



Request for Capital Dividend Account Balance Verification

- If you are a private corporation, use this schedule to summarize the components making up your capital dividend account (CDA) balance as of the date entered on line 003.
- Mail one completed copy of this schedule, separately from any other return to:
Prince Edward Island Tax Centre
275 Pope Road
Summerside PE C1N 6A2
- All legislative references are to the current version of the Income Tax Act, unless otherwise stated. Since CDA balance components can span several years, the current references in the Act may not apply to older components of your CDA balance. In these cases, see the version of the Act that applies in that particular year.
- For specific details about calculating the CDA balance, see the applicable legislation in the Act.
- All references to paragraphs in subsection 89(1) of the Act are under the definition of **capital dividend account**.
- If you are paying out a capital dividend from your CDA, you must file Form T2054, Election for a Capital Dividend under Subsection 83(2). Attach a copy of this completed form. Note that if a capital dividend paid out under this election exceeds the balance of the CDA at the time the dividend becomes payable, you may have to pay Part III tax on the excessive dividends (see section 184 of the Act).

Part 1 – Identification

002 Corporation's name	001 Business number	
Address	Postal code	
019 Name of contact person		
Mailing address (complete only if different from address above)	022 Telephone number	023 Extension
Capital dividend account balance as of	003	Year Month Day
Please check "yes" for only one of the following two questions:		
Is this a balance verification request? Check yes only if this request does not relate to a Form T2054 mentioned at line 005. (if Yes , then the date on line 003 should be the last tax year-end, included in the CDA balance)	004	Yes <input type="checkbox"/> No <input type="checkbox"/>
Is this request related to the requirements of subsection 89(1) for Form T2054? (if Yes , then the date on line 003 should be the earlier of the date the dividend became payable, or the first day on which any part of the dividend was paid)	005	Yes <input type="checkbox"/> No <input type="checkbox"/>

Part 2 – CDA components (except for eligible capital property) Footnote 1 and Footnote 2

1	2	3	4	5	6	7
Tax year-end or relevant date (yyyymmdd) Footnote 3	The non-taxable portion of capital gains (including the non-taxable portion of capital gains from a trust after September 15, 2016) and non-deductible portion of capital losses per paragraph 89(1)(a) Footnote 4	Capital dividends received per paragraph 89(1)(b) Footnote 5	Net proceeds of a life insurance policy per paragraph 89(1)(d)	Non-taxable portion of capital gains from a trust before September 16, 2016 per paragraph 89(1)(f) Footnote 6	Capital dividends from a trust per paragraph 89(1)(g) Footnote 6	Capital dividends payable per subsection 83(2)
100	110	120	130	140	150	160
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						
16.						
17.						
18.						
19.						
20.						
21.						
22.						
23.						
24.						
25.						
Totals						

If you need more space, attach additional schedules.

Footnote 1

For eligible capital property, see parts 3 and 5.

Footnote 2

If you were a private corporation under non-resident control that became Canadian controlled as per subsection 89(1.1), or were a tax-exempt corporation that became taxable as per subsection 89(1.2), the CDA balance may be reduced to nil immediately before the dates referred to in those provisions.

Footnote 3

Include as many tax years as required. Start your list with the tax year that began after the corporation last became a private corporation and that ended after 1971. End your list on the CDA balance date shown on line 003. If you are completing this schedule before your tax year-end, enter the relevant date of the activity.

Footnote 4

Along with applicable losses, include the non-deductible portion of a business investment loss here. Show losses as a negative.

Footnote 5

May be adjusted by an excessive dividend election under subsection 184(3). Exclude a dividend that subsection 83(2.1) applies to.

Footnote 6

The amounts that can be added to the CDA of the corporation in a particular tax year, in respect of amounts received by the corporation, from a trust and that are attributable to capital gains realized by the trust or to dividends received and distributed by a trust, can only be determined after the end of the taxation year of the trust in which the capital gains were realized or the dividends were received and distributed by it.

Part 3 – CDA components – Eligible capital property (ECP)

Record in these tables the most common amounts included in the eligible capital property (ECP) component of the CDA. This information is not meant to replace the calculation at line 400 in Part 5.

Section A: CDA components – List of ECP acquisitions and dispositions
(for tax years ending before **February 28, 2000**)

1				2				3			
Tax year-end (yyyymmdd)				Cost of eligible capital property acquired				Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property			
200				210				220			
1.											
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											

If you need more space, attach additional schedules.

Section B: CDA components – List of ECP dispositions
(for tax years ending after **February 27, 2000** and before **January 1, 2017**)

1				2				3				4			
Tax year-end (yyyymmdd)				Cost of eligible capital property acquired				Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property				Appropriate portion of the amount deducted as a bad debt per subsection 20(4.2) or as an allowable capital loss per subsection 20(4.3).			
250				261				262				270			
1.															
2.															
3.															
4.															
5.															
6.															
7.															
8.															
9.															
10.															

If you need more space, attach additional schedules.

Part 4 – Additional information

For each capital dividend received, as recorded in column 3 in Part 2, give the name and business number of the corporation that paid the capital dividend and the date the dividend became payable.

	1	2	3				
	Corporation's name	Business number	Date the dividend became payable (yyyymmdd)				
	300	310	320				
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
13.							
14.							
15.							

If you need more space, attach additional schedules.

Part 5 – CDA balance

Include the non-taxable portion of capital gains (including the non-taxable portion of capital gains from a trust after September 15, 2016) and the non-deductible portion of capital losses (total of column 2 in Part 2; if negative enter "0")	_____	5A
Capital dividends received (total of column 3 in Part 2)	_____	5B
Eligible capital property for taxation years ending before January 1, 2017 (as calculated per former paragraphs 89(1)(c), (c.1) and (c.2); if negative, enter "0")	400 _____	
Life insurance proceeds (total of column 4 in Part 2; if negative, enter "0")	_____	5C
Life insurance CDA Footnote 7	410 _____	
Non-taxable portion of capital gains from a trust before September 16, 2016 (total of column 5 in Part 2)	_____	5D
Capital dividends from a trust (total of column 6 in Part 2)	_____	5E
Amounts from predecessor and subsidiary corporations Footnote 8	420 _____	
Subtotal (add amounts 5A to 5E and lines 400 to 420)	=====	5F
Capital dividends that previously became payable (total of column 7 in Part 2)	_____	5G
CDA balance (amount 5F minus amount 5G, if negative, write "0")	430 =====	

Footnote 7

Include the balance of the corporation's life insurance CDA immediately before May 24, 1985, in accordance with paragraph 89(1)(e). For more information, see paragraph 1.61 and 1.62 of Income Tax Folio S3-F2-C1, Capital Dividends.

Footnote 8

For amalgamations and wind-ups **before** July 14, 1990, calculate the CDA balance of each predecessor or subsidiary corporation separately. Then add these CDA balances to the CDA of the successor or parent corporation. Do not carry forward negative amounts, since these are considered to be nil.

- For amalgamations and wind-ups **after** July 13, 1990, carry over the amounts of all the CDA components of each predecessor or subsidiary corporation into the calculation of the CDA components of the company resulting from the merger or of the parent company. A negative balance in a component of a CDA of a predecessor or subsidiary corporation must be included in the CDA of the company resulting from the merger or of the parent corporation. Include a separate CDA calculation on a separate schedule for each predecessor or subsidiary corporation.
- For amalgamations, see paragraph 87(2)(z.1). For wind-ups, see paragraph 88(1)(e.2).

Privacy statement

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