

## Summary of Reserves on Dispositions of Capital Property

Complete this form if you are an individual (other than a trust) who is reporting a reserve claimed on your 2017 income tax and benefit return or claiming a reserve on dispositions of capital property (including gifts of certain securities) in 2018. To determine if you are eligible to claim a reserve in 2018, see "Claiming a reserve" in Guide T4037, Capital Gains. The information on the back of this form explains how to calculate a capital gains reserve. **Attach one completed copy of this form to your 2018 income tax and benefit return.**

### Part 1 – Dispositions of capital property after November 12, 1981

#### A. Dispositions of qualified farm or fishing property (QFFP)

Amount of 2017 reserve for dispositions of QFFP to your child after 2008, and before April 21, 2015, and all other dispositions of QFFP after 2013 and before April 21, 2015 (from line 6684 of Form T2017 for 2017) . . . . .

**6708** \_\_\_\_\_

Amount of 2018 reserve for dispositions of QFFP to your child after 2009, and before April 21, 2015, and all other dispositions of QFFP after 2014 and before April 21, 2015 . . . . .

**6684** - \_\_\_\_\_

**Subtotal:** line 6708 minus line 6684 . . . . .

= \_\_\_\_\_ **A**

Amount of 2017 reserve for dispositions of QFFP after April 20, 2015 (from line 6702 of Form T2017 for 2017) . . . . .

**6701** \_\_\_\_\_

Amount of 2018 reserve for dispositions of QFFP after April 20, 2015 . . . . .

**6702** - \_\_\_\_\_

**Subtotal:** line 6701 minus line 6702 (if negative, show in brackets) . . . . .

= \_\_\_\_\_ **B**

**Subtotal:** line A plus line B (if negative, show in brackets) . . . . .

= \_\_\_\_\_ **C**

Complete line 6694 **only** if you are reporting/claiming reserves at **lines 6708 and/or 6684** for at least two dispositions of QFFP that originated in more than one of the following periods: a) dispositions to your child after 2008 and before 2014; b) in 2014; and/or c) in 2015. Enter at line 6694 the amount of the most recent of these reserves claimed on line 6684. If you are reporting/claiming reserves for more than two dispositions at lines 6708 and/or 6684, provide a breakdown of the amounts of each reserve on a separate sheet of paper and attach it to this form. **Otherwise, do not complete line 6694.** . . . . .

**6694** \_\_\_\_\_

#### B. Dispositions of qualified small business corporation shares (QSBCS)

Amount of 2017 reserve for dispositions of QSBCS to your child after 2008, and all other dispositions of QSBCS after 2013 (from line 6685 of Form T2017 for 2017) . . . . .

**6709** \_\_\_\_\_

Amount of 2018 reserve for dispositions of QSBCS to your child after 2009, and all other dispositions of QSBCS after 2014 . . . . .

**6685** - \_\_\_\_\_

**Subtotal:** line 6709 minus line 6685 (if negative, show in brackets) . . . . .

= \_\_\_\_\_ **D**

Complete line 6695 **only** if you are reporting/claiming reserves at **lines 6709 and/or 6685** for at least two dispositions of QSBCS that originated in more than one of the following periods: a) dispositions to your child after 2008 and before 2014; b) in 2014; c) in 2015; d) in 2016; e) in 2017; and/or f) in 2018. Enter at line 6695 the amount of the most recent of these reserves claimed on line 6685. If you are reporting/claiming reserves from more than two dispositions at lines 6709 and/or 6685, provide a breakdown of the amounts of each reserve on a separate sheet of paper and attach it to this form. **Otherwise, do not complete line 6695.** . . . . .

**6695** \_\_\_\_\_

#### C. Dispositions of property (other than QFFP and QSBCS) to your child

Amount of 2017 reserve for dispositions to your child after 2008, of family farm or fishing property other than QFFP and of shares of capital stock of a small business corporation other than QSBCS (from line 6692 of Form T2017 for 2017) . . . . .

**6691** \_\_\_\_\_

Amount of 2018 reserve for dispositions to your child after 2009, of family farm or fishing property other than QFFP and of shares of capital stock of a small business corporation other than QSBCS . . . . .

**6692** - \_\_\_\_\_

**Subtotal:** line 6691 minus line 6692 (if negative, show in brackets) . . . . .

= \_\_\_\_\_ **E**

#### D. Dispositions of property other than dispositions described in A, B, and C above

Amount of 2017 reserve for dispositions of property after 2013, **other than dispositions listed on lines 6708, 6701, 6709, and 6691** (from line 6699 of Form T2017 for 2017) . . . . .

**6696** \_\_\_\_\_

Amount of 2018 reserve for dispositions of property after 2014, **other than dispositions listed on lines 6684, 6702, 6685, and 6692** . . . . .

**6699** - \_\_\_\_\_

**Subtotal:** line 6696 minus line 6699 (if negative, show in brackets) . . . . .

= \_\_\_\_\_ **F**

**Total of lines C, D, E, and F** (if negative, show in brackets) . . . . .

= \_\_\_\_\_ **G**

continued on the next page

**Part 2 – Dispositions of capital property before November 13, 1981**

Enter the amount from line G on the previous page. . . . . \_\_\_\_\_ **G**

Complete line 6703 **only** if you disposed of property before November 13, 1981, you have reported this reserve over the past 36 years, and you still have an amount to include in income. Enter the amount of 2017 reserve for dispositions before November 13, 1981 (as reported in 2017). . . . . **6703** + \_\_\_\_\_

**Total of lines G and 6703.** Enter this amount on line 192 of Schedule 3 (if negative, show in brackets) . . . . **6706** = \_\_\_\_\_

**How do you calculate a reserve?**

The reserve you can claim in a tax year depends on when you disposed of the property, and the type of property you disposed of. You do not have to claim the maximum reserve in a tax year (**Year A**). However, the amount you claim in a later year (**Year B**) cannot be more than the amount you claimed for that property in the previous year (**Year A**). To determine your maximum reserve for 2018, use the calculation below that applies to you.

**Dispositions of capital property after November 12, 1981**

If you disposed of property after November 12, 1981, the calculation you use will depend on the type of property and disposition.

- **All property (other than family farm or fishing property, and small business corporation shares sold to your child, as well as donated non-qualifying securities).**

You can claim a reserve up to a maximum of four years. Your reserve in each year cannot be more than the **lesser** of the following:

(i) Capital gain ×  $\frac{\text{Amount payable after the end of the year}}{\text{Proceeds of disposition}}$

Year of sale (A)	Year after the sale (B)	
80%	1st year: 60%	3rd year: 20%
	2nd year: 40%	4th year: zero

(ii) Capital gain × \_\_\_\_\_

(Enter the applicable percentage)

- **Family farm property, family fishing property, and small business corporation shares sold to your child**

You can claim a reserve up to a maximum of nine years. Your reserve in each year cannot be more than the **lesser** of the following:

(i) Capital gain ×  $\frac{\text{Amount payable after the end of the year}}{\text{Proceeds of disposition}}$

Year of sale (A)	Year after the sale (B)		
90%	1st year: 80%	4th year: 50%	7th year: 20%
	2nd year: 70%	5th year: 40%	8th year: 10%
	3rd year: 60%	6th year: 30%	9th year: zero

(ii) Capital gain × \_\_\_\_\_

(Enter the applicable percentage)

- **Gift of non-qualifying security (other than an excepted gift) to a qualified donee**

You can claim a reserve for any tax year ending within 60 months after the time you made the gift. However, you cannot claim a reserve for a gift of non-qualifying securities for the year in which the donee disposes of the securities, or the security ceases to be a non-qualifying security, or for any following year. Your reserve in each year cannot be more than the amount of the capital gain you realized from the making of the gift.

For gifts of non-qualifying securities made after December 20, 2002, the reserve you can claim **cannot be greater** than the eligible amount of the gift.

**Dispositions of capital property before November 13, 1981**

If you sold property before November 13, 1981, use the calculation below to determine your reserve. You should also use the calculation for property that you sold, or are considered to have sold, after November 12, 1981, if the disposition occurred in one of the following situations:

- under the terms of an offer or a written agreement made or entered into before November 13, 1981
- as a result of the property having been stolen, destroyed, or expropriated before November 13, 1981

Capital gain ×  $\frac{\text{Amount payable after the end of the year}}{\text{Proceeds of disposition}}$