

Part 3A – Business income

Fill in this part **only** if you have business income. If you have professional income, leave this part blank and fill in Part 3B. If you have both business and professional income, you have to fill out a separate Form T2125 for each.

Part 3B – Professional income

Fill in this part **only** if you have professional income. If you have business income, leave this part blank and fill in Part 3A. If you have both business and professional income, you have to fill out a separate Form T2125 for each.

Note: You can **no longer** use the transitional rules which allowed you to include your work-in-progress (WIP) progressively in your income if you had made an election to exclude your WIP. For more information on the inclusion of WIP in your income, see Chapter 2 of Guide T4002.

Part 3A – Business income

| | | |
|--|----|----|
| Gross sales, commissions, or fees (include GST/HST collected or collectible) | | 3A |
| GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 3A) | | 3B |
| Subtotal: Amount 3A minus amount 3B | | 3C |
| If you are using the quick method for GST/HST – Government assistance calculated as follows: | | |
| GST/HST collected or collectible on sales, commissions, and fees eligible for the quick method | 3D | |
| GST/HST remitted: (sales, commissions, and fees eligible for the quick method plus GST/HST collected or collectible) multiplied by the applicable quick method remittance rate | 3E | |
| Subtotal: Amount 3D minus amount 3E | | 3F |
| Adjusted gross sales: Amount 3C plus amount 3F (enter on line 8000 of Part 3C) | | 3G |

Part 3B – Professional income

| | | |
|---|----|----|
| Gross professional fees including work-in-progress (WIP) and GST/HST collected or collectible | | 3H |
| GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 3H) | | 3I |
| Subtotal: Amount 3H minus amount 3I | | 3J |
| If you are using the quick method for GST/HST – Government assistance calculated as follows: | | |
| GST/HST collected or collectible on professional fees eligible for the quick method | 3K | |
| GST/HST remitted: (professional fees eligible for the quick method plus GST/HST collected or collectible) multiplied by the applicable quick method remittance rate | 3L | |
| Subtotal: Amount 3K minus amount 3L | | 3M |
| Adjusted professional fees: Amount 3J plus amount 3M (enter on line 8000 of Part 3C) | | 3N |

Part 3C – Gross business or professional income

| | | |
|--|-------------|-------------|
| Adjusted gross sales (amount 3G) or adjusted professional fees (amount 3N) | | 8000 |
| Reserves deducted last year | 8290 | |
| Other income (specify): _____ | 8230 | |
| Subtotal: Line 8290 plus line 8230 | | 3O |
| Gross business or professional income: Line 8000 plus amount 3O | | 8299 |

Report the gross business or professional income from line 8299 on the applicable line of your income tax and benefit return as indicated below:

- business income on line 13499
- professional income on line 13699
- commission income on line 13899

For Parts 3D, 4, and 5, if GST/HST has been remitted or an input tax credit has been claimed, do not include GST/HST when you calculate the cost of goods sold, expenses, or net income (loss). If you are using the quick method for GST/HST, include the GST/HST paid or payable when you calculate the cost of goods sold, expenses, or net income (loss).

Part 3D – Cost of goods sold and gross profit

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

| | | | | |
|---|------|--|--|------|
| Gross business income (line 8299 of Part 3C) | | | | 3P |
| Opening inventory (include raw materials, goods in process, and finished goods) | 8300 | | | 3Q |
| Purchases during the year (net of returns, allowances, and discounts) | 8320 | | | 3R |
| Direct wage costs | 8340 | | | 3S |
| Subcontracts | 8360 | | | 3T |
| Other costs | 8450 | | | 3U |
| Subtotal: Add amounts 3Q to 3U. | | | | 3V |
| Closing inventory (include raw materials, goods in process, and finished goods) | 8500 | | | |
| Cost of goods sold: Amount 3V minus line 8500 | 8518 | | | ▶ |
| Gross profit (or loss): Amount 3P minus line 8518 | | | | 8519 |

Part 4 – Net income (loss) before adjustments

| | | | | |
|---|------|--|--|------|
| Gross business or professional income (line 8299 of Part 3C) or Gross profit (line 8519 of Part 3D) | | | | 4A |
| Expenses (enter only the business part) | | | | |
| Advertising | 8521 | | | 4B |
| Meals and entertainment | 8523 | | | 4C |
| Bad debts | 8590 | | | 4D |
| Insurance | 8690 | | | 4E |
| Interest and bank charges | 8710 | | | 4F |
| Business taxes, licences, and memberships | 8760 | | | 4G |
| Office expenses | 8810 | | | 4H |
| Office stationery and supplies | 8811 | | | 4I |
| Professional fees (includes legal and accounting fees) | 8860 | | | 4J |
| Management and administration fees | 8871 | | | 4K |
| Rent | 8910 | | | 4L |
| Repairs and maintenance | 8960 | | | 4M |
| Salaries, wages, and benefits (including employer's contributions) | 9060 | | | 4N |
| Property taxes | 9180 | | | 4O |
| Travel expenses | 9200 | | | 4P |
| Utilities | 9220 | | | 4Q |
| Fuel costs (except for motor vehicles) | 9224 | | | 4R |
| Delivery, freight, and express | 9275 | | | 4S |
| Motor vehicle expenses (not including CCA) (amount 16 of Chart A) | 9281 | | | 4T |
| Capital cost allowance (CCA). Enter amount ii of Area A minus any personal part and any CCA for business-use-of-home expenses | 9936 | | | 4U |
| Other expenses (specify): | 9270 | | | 4V |
| Total expenses: Total of amounts 4B to 4V | 9368 | | | ▶ |
| Net income (loss) before adjustments: Amount 4A minus line 9368 | | | | 9369 |

Part 5 – Your net income (loss)

| | | | | |
|---|------|--|--|------|
| Your share of line 9369 or the amount from your T5013 slip, Statement of Partnership Income | | | | 5A |
| Canadian journalism labour tax credit allocated to you in the year (box 236 of your T5013 slip) | | | | 5B |
| GST/HST rebate for partners received in the year | 9974 | | | |
| Total: Amount 5A plus amount 5B plus line 9974 | | | | ▶ |
| Other amounts deductible from your share of net partnership income (loss) (amount 6F) | | | | 9943 |
| Net income (loss) after adjustments: Amount 5C minus line 9943 | | | | 5C |
| Business-use-of-home expenses (amount 7P) | | | | 9945 |
| Your net income (loss): Amount 5D minus line 9945 | | | | 9946 |

Report the net income amount from line 9946 on the applicable line of your income tax and benefit return as indicated below:

- business income on line 13500
- professional income on line 13700
- commission income on line 13900

Note: Do not report a loss resulting from the disposition of a flipped property on your income tax and benefit return, but include the details on this form. Any loss resulting from the disposition of a flipped property is deemed to be zero. For more information, read Chapter 1 of Guide T4002.

Part 6 – 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. These claims must not be included in the claims already calculated for the partnership.

List details of expenses:

Expense amounts

| | | |
|---|-------|----|
| _____ | _____ | 6A |
| _____ | _____ | 6B |
| _____ | _____ | 6C |
| _____ | _____ | 6D |
| _____ | _____ | 6E |
| Total other amounts deductible from your share of the net partnership income (loss): Add amounts 6A to 6E (enter this on line 9943 of Part 5). | | 6F |

Part 7 – Calculating business-use-of-home expenses

| | | |
|---|-------|----|
| Heat | _____ | 7A |
| Electricity | _____ | 7B |
| Insurance | _____ | 7C |
| Maintenance | _____ | 7D |
| Mortgage interest | _____ | 7E |
| Property taxes | _____ | 7F |
| Other expenses (specify): _____ | _____ | 7G |
| Subtotal: Add amounts 7A to 7G. | | 7H |
| Personal-use part of the business-use-of-home expenses | _____ | 7I |
| Subtotal: Amount 7H minus amount 7I | | 7J |
| Capital cost allowance (business part only), which means amount ii of Area A minus any portion of capital cost allowance that is for personal use or entered on line 9936 of Part 4 | _____ | 7K |
| Amount carried forward from previous year | _____ | 7L |
| Subtotal: Add amounts 7J to 7L. | | 7M |
| Net income (loss) after adjustments (amount 5D) (if negative, enter "0") | _____ | 7N |
| Business-use-of-home expenses available to carry forward: Amount 7M minus amount 7N (if negative, enter "0") | | 7O |
| Allowable claim: Amount 7M or 7N above, whichever is less (enter your share of this amount on line 9945 of Part 5) | | 7P |

Part 8 – Details of other partners

Do not fill in this chart if you must file a partnership information return.

| | | | | |
|-----------------|-------------|-------------|-------------------------------------|--------------------------------|
| Name of partner | | | | |
| Address | Prov./Terr. | Postal code | Share of net income or (loss) \$ | Percentage of partnership % |
| Name of partner | | | | |
| Address | Prov./Terr. | Postal code | Share of net income or (loss) \$ | Percentage of partnership % |
| Name of partner | | | | |
| Address | Prov./Terr. | Postal code | Share of net income or (loss) \$ | Percentage of partnership % |
| Name of partner | | | | |
| Address | Prov./Terr. | Postal code | Share of net income or (loss) \$ | Percentage of partnership % |

Part 9 – Details of equity

| | | |
|---|------|-------|
| Total business liabilities | 9931 | _____ |
| Drawings in the current year | 9932 | _____ |
| Capital contributions in the current year | 9933 | _____ |

Area B – Equipment additions in the year

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

Area C – Building additions in the year

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

Area D – Equipment dispositions in the year

| 1 Class number | 2 Property description | 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: Total of column 5 | | | | 9926 |

Note: If you disposed of property in the year, see Chapter 4 of Guide T4002 for information about your proceeds of disposition.

Area E – Building dispositions in the year

| 1 Class number | 2 Property description | 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: Total of column 5 | | | | 9928 |

Note: If you disposed of property in the year, see Chapter 4 of Guide T4002 for information about your proceeds of disposition.

Area F – 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. For more information, see Chapter 3 of Guide T4002.

Area G – Agreement between associated eligible persons or partnerships (EPOPs)

Are you associated in the fiscal period with one or more EPOPs that you have entered into an agreement with under subsection 1104(3.3) of the Regulations? Yes No

If you answered **yes**, fill in the table below.

Enter the percentage assigned to each associated EPOP (including your business) as determined in the agreement.

This percentage will be used to allocate the immediate expensing limit. The total of all percentages assigned under the agreement should not be more than 100%. If the total is more than 100%, then the associated group has an immediate expensing limit of zero. For more information about the immediate expensing limit, see Guide T4002.

| 1 Name of the EPOP | 2 Identification number* | 3 Percentage assigned under the agreement |
|--|-----------------------------|--|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total of percentage assigned: Total of column 3 ▶ | | |

Immediate expensing limit allocated to your business: Multiply \$1.5 million by the percentage assigned to your business in column 3** iii

* The identification number is the EPOP's social insurance number, business number, or partnership account number.

** If the total of column 3 is more than 100%, enter "0."

Chart A – Motor vehicle expenses

| | | |
|---|-------|----|
| Kilometres you drove in the fiscal period that was part of earning business income | _____ | 1 |
| Total kilometres you drove in the fiscal period | _____ | 2 |
| Fuel and oil | _____ | 3 |
| Interest (use Chart B below) | _____ | 4 |
| Insurance | _____ | 5 |
| Licence and registration | _____ | 6 |
| Maintenance and repairs | _____ | 7 |
| Leasing (use Chart C below) | _____ | 8 |
| Electricity for zero-emission vehicles | _____ | 9 |
| Other expenses (specify): _____ | _____ | 10 |
| _____ | _____ | 11 |
| Total motor vehicle expenses: Add amounts 3 to 11. | _____ | 12 |
| Business use part: amount 1: _____ ÷ amount 2: _____ × amount 12: _____ = _____ | | 13 |
| Business parking fees | _____ | 14 |
| Supplementary business insurance | _____ | 15 |
| Allowable motor vehicle expenses: Add amounts 13 to 15 (enter this total on line 9281 of Part 4) | _____ | 16 |

Note: You can claim capital cost allowance on motor vehicles in Area A.

Chart B – Available interest expense for passenger vehicles and zero-emission passenger vehicles

| | | |
|---|-------|----|
| Total interest payable (accrual method) or paid (cash method) in the fiscal period | _____ | 17 |
| (\$350*** ÷ 30) × the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method) | _____ | 18 |
| Available interest expense: Amount 17 or 18, whichever is less (include this in amount 4 of Chart A above) | _____ | 19 |

*** For passenger vehicles bought after 2023. For passenger vehicles bought after 2000 and before 2024, the amount is \$300.

Chart C – Eligible leasing cost for passenger vehicles****

| | | |
|--|---------|----|
| Total lease charges incurred in your current fiscal period for the vehicle | _____ | 20 |
| Total lease payments deducted before your current fiscal period for the vehicle | _____ | 21 |
| Total number of days the vehicle was leased in your current and previous fiscal periods | _____ | 22 |
| Manufacturer's list price | _____ | 23 |
| Use a GST rate of 5% or HST rate applicable to your province. | | |
| Amount 23 or (\$44,706 + GST and PST, or \$44,706 + HST), whichever is more 11 ► _____ × 85% | = _____ | 24 |
| [((\$1,100 + GST and PST, or \$1,100 + HST) × amount 22) ÷ 30 12 | = _____ | 25 |
| Amount 25: _____ – amount 21: _____ | = _____ | 26 |
| [((\$38,000 + GST and PST, or \$38,000 + HST) × amount 20) ÷ amount 24 13 | = _____ | 27 |
| Eligible leasing cost: Amount 26 or 27, whichever is less (enter in amount 8 of Chart A above). | _____ | 28 |

**** Includes a vehicle that would qualify as a zero-emission passenger vehicle if you owned it.

See page 9 for endnotes 11 to 13.

See the privacy notice on your return.

Endnotes

¹ Columns 4, 6, 8, and 9 apply only to designated immediate expensing properties (DIEPs). See subsection 1104(3.1) of the Income Tax Regulations for definitions. A DIEP is a property that you acquired after December 31, 2021, and that became available for use before 2025. For more information, see Guide T4002.

² The proceeds of disposition of a zero-emission passenger vehicle (ZEPV) that has been included in Class 54, or a passenger vehicle bought after April 18, 2021, that has been included in Class 10.1, and whose cost is more than the prescribed amount will be adjusted based on a factor equal to its prescribed amount as a proportion of the actual cost of the vehicle. For dispositions after July 29, 2019, you will have to adjust the actual cost of the vehicle for any payments or repayments of government assistance that you may have received or repaid for the vehicle. If the passenger vehicle in Class 10.1 is not designated for immediate expensing treatment, this special rule does not apply. For more information on proceeds of disposition and the prescribed amounts, read "Class 10.1 (30%)" and "Class 54 (30%)" in Guide T4002.

³ If you have a negative amount in column 7, add it to income as a recapture in Part 3C on line 8230. If no property is left in the class and there is a positive amount in this column, deduct the amount from income as a terminal loss in Part 4 on line 9270. Recapture and terminal loss do not apply to a Class 10.1 property unless it is a DIEP. For more information, read Chapter 4 of Guide T4002.

⁴ The amount you enter in column 8 must not be more than the amount from column 7. If the amount from column 7 is negative, enter "0."

⁵ The immediate expensing applies to DIEPs included in column 8. The total immediate expensing amount for the tax year (total of column 9) is limited to the lesser of:

- the immediate expensing limit, which is equal to one of the following, whichever is applicable:
 - \$1.5 million, if you are not associated with any other eligible person or partnership (EPOP) in the tax year
 - amount iii of Area G, if you are associated with one or more EPOPs in the tax year
 - zero, if you are associated with one or more EPOPs and an agreement that assigns a percentage to one or more of the associated EPOPs was not filed with the minister in a prescribed form
 - any amount allocated by the minister under subsection 1104(3.4) of the Regulations
- the UCC of DIEPs in column 8
- the amount of income, if any, earned from the source of income that is a business (before any CCA deductions) in which the relevant DIEP is used for the tax year

For more information, see Guide T4002.

⁶ Columns 11, 12, 14, 15, 16, and 17 apply only to accelerated investment incentive properties (AIIPs) (see Guide T4002 for the definition), zero-emission vehicles (ZEVs), ZEPVs, and other eligible zero-emission automotive equipment and vehicles that become available for use in the year. Under proposed changes, these columns may also apply to reaccelerated investment incentive properties (RIIPs) (see Guide T4002 for the proposed definition). In this chart, ZEVs represent zero-emission vehicles, ZEPVs, and other eligible zero-emission automotive equipment and vehicles. An AIIP is a property (other than a ZEV) that you acquired after November 20, 2018, (and, under proposed changes, before 2025) and that became available for use before 2028. A ZEV is a motor vehicle included in Class 54 or 55 that you acquired after March 18, 2019, and that became available for use before 2028 (or, under proposed changes, before 2034), or eligible zero-emission automotive equipment and vehicles included in Class 56 acquired after March 1, 2020, and that became available for use before 2028 (or, under proposed changes, before 2034). Under proposed changes, a RIIP is a property (other than a ZEV) that you acquired after 2024, and that became available for use before 2034. For more information, see Guide T4002.

⁷ For ZEVs (under proposed changes, acquired before 2025) and AIIPs that became available for use in 2025, the relevant factors are 1 1/2 (Classes 43.1, 54, and 56), 7/8 (Class 55), and 1/2 (Classes 43.2 and 53). Under proposed changes, for properties included in Class 44, 46, or 50 acquired after April 15, 2024, and that became available for use in 2025, the relevant factors are 3 (Class 44), 2 1/3 (Class 46), and 9/11 (Class 50). The factor is 0 for any remaining AIIPs not listed in this note.

⁸ Under proposed changes, for ZEVs acquired after 2024 and RIIPs that became available for use in 2025, the relevant factors are 3 (Class 44), 2 1/3 (Classes 43.1, 46, 54, and 56), 1 1/2 (Class 55), 1 (Class 53), 9/11 (Class 50), and 0 (Classes 12, 13, 14, 15, and 59). The factor is 1/2 for any remaining RIIPs not listed in this note.

Endnotes

⁹ If, in the year, you disposed of a property that you used for both personal and business use, and your business use of that property changed from year to year, you must subtract any remaining personal part of this property's cost from the UCC at the end of the year. For more information, see "Special situations" in Chapter 4 of Guide T4002.

¹⁰ For information on CCA for "Part 7 – Calculating business-use-of-home expenses," see "Special situations" in Chapter 4 of Guide T4002. To help you calculate the CCA, see the calculation charts in Areas B to G.

¹¹ For leases entered into in 2024, it's amount 23 or (\$43,529 plus GST and PST, or \$43,529 plus HST), whichever is more. For leases entered into in 2023, it's amount 23 or (\$42,353 plus GST and PST, or \$42,353 plus HST), whichever is more. For leases entered into in 2022, it's amount 23 or (\$40,000 plus GST and PST, or \$40,000 plus HST), whichever is more. For leases entered into before 2022, it's amount 23 or (\$35,294 plus GST and PST, or \$35,294 plus HST), whichever is more.

¹² For leases entered into in 2024, amount 25 is equal to [(\$1,050 plus GST and PST, or \$1,050 plus HST) multiplied by amount 22], divided by 30.
For leases entered into in 2023, amount 25 is equal to [(\$950 plus GST and PST, or \$950 plus HST) multiplied by amount 22], divided by 30.
For leases entered into in 2022, amount 25 is equal to [(\$900 plus GST and PST, or \$900 plus HST) multiplied by amount 22], divided by 30.
For leases entered into before 2022, amount 25 is equal to [(\$800 plus GST and PST, or \$800 plus HST) multiplied by amount 22], divided by 30.

¹³ For leases entered into in 2024, amount 27 is equal to [(\$37,000 plus GST and PST, or \$37,000 plus HST) multiplied by amount 20], divided by amount 24.
For leases entered into in 2023, amount 27 is equal to [(\$36,000 plus GST and PST, or \$36,000 plus HST) multiplied by amount 20], divided by amount 24.
For leases entered into in 2022, amount 27 is equal to [(\$34,000 plus GST and PST, or \$34,000 plus HST) multiplied by amount 20], divided by amount 24.
For leases entered into before 2022, amount 27 is equal to [(\$30,000 plus GST and PST, or \$30,000 plus HST) multiplied by amount 20], divided by amount 24.