



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 From:	Year	Month	Day	To: Year Month Day
Main product or service				Was 2010 your last year of business? Yes <input type="checkbox"/> No <input type="checkbox"/>
Tax shelter identification number				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.**

Sales, commissions, or fees	_____	A
Minus		
Goods and services tax and provincial sales tax (GST and PST) or harmonized sales tax (HST) (if included in sales above)	_____	
Returns, allowances, and discounts (if included in sales above)	_____	
Total of the above two lines	_____	B
Adjusted gross sales (line A minus line B) (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.**

Professional fees (includes work-in-progress)	_____	D
Minus		
Goods and services tax and provincial sales tax (GST and PST) or harmonized sales tax (HST) (if included in fees above)	_____	
Work-in-progress (WIP), end of the year, per election to exclude WIP (see Chapter 2 of the guide)	_____	
Total of the above two lines	_____	E
Subtotal (line D minus line E)	_____	
Plus		
Work-in-progress (WIP), start of the year, per election to exclude WIP (see Chapter 2 of the guide)	_____	
Adjusted professional fees (total of the above two lines) (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 and/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				I
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			J
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			
	Total business expenses			L
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 above				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	P
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	R
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 2010	9932	_____
Capital contributions in 2010	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 x (col. 3 minus 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: $\left(\begin{array}{l} \text{line 1:} \\ \text{line 2:} \end{array} \right) \times \text{line 11:}$ _____ = _____			
Business parking fees	_____	_____	12
Supplementary business insurance	_____	_____	13
Allowable motor vehicle expenses (add lines 12, 13, and 14) (enter this amount on line 9281 in Part 5 on page 2)	_____	_____	14

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
_____ \$10* × 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 from 2001 to 2010.

Chart C – Eligible leasing costs for passenger vehicles

Total lease charges incurred in your 2010 fiscal period for the vehicle	_____	_____	1
Total lease payments deducted before your 2010 fiscal period for the vehicle	_____	_____	2
Total number of days the vehicle was leased in your 2010 and previous fiscal periods	_____	_____	3
Manufacturer's list price	_____	_____	4
The amount on line 4 or (\$35,294 + GST* and PST, or HST* on \$35,294), whichever is more	_____	_____ × 85%	5
$\frac{[(\$800 + \text{GST* and PST, or HST* on } \$800) \times \text{line 3}]}{30}$ - line 2: _____	_____	_____	6
$\frac{[(\$30,000 + \text{GST* and PST, or HST* on } \$30,000) \times \text{line 1}]}{\text{line 5}}$	_____	_____	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.



RECONCILIATION OF 2010 BUSINESS INCOME FOR TAX PURPOSES

- Use this form **only** if your first fiscal period ending in 2010 does **not** end on December 31, 2010.
- For more information and **instructions** on completing this form, see Guide RC4015, *Reconciliation of Business Income for Tax Purposes*.
- If you are completing Part 2 of this form for the first time, tick the appropriate box in Part 3 – Election, and sign and date your election.

Identification Social insurance number	Account Number (15 characters)
- -	

Part 1 – Converting to a December 31 fiscal period end			
	Business 1		Business 2
Net income (loss) for your first fiscal period ending in 2010 (if applicable)	_____	A	_____
Net income (loss) for the period ending December 31, 2010	_____	B	_____
Subtotal (line A plus line B)	_____	C	_____
Last year's additional business income (if converting this year)	_____	D	_____
Net income (loss) for each business – Line C minus line D Report this amount on the appropriate line of your income tax return	_____	E	_____

Part 2 – Electing to have a fiscal period that does not end on December 31 (alternative method)			
	Business 1		Business 2
Net income (loss) for your fiscal period(s) ending in 2010	_____	F	_____
Additional business income	_____	G	_____
Subtotal (line F plus line G)	_____	H	_____
Last year's additional business income	_____	I	_____
Net income (loss) for each business – Line H minus line I Report this amount on the appropriate line of your income tax return	_____	J	_____

Part 3 – Election		
Indicate your choice by ticking the box that applies to you:		
<input type="checkbox"/>	I choose to have a fiscal period that does not end on December 31 for all businesses listed in Part 2.	
<input type="checkbox"/>	I choose to revoke my previously filed election to have a fiscal period that does not end on December 31, and convert to a December 31 fiscal period end (attach a note to list the business(es) you want to convert).	
_____	_____	_____
Name (please print)	Signature	Date

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

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

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)
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Details of building dispositions in the year

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Total building dispositions in the year				9928