

## CALCULATION OF DEDUCTION FOR CUMULATIVE ELIGIBLE CAPITAL OF A PARTNERSHIP

- Use this form for partnerships that owned or acquired eligible capital property.
- Complete this form using the instructions in our income tax guide T4068, *Guide for the Partnership Information Return*.
- Keep a separate cumulative eligible capital account for **each** business.
- Attach the completed original of this form to the *Partnership Information Return*.

Partnership's name	Partnership's filer identification number <div style="border: 1px solid black; width: 100%; height: 20px;"></div>	Fiscal period end Year      Month      Day <div style="border: 1px solid black; width: 100%; height: 20px;"></div>
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### Section A – Calculating the current-year deduction and carryforward

<b>Cumulative eligible capital (CEC) – Balance at start of fiscal period:</b>			
Ending balance from previous year's Form T5017—if negative, enter "nil" .....			1
<b>Add:</b> Cost of eligible capital property acquired during the fiscal period .....	x 75% +		2
Subtotal (amount from line 1 <b>plus</b> amount from line 2) .....	=		3
<b>Deduct:</b> Proceeds (less outlays and expenses) from disposing of an eligible capital property during the taxation year .....		4	
Forgiven debt obligation designated by the partnership under subsection 80(7) .....	+		5
Subtotal (amount from line 4 <b>plus</b> amount from line 5) .....	=	x 75% –	6
CEC balance, before calculating the current fiscal-period deduction (amount from line 3 <b>minus</b> amount from line 6—if negative, go to Section B) .....	=		7
<b>Current-year cumulative eligible capital amount (CECA) deduction:</b>			
Amount from line 7 (if amount from line 7 is negative, enter "nil") .....		x	%
<b>Multiplied by 7% or less</b> .....			
<b>If the partnership's taxation year is less than 365 days, you have to prorate this deduction</b> .....	=		8
<b>CEC balance at end of fiscal period:</b>			
Amount from line 7 <b>minus</b> amount from line 8 (if negative, enter "nil") .....	=		9

### 14(1.01) election for eligible capital property (other than goodwill) disposed of in the year

Eligible capital property disposed of in the year (describe) .....			1
Exempt gains balance (EGB) in respect of the business (partnerships cannot have an EGB) .....		NIL	
Actual proceeds of disposition .....			2
Eligible capital expenditure for the acquisition of the eligible capital property .....			3
<b>If the amount on line 2 is greater than the amount on line 3, include the amount on line 3 as proceeds in the amount for line 4 in Section A above.</b>			
<b>If the amount on line 3 is greater, your partnership cannot elect under subsection 14(1.01) for this property.</b>			
Excess (amount from line 2 <b>minus</b> amount from line 3—if negative, enter "nil") .....			4
<b>If the amount on line 4 is positive and your partnership wants to elect under subsection 14(1.01), an authorized partner has to complete the election area below. Include the amount from line 4 in the partnership's capital gain for the year.</b>			

#### Election

I, \_\_\_\_\_, a member of the partnership authorized to act for the partnership, elect under subsection 14(1.01) on behalf of all the members of the partnership to remove the above eligible capital property from the CEC pool and recognize a capital gain in the year as if the property were an ordinary non-depreciable capital property.

\_\_\_\_\_  
(Authorized partner's signature)

\_\_\_\_\_  
Date

Complete Section B if the amount on line 7 in Section A is negative.

**Section B – Calculating the amounts resulting from disposition to be included in income**

**14(1)(a) income recapture inclusion**

Negative amount from line 7 in Section A (show as a positive amount) .....	_____	1
Total CECA deductions claimed for fiscal periods ending after adjustment time .....	_____	2
Total previous subsection 80(7) forgiven debt obligation reductions .....	+ _____	3
Total CECA deductions claimed for fiscal periods ending before the adjustment time (as defined in subsection 14(5)) .....	_____	4
<b>Deduct:</b> Total subsection 14(1) income inclusions for taxation years ending before the adjustment time (as defined in subsection 14(5)) .....	- _____	5
Amount from line 4 <b>minus</b> amount from line 5 (if negative, enter "nil") .....	= _____	▶ 6
Subtotal: Amount from line 2 <b>plus</b> amount from line 3 <b>plus</b> amount from line 6 .....	= _____	7
<b>Deduct:</b> Total of all amounts included under subparagraph 14(1)(a)(iv) for taxation years that ended before February 28, 2000 .....	_____	8
Total of all amounts included under paragraph 14(1)(a) for taxation years that ended after February 27, 2000 .....	+ _____	9
Amount from line 8 <b>plus</b> amount from line 9 .....	= _____	▶ 10
Amount from line 7 <b>minus</b> amount from line 10 (if negative, enter "nil") .....	= _____	▶ 11

Include the income recapture amount from line 1 or amount from line 11, whichever is **less**, in the partnership's income for the year.

**14(1)(b) residual income inclusion**

Negative amount from line 7 in Section A (show as a positive amount) .....	_____	12
<b>Deduct:</b> Amount from line 11 .....	_____	13
Amount from line 6 .....	_____ x 50% + _____	14
Amount from line 13 <b>plus</b> amount from line 14 .....	= _____	▶ 15
Amount from line 12 <b>minus</b> amount from line 15 (if negative, enter "nil") .....	= _____	16
	x 66.6666%	17

**Residual income inclusion** – Include the amount from line 17 in the partnership's income for the year. .... = \_\_\_\_\_ 17

Show the partner's share of the amount from line 17 as **"Business income from the disposition of eligible capital property (other than the recapture of annual allowances deducted in previous years)"** in the "Details" area of the partner's T5013 information slip.

**Section C – Calculating the farming income eligible for the capital gains deduction**

Balance at the start of the taxation year (ending balance from line 11 on the partnership's previous year's Form T5017) .....	_____	1
All proceeds of disposition for the taxation year from the disposition of eligible capital property (ECP) that is qualified farm property (QFP) .....	_____	2
<b>Deduct:</b> All eligible capital expenditures for the ECP that is QFP disposed for the taxation year .....	_____	3
Outlays and expenses, related to the dispositions described at line 2, not deductible in computing income .....	+ _____	4
Amount from line 3 <b>plus</b> amount from line 4 .....	= _____	▶ 5
Amount from line 2 <b>minus</b> amount from line 5 (if negative, enter "nil") .....	= _____	6
Amount from line 6 <b>multiplied by</b> 50% .....	x 50% ▶ + _____	7
Taxable capital gains from the dispositions for the taxation year of ECP that is QFP of the business .....	_____	8
Total farming income eligible for the capital gains deduction from the disposition of ECP that is QFP .....	+ _____	9
Amount from line 8 <b>plus</b> amount from line 9 .....	= _____	▶ 10
Ending balance – Amount from line 1 <b>plus</b> amount from line 7 <b>minus</b> amount from line 10 (if negative, enter "nil") .....	= _____	11
Amount from line 17 in Section B or amount from line 11 in Section C, whichever is <b>less</b> .....	_____	12

Show the partner's share of the amount from line 12 as **"Farming income eligible for the capital gains deduction"** in the "Details" area of the partner's T5013 information slip.