



Statement of Business or Professional Activities

- For each business or profession, complete a **separate** Form T2125.
- File each completed Form T2125 with your *Income Tax and Benefit Return*.
- For more information on how to complete this form, see Guide T4002, *Business and Professional Income*.

| | | | |
|--|------|--------------------------------------|--|
| Identification | | | |
| Your name | | | Your social insurance number |
| Business name | | | Account number (15 characters) |
| Business address | | | City, province or territory Postal code |
| Fiscal period | Year | Month | Day |
| From: | | | |
| To: | | | |
| Main product or service | | | Was 2011 your last year of business? Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Tax shelter identification number | | | Industry code (see the appendix in Guide T4002, <i>Business and Professional Income</i>) |
| Partnership business number (9 digits) | | Your percentage of the partnership % | |
| Name and address of person or firm preparing this form | | | |

Part 1 – Business income

2. If you have business income, tick this box and complete this part. **Do not complete parts 1 and 2 on the same form.**

| | | |
|---|-------|-------|
| Gross sales, commissions, or fees (including GST/HST collected or collectible) | _____ | A |
| Minus PST, GST/HST, returns, allowances, discounts included in sales, and GST/HST adjustments | _____ | (i) |
| Subtotal (line A minus line (i)) | _____ | B |
| (For those using the Quick Method) Government assistance calculated as follows: | | |
| GST/HST collected or collectible on sales, commissions and fees eligible for the Quick Method | _____ | (ii) |
| For each applicable remittance rate, include (sales, commissions and fees eligible for the Quick Method plus GST/HST collected or collectible) multiplied by Quick Method remittance rate | _____ | (iii) |
| Subtotal (line (ii) minus line (iii)) | _____ | (iv) |
| Adjusted gross sales (line B plus line (iv)) (enter this amount on line 8000 in Part 3 below) | _____ | C |

Part 2 – Professional income

3. If you have professional income, tick this box and complete this part. **Do not complete parts 1 and 2 on the same form.**

| | | |
|---|-------|-------|
| Gross professional fees including work-in-progress (WIP) and GST/HST collected or collectible | _____ | D |
| Minus PST, GST/HST included in the fees, GST/HST adjustments and WIP at the end of the year if you elect to exclude it (see Chapter 2 of the guide) | _____ | (i) |
| Subtotal (line D minus line (i)) | _____ | E |
| (For those using the Quick Method) Government assistance calculated as follows: | | |
| GST/HST collected or collectible on professional fees eligible for the Quick Method | _____ | (ii) |
| For each applicable remittance rate, include (professional fees eligible for the Quick Method plus GST/HST collected or collectible) multiplied by Quick Method remittance rate | _____ | (iii) |
| Subtotal (line (ii) minus line (iii)) | _____ | (iv) |
| Work-in-progress (WIP), start of the year, per election to exclude WIP (see Chapter 2 of the guide) | _____ | (v) |
| Adjusted professional fees (line E plus lines (iv) and (v)) (enter this amount on line 8000 in Part 3 below) | _____ | F |

Part 3 – Gross business or professional income

| | | |
|--|------------|---|
| Adjusted gross sales (from line C in Part 1) or adjusted professional fees (from line F in Part 2) | 8000 _____ | G |
| Plus | | |
| Reserves deducted last year | 8290 _____ | |
| Other income | 8230 _____ | |
| Total of the above two lines | _____ ▶ | H |
| Gross business or professional income (line G plus line H) | 8299 _____ | |

Enter this amount on the appropriate line of your income tax and benefit return: business on line 162, professional on line 164, or commission on line 166.

If GST/HST has been remitted or an input tax credit has been claimed, do not include GST/HST in the calculation of cost of goods sold, expenses or net income (loss) in parts 4 to 6.

Part 4 – Cost of goods sold and gross profit

If you have business income, complete this part. Enter only the business part of the costs.

| | | | | |
|---|--------------------------------------|--|--|-------------|
| Gross business income from line 8299 in Part 3 on page 1 | | | | |
| Opening inventory (include raw materials, goods in process, and finished goods) | 8300 | | | |
| Purchases during the year (net of returns, allowances, and discounts) | 8320 | | | |
| Direct wage costs | 8340 | | | |
| Subcontracts | 8360 | | | |
| Other costs | 8450 | | | |
| | Total of the above five lines | | | |
| Minus | | | | |
| Closing inventory (include raw materials, goods in process, and finished goods) | 8500 | | | |
| | Cost of goods sold | | | |
| | 8518 | | | |
| Gross profit (line I minus line J) | | | | 8519 |

Part 5 – Net income (loss) before adjustments

Gross profit from line 8519 in Part 4 above, or gross income from line 8299 in Part 3 on page 1

Expenses (enter only the business part)

| | | | | |
|---|--------------------------------|--|--|-------------|
| Advertising | 8521 | | | |
| Meals and entertainment (allowable part only) | 8523 | | | |
| Bad debts | 8590 | | | |
| Insurance | 8690 | | | |
| Interest | 8710 | | | |
| Business tax, fees, licences, dues, memberships, and subscriptions | 8760 | | | |
| Office expenses | 8810 | | | |
| Supplies | 8811 | | | |
| Legal, accounting, and other professional fees | 8860 | | | |
| Management and administration fees | 8871 | | | |
| Rent | 8910 | | | |
| Maintenance and repairs | 8960 | | | |
| Salaries, wages, and benefits (including employer's contributions) | 9060 | | | |
| Property taxes | 9180 | | | |
| Travel (including transportation fees, accommodations, and allowable part of meals) | 9200 | | | |
| Telephone and utilities | 9220 | | | |
| Fuel costs (except for motor vehicles) | 9224 | | | |
| Delivery, freight, and express | 9275 | | | |
| Motor vehicle expenses (not including CCA) (see Chart A on page 5) | 9281 | | | |
| Allowance on eligible capital property | 9935 | | | |
| Capital cost allowance (CCA) (from Area A on page 4) | 9936 | | | |
| Other expenses (specify) | 9270 | | | |
| | 9368 | | | |
| | Total business expenses | | | |
| Net income (loss) before adjustments (line K minus line L) | | | | 9369 |

Part 6 – Your net income (loss)

| | | | | |
|--|-----------------------------------|--|--|-------------|
| Your share of the amount on line 9369 in Part 5 or the amount from slip T5013 or T5013A | | | | M |
| Plus: GST/HST rebate for partners received in the year (see Chapter 3) | 9974 | | | N |
| | Total (line M plus line N) | | | |
| | | | | O |
| Minus: Other amounts deductible from your share of net partnership income (loss) (from the chart on page 3) | | | | 9943 |
| Net income (loss) after adjustments (line O minus line P) | | | | Q |
| Minus: Business-use-of-home expenses (your share of line 3 from the chart on page 3) | | | | 9945 |
| Your net income (loss) (line Q minus line R) | | | | 9946 |

Enter this amount on the appropriate line of your income tax and benefit return: business on line 135, professional on line 137, or commission on line 139.

Other amounts deductible from your share of net partnership income (loss)

Claim expenses you incurred that were not included in the partnership statement of income and expenses, and for which the partnership did not reimburse you.

| | |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

Other amounts deductible from your share of the partnership (total of the above lines)
(enter this amount on line 9943, in Part 6 on page 2) _____

Calculation of business-use-of-home expenses

| | | |
|---|-----------------|--------|
| Heat | _____ | _____ |
| Electricity | _____ | _____ |
| Insurance | _____ | _____ |
| Maintenance | _____ | _____ |
| Mortgage interest | _____ | _____ |
| Property taxes | _____ | _____ |
| Other expenses (specify) _____ | _____ | _____ |
| | Subtotal | _____ |
| Minus: Personal use part | _____ | _____ |
| | Subtotal | _____ |
| Plus: Capital cost allowance (business part only) | _____ | _____ |
| Amount carried forward from previous year | _____ | _____ |
| | Subtotal | _____1 |
| Minus: Net income (loss) after adjustments (from line Q in Part 6 on page 2) (if negative, enter "0") | _____ | _____2 |
| Business-use-of-home expenses available to carry forward (line 1 minus line 2) (if negative, enter "0") _____ | | _____ |
| Allowable Claim (the lesser of amount 1 or 2 above) (enter your share of this amount on line 9945 in Part 6) | | _____3 |

Details of other partners

| Name and address | Share of net income or (loss) \$ | Percentage of partnership % |
|------------------|----------------------------------|-----------------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Details of equity

| | | |
|-------------------------------------|------|-------|
| Total business liabilities | 9931 | _____ |
| Drawings in 2011 | 9932 | _____ |
| Capital contributions in 2011 | 9933 | _____ |

Area A – Calculation of capital cost allowance (CCA) claim

| 1 Class number | 2 Undepreciated capital cost (UCC) at the start of the year | 3 Cost of additions in the year (see areas B and C below) | 4 Proceeds of dispositions in the year (see areas D and E below) | 5* UCC after additions and dispositions (col. 2 plus col. 3 minus col. 4) | 6 Adjustment for current-year additions $1/2 \times (\text{col. 3} - \text{col. 4})$. If negative, enter "0." | 7 Base amount for CCA (col. 5 minus col. 6) | 8 Rate % | 9 CCA for the year (col. 7 x col. 8 or an adjusted amount) | 10 UCC at the end of the year (col. 5 minus col. 9) | |
|--|--|--|---|--|---|--|-------------|---|--|--|
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Total CCA claim for the year (enter this amount, minus any personal part and any CCA for business-use-of-home expenses, on line 9936 in Part 5 on page 2**) | | | | | | | | | | |

* If you have a negative amount in this column, add it to income as a recapture on line 8230, "Other income," in Part 3 on page 1. If no property is left in the class and there is a positive amount in the column, deduct the amount from income as a terminal loss on line 9270, "Other expenses," in Part 5 on page 2. Recapture and terminal loss do not apply to a class 10.1 property. For more information, see Chapter 4 of Guide T4002, *Business and Professional Income*.

** For information on CCA for "Calculation of business-use-of-home expenses" on page 3, see "Special Situations" in Chapter 4 of Guide T4002, *Business and Professional Income*.

Area B – Details of equipment additions in the year

| 1 Class number | 2 Property details | 3 Total cost | 4 Personal part (if applicable) | 5 Business part (column 3 minus column 4) |
|--|-----------------------|-----------------|------------------------------------|--|
| | | | | |
| | | | | |
| Total equipment additions in the year | | | | 9925 |

Area C – Details of building additions in the year

| 1 Class number | 2 Property details | 3 Total cost | 4 Personal part (if applicable) | 5 Business part (column 3 minus column 4) |
|---|-----------------------|-----------------|------------------------------------|--|
| | | | | |
| | | | | |
| Total building additions in the year | | | | 9927 |

Area D – Details of equipment dispositions in the year

| 1 Class number | 2 Property details | 3 Proceeds of disposition (should not be more than the capital cost) | 4 Personal part (if applicable) | 5 Business part (column 3 minus column 4) |
|---|-----------------------|---|------------------------------------|--|
| | | | | |
| | | | | |
| Total equipment dispositions in the year | | | | 9926 |

Note: If you disposed of property from your business in the year, see Chapter 4 of Guide T4002, *Business and Professional Income*, for information about your proceeds of disposition.

Area E – Details of building dispositions in the year

| 1 Class number | 2 Property details | 3 Proceeds of disposition (should not be more than the capital cost) | 4 Personal part (if applicable) | 5 Business part (column 3 minus column 4) |
|--|-----------------------|---|------------------------------------|--|
| | | | | |
| | | | | |
| Total building dispositions in the year | | | | 9928 |

Note: If you disposed of property from your business in the year, see Chapter 4 of Guide T4002, *Business and Professional Income*, for information about your proceeds of disposition.

Area F – Details of land additions and dispositions in the year

| | | |
|---|------|--|
| Total cost of all land additions in the year | 9923 | |
| Total proceeds from all land dispositions in the year | 9924 | |

Note: You cannot claim capital cost allowance on land.

Chart A – Motor vehicle expenses

| | | |
|--|-------|-----------|
| Enter the kilometres you drove in the tax year to earn business income | _____ | 1 |
| Enter the total kilometres you drove in the tax year | _____ | 2 |
| Fuel and oil | _____ | 3 |
| Interest (see Chart B below) | _____ | 4 |
| Insurance | _____ | 5 |
| Licence and registration | _____ | 6 |
| Maintenance and repairs | _____ | 7 |
| Leasing (see Chart C below) | _____ | 8 |
| Other expenses (specify) _____ | _____ | 9 |
| _____ | _____ | 10 |
| Total motor vehicle expenses (add lines 3 to 10) | _____ | 11 |

| | | | |
|--|---|-------|----|
| Business use part: $\left(\begin{array}{l} \text{line 1:} \\ \text{line 2:} \end{array} \right) \times \text{line 11:}$ _____ | = | _____ | 12 |
| Business parking fees | | _____ | 13 |
| Supplementary business insurance | | _____ | 14 |
| Allowable motor vehicle expenses (add lines 12, 13, and 14) (enter this amount on line 9281 in Part 5 on page 2) | | _____ | |

Note: You can claim CCA on motor vehicles in Area A on page 4.

Chart B – Available interest expense for passenger vehicles

| | | |
|---|-------|---|
| Total interest payable (accrual method) or paid (cash method) in the fiscal period | _____ | A |
| $\text{\$10}^* \times \text{the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method)}$ | _____ | B |
| Available interest expense (amount A or B, whichever is less) (enter this amount on line 4 of Chart A above) | _____ | |

* For passenger vehicles bought after 2000.

Chart C – Eligible leasing costs for passenger vehicles

| | | |
|--|-------|---|
| Total lease charges incurred in your 2011 fiscal period for the vehicle | _____ | 1 |
| Total lease payments deducted before your 2011 fiscal period for the vehicle | _____ | 2 |
| Total number of days the vehicle was leased in your 2011 and previous fiscal periods | _____ | 3 |
| Manufacturer's list price | _____ | 4 |
| The amount on line 4 or $(\$35,294 + \text{GST}^* \text{ and PST, or HST}^* \text{ on } \$35,294)$, whichever is more \blacktriangleright _____ $\times 85\%$ | _____ | 5 |
| $\frac{[(\$800 + \text{GST}^* \text{ and PST, or HST}^* \text{ on } \$800) \times \text{line 3}]}{30} \blacktriangleright$ _____ $- \text{line 2:}$ _____ | _____ | 6 |
| $\frac{[(\$30,000 + \text{GST}^* \text{ and PST, or HST}^* \text{ on } \$30,000) \times \text{line 1}]}{\text{line 5}}$ | _____ | 7 |
| Eligible leasing cost (line 6 or 7, whichever is less) (enter this amount on line 8 of Chart A above) | _____ | |

* Use a GST rate of 5% or HST rate applicable to your province.