



Charitable Donations and Gifts (2016 and later tax years)

Schedule 2

Code 1602

Protected B
when completed

Corporation's name	Business number	Tax year-end		
		Year	Month	Day

- For use by corporations to claim any of the following:
 - the eligible amount of charitable donations to qualified donees;
 - the Ontario, Nova Scotia, and British Columbia food donation tax credits for farmers;
 - the eligible amount of gifts of certified cultural property;
 - the eligible amount of gifts of certified ecologically sensitive land; or
 - the additional deduction for gifts of medicine.
- All legislative references are to the federal *Income Tax Act*, unless otherwise specified.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts are eligible for a 5-year carryforward except for gifts of certified ecologically sensitive land made after February 10, 2014, which are eligible for a 10-year carryforward. Please note that the provincial food donation tax credits must be applied in the current tax year.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1).
- Subsection 110.1(1.2) provides as follows:
 - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
 - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation - Income Tax Guide*.

Part 1 – Charitable donations

Charitable donations at the end of the previous tax year **A**

Deduct:

Charitable donations expired after five tax years **239**

Charitable donations at the beginning of the current tax year **240** **B**

Add:

Charitable donations transferred on an amalgamation or the wind-up of a subsidiary **250**

Total charitable donations made in the current year **210**
(include this amount on line 112 of Schedule 1)

Subtotal (line 250 **plus** line 210) **C**

Subtotal (amount B **plus** amount C) **D**

Deduct:

Adjustment for an acquisition of control **255**

Total charitable donations available (amount D **minus** amount on line 255) **E**

Deduct:

Amount applied in the current year against taxable income (cannot be more than amount O in Part 2) **260**
(enter this amount on line 311 of the T2 return)

Charitable donations closing balance (amount E **minus** amount on line 260) **280**

Part 1 – Charitable donations (continued)

The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013) .. **262** _____

Ontario community food program donation tax credit for farmers
(amount on line 262 **multiplied** by 25%) .. **1** _____

Enter amount 1 on line 420 of Schedule 5, *Tax Calculation Supplementary – Corporations*. The maximum amount you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1. For more information, see section 103.1.2 of the *Taxation Act, 2007* (Ontario).

The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015) **263** _____

Nova Scotia food bank tax credit for farmers
(amount on line 263 **multiplied** by 25%) .. **2** _____

Enter amount 2 on line 570 of Schedule 5, *Tax Calculation Supplementary – Corporations*. The maximum amount you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the *Nova Scotia Income Tax Act*.

The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016 and before January 1, 2019) **265** _____

British Columbia farmers' food donation tax credit
(amount on line 265 **multiplied** by 25%) .. **3** _____

Enter amount 3 on line 683 of Schedule 5, *Tax Calculation Supplementary – Corporations*. The maximum amount you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the *British Columbia Income Tax Act*.

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes* **multiplied** by 75% **F** _____

Taxable capital gains arising in respect of gifts of capital property included in Part 1** **225** _____ **G**

Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01) **227** _____ **H**

The amount of the recapture of capital cost allowance in respect of charitable donations **230** _____

Proceeds of disposition, **less**
outlays and expenses** **I** _____

Capital cost** **J** _____

Amount I or J, whichever is less **235** _____

Amount on line 230 or 235, whichever is less **K** _____

Subtotal (**add** amounts G, H, and K) **L** _____

Amount L **multiplied** by 25% **M** _____

Subtotal (amount F **plus** amount M) **N** _____

Maximum allowable deduction for charitable donations (enter amount E from Part 1, amount N, or net income for tax purposes, whichever is less) **O** _____

* For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

** This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

Part 3 – Gifts of certified cultural property

Gifts of certified cultural property at the end of the previous tax year			A
Deduct:			
Gifts of certified cultural property expired after five tax years	439		
Gifts of certified cultural property at the beginning of the current tax year	440		B
Add:			
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450		
	410		
Total gifts of certified cultural property in the current year			
(include this amount on line 112 of Schedule 1)			
	Subtotal (line 450 plus line 410)	▶	C
	Subtotal (amount B plus amount C)		D
Deduct:			
Adjustment for an acquisition of control	455		
Amount applied in the current year against taxable income	460		
(enter this amount on line 313 of the T2 return)			
	Subtotal (line 455 plus line 460)	▶	E
Gifts of certified cultural property closing balance (amount D minus amount E)	480		

Part 4 – Gifts of certified ecologically sensitive land

Gifts of certified ecologically sensitive land at the end of the previous tax year			F
Deduct:			
Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014	539		
Gifts of certified ecologically sensitive land at the beginning of the current tax year	540		G
Add:			
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550		
Total current-year gifts of certified ecologically sensitive land made before February 11, 2014 (include this amount on line 112 of Schedule 1)	510		
Total current-year gifts of certified ecologically sensitive land made after February 10, 2014 (include this amount on line 112 of Schedule 1)	520		
	Subtotal (add lines 550, 510, and 520)	▶	H
	Subtotal (amount G plus amount H)		I
Deduct:			
Adjustment for an acquisition of control	555		
Amount applied in the current year against taxable income	560		
(enter this amount on line 314 of the T2 return)			
	Subtotal (line 555 plus line 560)	▶	J
Gifts of certified ecologically sensitive land closing balance (amount I minus amount J)	580		

Part 5 – Additional deduction for gifts of medicine

Additional deduction for gifts of medicine at the end of the previous tax year K

Deduct:

Additional deduction for gifts of medicine expired after five tax years 639

Additional deduction for gifts of medicine at the beginning of the current tax year 640 L

Add:

Additional deduction for gifts of medicine transferred on an amalgamation or the wind-up of a subsidiary 650

Additional deduction for gifts of medicine for the current year:

Proceeds of disposition 602 1

Cost of gifts of medicine 601 2

Subtotal (line 1 **minus** line 2) 3

Line 3 **multiplied** by 50% 4

Eligible amount of gifts 600 5

a $\times \left(\frac{b}{c} \right)$ = Additional deduction for gifts of medicine for the current year 610

where:

a is the **lesser** of line 2 and line 4

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

Subtotal (line 650 **plus** line 610) M

Subtotal (amount L **plus** amount M) N

Deduct:

Adjustment for an acquisition of control 655

Amount applied in the current year against taxable income 660
(enter this amount on line 315 of the T2 return)

Subtotal (line 655 **plus** line 660) O

Additional deduction for gifts of medicine closing balance (amount N **minus** amount O) 680

Part 6 – Amount available for carryforward by year of origin

You can complete this part to show all the donations and gifts from previous years available for carryforward by year of origin. This will help you determine the amount that could expire in following years.

Year of origin YYYY-MM-DD	Charitable donations available for carryforward	Gifts of certified cultural property available for carryforward	Gifts of certified ecologically sensitive land available for carryforward, made before February 11, 2014	Gifts of certified ecologically sensitive land available for carryforward, made after February 10, 2014	Additional deduction for gifts of medicine available for carryforward
Totals					