



# 2010 Supplement to the 2006 T4068 – *Guide for the T5013 Partnership Information Return*

You may need a copy of the 2006 T4068, *Guide for the T5013 Partnership Information Return*, along with this supplement to complete your 2010 Partnership Information Return.

## Is this guide for you?

The purpose of this publication is to inform partnerships of the changes that may affect them for the 2010 tax year. Since few changes affect the 2010 partnership information return for most partnerships, this supplement containing the changes and corrections for the 2010 tax year is being published rather than a full revision to the 2006 T4068, *Guide for the T5013 Partnership Information Return* (T4068 guide).

The T4068 guide and this 2010 supplement contain the information needed to complete the 2010 T5013 partnership information return, which is also a Part IX.1 tax return for specified investment flow-through (SIFT) partnerships (see page 4 of this guide). If you did not keep your 2006 T4068 guide, you can download a copy at [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms).

Only the T5013 SCH 1, SCH 6, SCH 10, SCH 100, SCH 125, the T5013 slip, and the T5013 Summary have been revised for 2010. For all of the other partnership forms and schedules, use the '09 versions.

Any references in this supplemental guide to corrections to the T4068 guide relate to the 2006 version which has to be used for filing the 2010 partnership information return.

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### T5013 Partnership Information Return filing requirements

On January 1, 2011, new filing criteria for the Partnership Information Return come into effect. The new filing criteria apply to partnerships with fiscal periods ending **on or after January 1, 2011**. For partnerships with fiscal periods ending on or before December 31, 2010, the current criteria still apply.

See the Web page at [cra.gc.ca/partnership](http://cra.gc.ca/partnership) for the latest updates.

### Proposed legislative changes

In July 2010, Canada's Minister of Finance released draft legislation and explanatory notes for proposed amendments to, among others, sections 96, 99 and 100 of the *Income Tax Act* (the Act) relating to partnerships. As these proposals were subject to further changes as at the time of writing of this guide, we have not included details about these and other proposed legislative changes.

For example, there are also pending legislative changes for a possible penalty to be assessed against a partnership under the proposed reportable transaction rules in new subsection 237.3(8). Proposed new subsections 91(4.1) to (4.5) and 126(4.11) to (4.13) are intended to address certain improper tax schemes and to deny foreign tax credits in certain instances. Proposed new section 5908 of the *Income Tax Regulations* contains a series of provisions relating to partnerships. Legislative proposals and explanatory notes are available on the Department of Finance Canada Web site at [www.fin.gc.ca](http://www.fin.gc.ca).

### Changes to T5013 SCH 1

On page 1 of T5013 SCH 1 rev. (10), former lines **D, E, F, G** and **H** in the prior year version have been eliminated and replaced by the following:

**Line D** – Net income (loss) for income tax purposes –  
(A plus B minus C)

**Line E** – **Deduct:** Net income (loss) for general partners

**Line F** – Net income (loss) for income tax purposes for limited and non-active partners – (D minus E)

This change is a minor correction and restructuring of the form and will not affect the reporting of partnership income. See the corrections on page 8 of this guide regarding the instructions in the T4068 guide for these lines.

### Box 3 of T5013 slip

We removed the spaces to enter a tax shelter number in Box 3 of the T5013 slip as tax shelters cannot use the T5013 slip to allocate amounts to partners—tax shelters that are partnerships are instead required to complete the **T5013A** slip, *Statement of Partnership Income for Tax Shelters and Renounced Resource Expenses*. We modified the wording for Box 3 of the T5013 slip accordingly.

### Allocation of investment tax credits to partners

Based on legislative changes introduced in the 2006 federal budget with respect to subsections 127(8.3) and (8.31) of the Act, certain information pertaining to the allocation of investment tax credits (ITCs) to partners explained on page 44 of the T4068 guide is outdated. This information pertains in part to Scientific Research and Experimental Development (SR&ED) ITCs.

A correction is now provided on page 6 of this guide.

### International Financial Reporting Standards (IFRS) – new GIFI codes

We made changes to T5013 SCH 125 that may affect partnerships that have adopted IFRS.

We added a new section box on page 2 of T5013 SCH 125 called "Other comprehensive income" and pre-printed new GIFI codes in that section. Code 9998, "Total other comprehensive income", is now just the sum of amounts entered using those new GIFI codes. See the explanations for the new GIFI codes on page 9 of this guide.

GIFI code 9998 and code 3580 on T5013 SCH 100 are no longer mandatory field codes.

For a more general explanation of the general index of financial information (GIFI), see page 66 of the T4068 guide.

# Additions and Corrections to the T4068, *Guide for the T5013 Partnership Information Return, for 2006*

## Changes for specified investment flow-through (SIFT) partnerships

The 2007 version of this supplemental guide (T4068-1) explained the legislative changes affecting SIFT partnerships with respect to Part IX.1 taxes under Section 197 of the Act. The 2007 T4068-1 is available by clicking on "Forms and publications" and then "Previous years" at [www.cra.gc.ca](http://www.cra.gc.ca).

Certain other legislative amendments have occurred since those explanations were provided. For more information about recent changes affecting SIFT partnerships, call our Business enquiries at 1-800-959-5525.

Information about SIFT partnerships can also be found on the Department of Finance Canada Web site at [www.fin.gc.ca](http://www.fin.gc.ca).

## T5013 information slip reporting for publicly traded partnerships

Section 229.1 of the *Income Tax Regulations* (the Regulations) requires a **public partnership** or a **public investment partnership** to make information available with respect to allocations of income, losses, and capital so that the T5013 information return and related slips can be prepared on a timely basis.

This information is to be made available by posting it by the due date (explained below) on the Web site of CDS Innovations Inc., a subsidiary of the Canada Depository for Canadian Securities Limited. Partnerships that require access to the site's upload facility in this respect should send an email request to [cdsinnovations@cds.ca](mailto:cdsinnovations@cds.ca).

Please note that this reporting requirement is separate from and does not replace the Canada Revenue Agency (CRA) filing requirements and due date for the T5013 partnership information return.

A "public partnership," at any time, means a partnership the partnership interests in which are, at that time, listed on a designated stock exchange in Canada if, at that time, the partnership carries on a business in Canada or is a Canadian partnership.

A "public investment partnership," at any time, means a public partnership of which 90% or more of the fair market value of the partnership property is, at that time, attributable to the fair market value of property of the partnership that is any of the following:

- a) units of public trusts (as defined in subsection 204.1(1) of the Regulations);
- b) partnership interests in public partnerships;
- c) shares of the capital stock of public corporations; or
- d) any combination of properties referred to in paragraphs (a) to (c) above.

The due date for posting the required information is as follows:

- for a **public partnership** that is **not** a public investment partnership, the earlier of:
  - 60 days after the end of the calendar year in which the fiscal period ends; or
  - 4 months after the end of the fiscal period.
- for a **public partnership** that is a public investment partnership, 67 days after the end of the calendar year in which the fiscal period ends.

These partnerships are also required to notify the CRA of the date their tax information was posted on the CDS Innovations Web site by emailing the notification to [PUBTR-FO-G@cra-arc.gc.ca](mailto:PUBTR-FO-G@cra-arc.gc.ca).

## International Financial Reporting Standards (IFRS)

The Canadian Accounting Standards Board (ASB) is adopting IFRS for all publicly accountable enterprises effective January 1, 2011. It is also permissible to adopt IFRS for fiscal periods starting on or after January 1, 2009.

If the partnership used IFRS to prepare its financial statements, answer "yes" to question 28 on page 3 of the T5013 Summary.

The use of IFRS is mandatory for all publicly accountable enterprises (PAEs) effective January 1, 2011. Early adoption is also generally permissible for fiscal periods starting on or after January 1, 2009. This includes partnerships that have calculated their financial statements in accordance with the IFRS but have not complied with all aspects of the IFRS.

A partnership that has issued, or is in a process of issuing, publicly-traded debt or equity instruments or who holds assets in a fiduciary capacity for a broad group of outsiders is generally considered to be a PAE.

For more information about IFRS, go to:

[www.cica.ca/ifrs/faqs/item2429.aspx](http://www.cica.ca/ifrs/faqs/item2429.aspx)

[www.cica.ca/ifrs/faqs/index.aspx](http://www.cica.ca/ifrs/faqs/index.aspx)

[www.acsbcanada.org/index](http://www.acsbcanada.org/index)

[www.cica.ca/ifrs/index.aspx](http://www.cica.ca/ifrs/index.aspx)

The above Web pages are not administered by the CRA and are subject to changes.

For those partnerships that have adopted IFRS, changes have been made to T5013 SCH 1, SCH 100, SCH 125 and SCH 140. See the explanations starting on page 8 of this guide.

## Filer identification number (FIN) change

In January 2010, the CRA began processing T5013 partnership information returns as well as the T5, T5007, T5008, RRSP contribution receipts and the Tax Free Savings Account (TFSA) information returns using the Business Number (BN). In most cases, the partnership FIN has been converted to the BN with a new RZ Program Identifier extension created to file the partnership information returns.

If you are required to file one of the returns mentioned above, you have to do so using your BN with RZ Program Identifier—this 15-character number is simply referred to as the “account number” in this guide and on the partnership forms. This account number consists of the 9-digit BN, plus the “RZ” program identifier and its 4-digit reference number. For example, the partnership account number now looks like **123456789RZ9876**.

### Note

The account number has to be specific to the partnership. Therefore, you **cannot** use a BN that belongs to one of the partners and request an RZ identifier to that BN to identify the partnership.

We have notified most businesses and partnerships of their converted BN with RZ Program Identifier by mail. For more information about the process of conversion and your RZ program identifier, go to [www.cra.gc.ca/business](http://www.cra.gc.ca/business), select the letter “F” and then “Filer identification number”.

Although the full 15-character account number is required on the T5013 Summary and on all partnership schedules, only the first nine digits (the BN) has to be entered on the T5013 and T5013A income information slips.

The above changes do **not** affect the Tax Shelter Identification Number, which remains the same as in prior years.

## Form T5011 replaced by Form RC257

Due to the elimination of the partnership FIN as indicated above, Form T5011, *Application for a Partnership’s Filer Identification Number*, is obsolete and can no longer be used—it has been replaced by Form **RC257**, *Request for an Information Return Program Account (RZ)*.

Consequently, the instructions for the FIN and Form T5011 on pages 3, 10 and 11 of the T4068 guide no longer apply. The North American Industry Classification (NAICS) code is not entered on Form RC257.

## Correction to current partnership filing requirements

On page 11 of the 2006 T4068 guide, under the heading “Partnerships that have to file a T5013 Partnership Information Return”, the following bullet should be added:

- the partnership was a SIFT partnership at any time in its fiscal period.

On page 3 of the T4068 guide, in the “What’s new” section, the instructions under the heading “Partnership which has a member that is a corporation or trust” should be disregarded for fiscal periods that end before 2011.

Also on page 11 of the 2006 T4068 guide, under the heading “Partnerships that have to file a T5013 Partnership Information Return”, the third bullet that states “it was a partnership which had a member that was a corporation or trust” should also be disregarded. The same applies to Example 3 on page 11 of the T4068 guide.

Similarly, with respect to partnerships that do **not** have to file a T5013 partnership information return, under the heading “Five partners or fewer” at the top of page 13 of the T4068 guide, the second bullet that states “**none** of the partners is a corporation or trust” should be disregarded for fiscal periods that end before 2011.

### Note

On January 1, 2011, new filing criteria for the Partnership Information Return will come into effect. The new filing criteria will apply to partnerships with fiscal periods ending on or after January 1, 2011. For partnerships with fiscal periods ending on or before December 31, 2010, the current criteria (as explained above and in the T4068 guide) still apply. See the Web page at [www.cra.gc.ca/partnership](http://www.cra.gc.ca/partnership) for the latest updates.

## Functional Currency Reporting – Election under section 261

For tax years that start on or after December 14, 2007, corporations resident in Canada throughout the tax year can elect to report in a functional currency, except for:

- investment corporations;
- mortgage investment corporations; and
- mutual fund corporations.

A functional currency is a currency of a country other than Canada that is:

- a qualifying currency (currently, the British pound, the euro, the Australian and the U.S. dollar); and
- the primary currency in which the taxpayer maintains its records and books of account for financial reporting purposes for the tax year.

To elect to report in a functional currency, corporations have to file Form T1296, *Election to Report in a Functional Currency*.

Once this election is made, you cannot change functional currency again. If you cease to qualify as a functional currency reporter, you must revert to determining your Canadian tax results in Canadian dollars. You cannot make the election again.

## References to Forms T2124 and T2032

Form T2124, *Statement of Business Activities*, and Form T2032, *Statement of Professional Activities*, are obsolete and have been replaced by Form T2125, *Statement of Business or Professional Activities*. Consequently, any references in the 2006 T4068 guide to forms T2124 or T2032 should all be read as referring to Form **T2125** instead. If you have a separate business activity and a professional activity, file separate T2125 forms for each activity.

## Outdated references to the “CAIS program”

The Canadian Agricultural Income Stabilization (CAIS) Program has been replaced by a number of business risk management programs that have different names. Consequently, the references in the T4068 guide to the “CAIS program” should instead read the “AgriStability and AgriInvest programs.”

Also, any references to publications or forms with “CAIS program” in the title should now be read as having “AgriStability and AgriInvest Program(s)” in the publication or form title.

## Customized forms

On page 8 of the T4068 guide, the mailing address for sending us samples of customized forms has changed. Samples now have to be sent to:

Electronic and Print Media Directorate  
Business Integration Division  
Place de Ville, Tower A  
320 Queen Street, 9th floor  
Ottawa ON K1A 0L5

See the latest version of Information Circular IC97-2, *Customized Forms*, available at [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms).

## Changes to the late-filing penalty – Chapter 4

You have to file the T5013 partnership information return and distribute the T5013 and/or T5013A information slips to the partners by the due dates indicated on page 8 of the T4068 guide.

If the due date is a Saturday, Sunday, or a holiday recognized by the CRA, your information return is due the next business day. A list of public holidays is available at [www.cra.gc.ca/duedates](http://www.cra.gc.ca/duedates).

Since January 1, 2010, the penalty for failing to file the T5013 partnership information return by the due date or for distributing T5013 or T5013A slips to recipients late is the greater of \$100 or a penalty determined as follows:

Number of information returns (slips) by type	Penalty (per day)	Maximum penalty
1 – 50	\$10	\$1,000
51 – 500	\$15	\$1,500
501 – 2,500	\$25	\$2,500
2,501 – 10,000	\$50	\$5,000
10,001 or more	\$75	\$7,500

The preceding paragraphs and chart above pertain to the “Late-filing penalty” (as explained on page 14 of the T4068 guide) that can apply to a partnership for failure to file the partnership information return by the due date and that can also apply to partners for failure to distribute information slips by the due date.

There are also other penalties as explained on page 14 of the T4068 guide.

## Taxpayer Relief Provisions

Information Circular IC07-1 entitled *Taxpayer Relief Provisions* consolidates and cancels the following information circulars: IC92-1, *Guidelines for Accepting Late, Amended or Revoked Elections*; IC92-2, *Guidelines for the Cancellation and Waiver of Interest and Penalties*; and IC92-3, *Guidelines for Refunds Beyond the Normal Three Year Period*, all dated March 18, 1992.

## Corrections to instructions on the allocation of investment tax credits to partners

On page 44 of the T4068 guide, in the instructions for completing T5013 and T5013A slips under the heading “Box 107 – Investment tax credit”, there is outdated information.

Bill C-28, which received Royal Assent on February 27, 2007, provides legislative changes to, among other things, subsections 127(8.3) and 127(8.31) of the Act with respect to the allocation of unallocated investment tax credits (ITCs) to partners. Consequently, the text in the right-hand column of page 44 of the T4068 guide (in the three paragraphs following the two bullets) should be **replaced** by the following text:

Generally, any ITC that cannot be allocated to a limited partner or a specified member in a taxation year can be allocated to other partners who are not specified members pursuant to subsection 127(8.3). This includes any SR&ED ITC that cannot be allocated to a specified member due to the restriction in paragraph 127(8)(b). This also includes any ITC that could not be allocated to a limited partner in the taxation year pursuant to subsection 127(8.1), including any ITC related to an apprenticeship expenditure or a child care space amount.

You have to base the amounts transferred on the respective partnership interest of each such partner, including debts of the partnership.

**Specified member** – You can allocate ITC that the partnership earned according to each specified member’s share of ITC at the end of the partnership’s fiscal period. However, you cannot allocate ITC earned on qualified SR&ED expenditures to specified members (see page 20 of the T4068 guide for the definition of **specified member**.) The transfer of those unallocated ITC amounts to any other partner is subject to new rules for taxation years ending after 2006.

Subsection 127(8.3) of the Act provides rules for allocating to certain partners a portion of any partnership ITCs that remain after the allocations under subsections 127(8) and (8.1). In general, ITCs that could remain for allocation after the application of those subsections would be SR&ED ITCs (which cannot be allocated to a specified member of the partnership) and other ITCs that cannot be allocated to a limited partner because they would exceed the lesser of the limited partner's expenditure base and at-risk amount.

Subsection 127(8.3) has been amended to provide for an allocation of apprenticeship expenditure ITCs that cannot be allocated to a limited partner of the partnership because of subsection 127(8.1). Also, subsection 127(8.3) has been reworded and separated into two subsections.

New subsection 127(8.3) provides for the allocation of a portion of the unallocated partnership ITCs to members of the partnership who are not specified members of the partnership.

The amount available for such an allocation is determined under new subsection 127(8.31). The amount available, if greater than zero, is the amount by which the partnership's total ITCs for its fiscal period is greater than the total of:

- the partnership ITCs allocated to general partners who are not specified members;
- the amount of non-SR&ED ITCs allocated to specified members of the partnership. This amount does not include SR&ED ITCs because such amounts cannot be allocated to specified members. In addition, this amount does not include other ITCs (e.g., apprenticeship expenditure ITCs) that cannot be allocated to limited partners because of the constraint in subsection 127(8.1);

**plus**

the amount, if any, by which the partnership's ITCs that would have been allocated to specified members of the partnership, if they could have been allocated SR&ED ITCs and other ITCs under subsection 127(8) if not constrained by subsection (8.1) in respect of allocations to limited partners, is greater than

- that amount of partnership ITCs that are actually allocated to specified members.

Essentially, partnership ITCs that cannot be allocated to specified members of a partnership may be added to the investment tax credits allocated to members of the partnership and who were not specified members of the partnership at any time in its fiscal period. This additional allocation under subsection 127(8) is to be based on what is reasonable in the circumstances (having regard to the investment in the partnership, including debt obligations of the partnership, of each such member of the partnership).

The amendment to allow for the allocation of unallocated apprenticeship expenditure ITCs applies to taxation years that end on or after May 2, 2006 except that the rewording and separation of current subsection 127(8.3) into new subsections (8.3) and (8.31) does not apply to taxation years that end before 2007.

Additional information and an example of the application of amended subsections 127(8.3) and 127(8.31) are available in the explanatory notes of the Department of Finance Canada Web page at

[www.fin.gc.ca/drleg-apl/wmbud06n\\_1-eng.asp](http://www.fin.gc.ca/drleg-apl/wmbud06n_1-eng.asp)

Certain legislative changes have been made to ITCs since the publication of the 2006 T4068 guide, such as the ITC for child care spaces. See forms T2038(IND), *Investment Tax Credit (Individuals)*, and T2 SCH 31, *Investment Tax Credit – Corporations (2008 and later taxation years)*.

## Foreign tax credits – Correction to references to “Lines 431 and 433”

The *General Income Tax and Benefit Guide* for preparing individuals’ personal income tax returns no longer refers to “Lines 431 and 433” for the federal foreign tax credit calculation as these lines no longer exist on the Schedule 1, *Federal Tax*. Instead, the guide now refers to Line 405 and Form T2209, *Federal Foreign Tax Credits*. Form T2036, *Provincial or Territorial Foreign Tax Credit*, may also apply.

Consequently, the T4068 guide should also refer readers to Line 405 and forms T2209 and T2036. Corrections will be made on the next revision.

Corrections are also required to the generic box instructions for box 26-1 for the foreign tax credits, as explained below.

## Reassignment of Box 26-1 and introduction of a new generic Box 26-2

For 2006, the T4068 guide omitted to include instructions for a generic box for “Foreign net rental income (loss)” to permit partners to calculate their foreign tax credits, where applicable. This affects the T5013 Summary and the T5013 and T5013A slips.

Consequently, for those partnerships that have foreign rental income or losses, the following changes apply:

**Box 26-1** is changed to “Foreign net rental income (loss)” Its new instructions are as follows:

**All partners** – Enter the partner’s share of the foreign rental income (or loss) already included in box 26. Report all amounts in Canadian dollars. Complete a generic box to identify each foreign country. For information on the generic box number, see the section called “Income from foreign countries” on page 29 of the T4068 guide.

**Box 26-2** is a new box but it now has the same information as the old box 26-1. Box 26-2 is now “Foreign rental income that is exempt from Canadian tax due to a tax convention or treaty.” Its instructions are as follows:

**All partners** – Enter any part of foreign rental income that is exempt from Canadian tax due to a tax convention or treaty. Complete a generic box to identify each foreign country. For information on the generic box number, see

the section called “Income from foreign countries” on page 29 of the T4068 guide. The partner needs this information to complete Form T2209.

When partners are issued T5013 or T5013A slips, instructions sheets T5013–INST or T5013A–INST have to be given to the partner. These instruction sheets have been revised in accordance with the above changes.

## Resource allowance deduction no longer available

For tax years that begin after December 31, 2006, the resource allowance deduction is no longer available.

Information about the amount eligible for a resource allowance deduction for prior tax years is available on page 42 of the T4068 guide under the heading “Box 95 – amount eligible for a resource allowance deduction.”

## Capital gains inclusion adjustment Box 70-18

The instructions on page 40 of the T4068 guide for Box 70-18 no longer apply and should be disregarded as the capital gains inclusion adjustment at line 193 of the T1 Schedule 3, *Capital Gains or Losses*, is no longer required and has been removed.

Box 70-18 should not be used and any references to it will be removed for the next revision of the T4068 guide.

Similarly, references to column 9 of T5013 SCH 6 and to Line N of the same form should be ignored as the 25% capital gains inclusion rate no longer applies and a reduction of the inclusion rate is no longer necessary.

## Changes to partnership forms

### T5013 SCH 1

As indicated at the top of SCH 1, partnerships now have to report amounts in accordance with whichever applies: IFRS or Generally Accepted Accounting Principles (GAAP).

#### Line 101 – Provision for Part IX.1 SIFT taxes

Line 101, Provision for Part IX.1 SIFT taxes, was added to the section “Reconciliation – Net income (loss) for income tax purposes” on page 1 of the T5013 SCH 1. Enter the provision for tax payable under subsection 197(2) for a SIFT partnership for the tax year.

#### Line 110 – Loss in equity of subsidiaries and affiliates

On page 1, we also added Line 110, Loss in equity of subsidiaries and affiliates, in the same section. This addition more closely matches the reconciliation of net income/loss calculations for corporations.

#### Lines D, E, F, G and H

On page 1 of T5013 SCH 1, former lines D, E, F, G and H have been eliminated and replaced by the following:

**Line D** – Net income (loss) for income tax purposes – (A plus B minus C)

**Line E** – Deduct: Net income (loss) for general partners

**Line F** – Net income (loss) for income tax purposes for limited and non-active partners – (D minus E).

After the instructions for Line C on page 28 of the T4068 guide, the following instructions replace the instructions from lines D to H (Lines G and H no longer exist):

**Line D** – Net income (loss) for income tax purposes – Enter the result of adding lines A plus B minus line C.

**Line E** – Deduct: Net income (loss) for general partners – Enter the portion of the line D amount that you will allocate to the general partners.

**Line F** – Net income (loss) for income tax purposes for limited and non-active partners – Allocate the share of incomes (losses) for the limited and non-active partners using the amount on line F.

### Line 239 – Taxable/Non-deductible other comprehensive income items

Near the bottom of page 2 of the T5013 SCH 1, we added Line 239, Taxable/Non-deductible other comprehensive income items, to the second “Add” column. This line applies to partnerships that have adopted IFRS to prepare their financial statements.

“Other comprehensive income” generally comprises revenues, expenses, gains and losses that are recognized in comprehensive income but excluded from net income.

### Line 347 – Non-taxable/Deductible other comprehensive income items

Near the middle of page 3 of the T5013 SCH 1, we added Line 347, Non-Taxable/Deductible other comprehensive income items, to the “Deduct” column. This line also applies to partnerships that have adopted IFRS to prepare their financial statements.

### T5013 SCH 6

We have made several changes to SCH 6 as follows:

#### Elimination of Line L

Since the 25% inclusion rate for gifts of certain capital property no longer applies, we removed Line L from page 1 of SCH 6.

For the same reason, we also eliminated column 9 (Gain subject to 25% inclusion rate) on page 4 of SCH 6. The columns will be renumbered for the 2011 revision.

#### Elimination of Line N

Since the capital gains inclusion adjustment at line N is no longer needed due to changes to Schedule 3 of the individual income tax and benefit return (T1 Return), we have eliminated Line N from page 1 of the T5013 SCH 6. For the same reason, we also eliminated the adjustment calculations at the bottom of page 4 of SCH 6.

These calculations and Line N were required in prior years to allocate an amount in Box 70-18 of the T5013 or T5013A slips to the partners—this amount permitted a partner to claim a deduction on Schedule 3 of the T1 return in order to benefit from a reduced capital gains inclusion rate that applied to gifts of certain capital property.

Since Schedule 3 was changed so that the correct inclusion rate applies on gifts of certain capital property without having to request a deduction for a lower inclusion rate at line 193, Box 70-18 on the T5013 and T5013A slips is no longer applicable and Line N is no longer required.

## T5013 SCH 100

If you used IFRS to prepare the partnership's financial statements, you may have to report an amount for **line 3580**, Accumulated other comprehensive income, in the "Member Equity" area.

"Accumulated other comprehensive income" comprises the accumulated balance of all components of other comprehensive income, being revenues, expenses, gains and losses that are recognized in comprehensive income, but excluded from net income.

Another change is that there are now four new groupings of field codes on SCH 100 relating to advances, loans, or other debts receivable or payable to or from a partner—their titles and field codes are as follows:

### **Current Advances/Loans/Notes between the partners and the partnership**

- Due from limited partners – code 1301
- Due from members that are partnerships – code 1302
- Due from general partners – code 1303
- Due from specified members who are not limited partners – code 1304
- Due from member(s)/general partner(s) – code 1300**

The last line above for **code 1300** is the total of amounts for codes 1301, 1302, 1303 and 1304 and is indicated in bold text as a mandatory field code.

### **Long-term Advances/Loans/Notes between the partners and the partnership**

- Due from limited partners – code 2181
- Due from members that are partnerships – code 2182
- Due from general partners – code 2183
- Due from specified members who are not limited partners – code 2184
- Due from member(s)/general partner(s) – code 2180**

The last line above for **code 2180** is the total of amounts for codes 2181, 2182, 2183 and 2184 and is indicated in bold text as a mandatory field code.

### **Current Advances/Loans/Notes between the partnership and the partners**

- Due to limited partners – code 2781
- Due to members that are partnerships – code 2782
- Due to general partners – code 2783
- Due to specified members who are not limited partners – code 2784
- Due to member(s)/general partner(s) – code 2780**

The last line above for **code 2780** is the total of amounts for codes 2781, 2782, 2783 and 2784 and is indicated in bold text as a mandatory field code.

### **Long-term Advances/Loans/Notes between the partnership and the partners**

- Due to limited partners – code 3261
- Due to members that are partnerships – code 3262
- Due to general partners – code 3263
- Due to specified members who are not limited partners – code 3264
- Due to member(s)/general partner(s) – code 3260**

The last line above for **code 3260** is the total of amounts for codes 3261, 3262, 3263 and 3264 and is indicated in bold text as a mandatory field code.

You must report amounts for all bolded field codes on SCH 100, including codes **1300, 2180, 2780 and 3260** above.

## T5013 SCH 125

On page 2 of the T5013 SCH 125, a new section block has been added called "Other comprehensive income". This block of lines is intended for use by partnerships using International Financial Reporting Standards (IFRS).

Other comprehensive income includes revenues, expenses, gains and losses that are recognized as comprehensive income, but excluded from net income.

Several new GIFI codes make up this new section block and are pre-printed on the form. These new GIFI codes are:

### **7000: Revaluation surplus**

Change in carrying amount surplus as a result of revaluation of property, plant & equipment and intangible assets.

### **7002: Defined benefit gains/losses**

Actuarial gains and losses on defined benefit plans recognized in the period in which they occur.

### **7004: Foreign operation translation gains/losses**

Gains and losses arising from translating the financial statements of a foreign operation.

### **7006: Equity instruments gains/losses**

Subsequent changes in the fair market value of an investment in an equity instrument that is not held for trading.

### **7008: Cash flow hedge effective portion gains/losses**

The effective portion of gains and losses on hedging instruments in a cash flow hedge.

### **7010: Income Tax relating to components of other comprehensive income**

The tax relating to each component of other comprehensive income if reported before tax.

### **7020: Miscellaneous other comprehensive income**

Gains and losses relating to other comprehensive income not included in lines 7000 to 7008.

Line 9998, "Total other comprehensive income" is now simply the sum of amounts entered in fields 7000 to 7020 and is no longer a mandatory field code. Field code 9998 has also been removed from the section "Extraordinary items" on T5013 SCH 125 and on T5013 SCH 140.

## Other corrections

- For partnerships that are tax shelters, references in the T4068 guide to the title of Form T5004 should be read as “*Claim for Tax Shelter Loss or Deduction*”.
- On page 35 of the T4068 guide, the last sentence of the first paragraph for completing Box 22-1 should state “If this amount is zero, the limited partner cannot claim any losses shown in boxes 20, 21, 22 and 23.”
- On page 41 of the T4068 guide, in the first paragraph of the example in the right hand column, the reference to box 22 of the T4A slip should instead refer to box 022.
- On page 47 of the T4068 guide, in the instructions for Box 128 of the T5013A slip, the reference to Form T2SCH31, *Investment Tax Credit – Corporations*, should be removed as this box is not applicable to corporations.

On page 37 of the T4068 guide, the information for the following boxes should reflect the following additional underlined text:

### Canadian and foreign net business income (loss)

- **Box 35** – Business income (loss)  
All partners (other than limited partners)
- **Box 41** – Farming income (loss)  
All partners (other than limited partners)
- **Box 43** – Fishing income (loss)  
All partners (other than limited partners)

### Canadian and foreign investments and carrying charges

- **Box 26** – Canadian and foreign net rental income (loss)  
All partners (other than limited partners)

## For more information

If you need help after reading this publication, visit [www.cra.gc.ca](http://www.cra.gc.ca) or call 1-800-959-5525. To get any forms or publications, go to [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms) or call 1-800-959-2221.

### Our service complaint process

#### Step 1 – Talk to us

If you are not satisfied with the **service** you have received from us, you have the right to make a formal complaint. Before you make a complaint, we recommend that you try to resolve the matter with the CRA employee you have been dealing with (or call the phone number you have been given).

If you still disagree with the way your concerns are being addressed, ask to discuss the matter with the employee's supervisor.

#### Step 2 – Contact CRA – Service Complaints

This program is available to individual and business taxpayers and benefit recipients who have dealings with us. It is meant to provide you with an extra level of review if you are not satisfied with the results from the **first step** of our complaint process. In general, service-related complaints refer to the quality and timeliness of the work we performed.

If you choose to bring your complaint to the attention of CRA – Service Complaints, complete Form RC193, *Service-Related Complaint*, which you can get by going to [www.cra.gc.ca/complaints](http://www.cra.gc.ca/complaints) or by calling 1-800-959-2221.

#### Step 3 – Contact the office of the Taxpayers' Ombudsman

If, **after following steps 1 and 2**, you are still not satisfied with the way the CRA has handled your complaint, you can file a complaint with the Taxpayers' Ombudsman.

For more information on the Taxpayers' Ombudsman and on how to file a complaint, visit their Web site at [www.taxpayersrights.gc.ca](http://www.taxpayersrights.gc.ca).

#### Your opinion counts

If you have any comments or suggestions that could help us improve our publications, we would like to hear from you. Please send your comments to:



**Taxpayer Services Directorate**  
**Canada Revenue Agency**  
750 Heron Road  
Ottawa ON K1A 0L5