\_\_\_ N

Amount at line 385 or amount N, whichever is less . . . . . **390** \_\_\_\_\_

**Specified partnership income** (line 360 **plus** line 390) . . . . . **400** \_\_\_\_\_  
(enter at amount R in Part 5)

**Part 4 – Specified partnership income (continued)**

Tables 2 and 3 are used to make an assignment of **specified partnership business limit** under subsection 125(8). A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member**.

If you are a CCPC that is a designated member and **receiving** specified partnership business limit from a person that is a member of the partnership, complete Table 2.

If you are a member of the partnership and are **assigning** specified partnership business limit to a designated member, complete Table 3.

**Table 2 – A member is assigning to you specified partnership business limit under subsection 125(8)**

A2 Partnership name	B2 Name of the member	C2 Business number of the member (if applicable)	D2 Social insurance number of the member (if applicable)	E2 Trust account number of the member (if applicable)	F2 Tax year start of the member (YYYYMMDD)	G2 Tax year-end of the member (YYYYMMDD)	H2 Specified partnership business limit assigned to you by the member <a href="#">note 7</a>
<b>405</b>	<b>406</b>	<b>410</b>	<b>411</b>	<b>412</b>	<b>415</b>	<b>416</b>	<b>420</b>
				T			
				T			
				T			
				T			
				T			

**Table 3 – You are assigning to a designated member (CCPC) specified partnership business limit under subsection 125(8)**

A3 Partnership name	B3 Name of the designated member	C3 Business number of the designated member	D3 Tax year start of the designated member (YYYYMMDD)	E3 Tax year-end of the designated member (YYYYMMDD)	F3 Specified partnership business limit assigned by you to the designated member <a href="#">note 8</a>
<b>425</b>	<b>426</b>	<b>430</b>	<b>435</b>	<b>436</b>	<b>440</b>

**Part 5 – Partnership income not eligible for the small business deduction**

Corporation's income from active businesses carried on in Canada as a member or designated member of a partnership (after deducting related expenses) – from line 350 in Part 4 (if the net amount is negative, enter "0" on line 450) ..... O

Specified partnership loss (from line 380 in Part 4) ..... P

Subtotal (amount O plus amount P) ..... Q

Specified partnership income (from line 400 in Part 4) ..... R

**Partnership income not eligible for the small business deduction** (amount Q minus amount R) ..... **450**

(enter at amount Z in Part 6)

**Part 6 – Income eligible for the small business deduction**

Net income for income tax purposes from line 300 of the T2 return ..... S

Allowable business investment loss from line 406 of Schedule 1 ..... T

Subtotal (amount S plus amount T) ..... U

Foreign business income after deducting related expenses [note 9](#) ..... **500**

Taxable capital gains from line 113 of Schedule 1 ..... V

Net property income (line 032 [note 10](#) minus the total of lines 042, 052 and 082 [note 9](#) in Part 1) ..... W

Personal services business income and other income after deducting related expenses [note 9](#) ... **520**

Subtotal (add line 500, amount V, amount W and line 520) ..... X

Net amount (amount U minus amount X) ..... Y

Partnership income not eligible for the small business deduction (line 450 in Part 5) ..... Z

Partnership income allocated to your corporation under subsection 96(1.1) ..... **530**

Income referred to in clause 125(1)(a)(i)(C) ..... **540**

Income referred to in clause 125(1)(a)(i)(B) (from line 615 in Part 7) ..... AA

Subtotal (add amount Z, line 530, line 540 and amount AA) ..... BB

Specified corporate income (from line 625 in Part 7) ..... CC

**Income eligible for the small business deduction** (amount Y minus amount BB, plus amount CC) ..... DD

(enter amount DD on line 400 of the T2 return – if negative, enter "0")

**Part 7 – Specified corporate income and assignment under subsection 125(3.2)**

EE Business number of the corporation	FF Income described under clause 125(1)(a)(i)(B) from the corporation identified in column EE <a href="#">note 11</a>	GG Business limit assigned from the corporation identified in column EE <a href="#">note 12</a>
<b>600</b>	<b>610</b>	<b>620</b>
Total	<b>615</b>	<b>625</b>

See the privacy notice on your return.

## Notes

1. Do **not** include expenses that were deducted in computing the income of the corporation in column D1.  
In general, amounts included under subsections 34.2(2) and 34.2(3) or claimed under subsection 34.2(4) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. 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 adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct only the portion of the following amounts that are characterized as **active business income** in accordance with subsection 34.2(5):  
**Add:**
  - the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
  - the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)**Deduct:**
  - the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
  - the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)
2. When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is **not** netted against the partnership's income when calculating the prorated business limit (column H1). Enter on line 380 the total of all losses from column F1.
3. If you are a **designated member** of the partnership, enter "0".
4. You must enter "0" if the partnership provides services or property to either:
  - (A) a private corporation (directly or indirectly in any manner whatever) in the year, if:
    - you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
    - it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
      - persons (other than the private corporation) that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
      - partnerships with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest, or
  - (B) a particular partnership (directly or indirectly in any manner whatever) in the year, if:
    - you (or one of your shareholders) do **not** deal at arm's length with the particular partnership or a person that holds a direct or indirect interest in the particular partnership, and
    - it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
      - persons that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
      - partnerships (other than the particular partnership) with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest
5. If you are a CCPC that is a **designated member** receiving an assignment of **specified partnership business limit**, complete Table 2 to determine the amounts to enter in Table 1 column I1.
6. If you are a **member** of the partnership and you are assigning **specified partnership business limit**, complete Table 3 to determine the amounts to enter in Table 1 column J1.
7. Add the amounts in column H2 that are for the same partnership and enter it in Table 1 column I1, in the row of the applicable partnership.
8. Add the amounts in column F3 that are for the same partnership and enter it in Table 1 column J1, in the row of the applicable partnership. This amount **cannot** be higher than the amount of prorated business limit you would otherwise be entitled to in Table 1 column H1 for that partnership.
9. If negative, enter amount in brackets, and **add** instead of subtracting.
10. Net of related expenses.
11. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts, each of which is your income from an active business for the year from providing services or property to a private corporation (directly or indirectly, in any manner whatever) if
  - (A) at any time in the year, you (or one of your shareholders) or a person that does not deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
  - (B) it is not the case that all or substantially all of your income for the year from an active business is from providing services or property to
    - (I) persons (other than the private corporation) with which you deal at arm's length, or
    - (II) partnerships with which you deal at arm's length, other than a partnership in which a person that does not deal at arm's length with you holds a direct or indirect interest.

Do **not** include specified farming or fishing income. If the conditions described in subsection 125(10) are met, do not include income from an associated corporation.
12. The amount of business limit that a CCPC can assign to you cannot be greater than the amount in column FF that is from providing services or property **directly** to that CCPC. If there is an amount included in column FF that is deductible by that CCPC in respect of the amount of its income referred to in clause 125(1)(a)(i)(A) or (B) for its tax year, you need to deduct it from column FF for the purpose of determining the amount that can be assigned to you.

## Notes (continued)

13. Active asset, of a particular corporation at any time, means property that is:
- (A) used at that time principally in an active business carried on primarily in Canada by the particular corporation or by a Canadian-controlled private corporation that is related to the particular corporation,
  - (B) a share of the capital stock of another corporation if, at that time,
    - the other corporation is connected with the particular corporation (within the meaning assigned by subsection 186(4) on the assumption that the other corporation is at that time a payer corporation within the meaning of that subsection), and
    - the share would be a qualified small business corporation share (as defined in subsection 110.6(1)) if:
      - the references in that definition to an "individual" were references to the particular corporation, and
      - that definition were read without reference to "the individual's spouse or common-law partner", or
  - (C) an interest in a partnership, if:
    - at that time, the fair market value of the particular corporation's interest in the partnership is equal to or greater than 10% of the total fair market value of all interests in the partnership,
    - throughout the 24-month period ending before that time, more than 50% of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B), and
    - at that time, all or substantially all of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B).
14. Income or loss from property of a particular corporation, for the purposes of calculating the corporation's adjusted aggregate investment income, includes income or loss from a specified investment business, as well as all amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts were not included in the computation of the corporation's aggregate investment income in Part 1).
15. The maximum number of days that can be entered in column G1 for a partnership's fiscal period is 365, it is not adjusted for a leap year.