

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: New proposed rules allow you to include your work in progress (WIP) progressively if you elected to use billed basis accounting for the last tax year that started before March 22, 2017. Generally, for the first tax year that starts after March 21, 2017, you must include 50% of the lesser of the cost and the fair market value of WIP. For more information, see chapter 2 of guide T4002.

Part 3A – Business income

Gross sales, commissions, or fees (include GST/HST collected or collectible)	_____	1
GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 1)	_____	2
Subtotal: Amount 1 minus amount 2	_____	3
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	_____	4
GST/HST remitted, calculated on (sales, commissions, and fees eligible for the quick method plus		
GST/HST collected or collectible) multiplied by the applicable quick method remittance rate	_____	5
Subtotal: Amount 4 minus amount 5	_____	6
Adjusted gross sales: Amount 3 plus amount 6 (enter on line 8000 of Part 3C)	_____	7

Part 3B – Professional income

Gross professional fees including work-in-progress (WIP) (include GST/HST collected or collectible)	_____	8
GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 8) and any WIP at the end of the year you elected to exclude	_____	9
Subtotal: Amount 8 minus amount 9	_____	10
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	_____	11
GST/HST remitted, calculated on (professional fees eligible for the quick method plus GST/HST collected or collectible) multiplied by the applicable quick method remittance rate	_____	12
Subtotal: Amount 11 minus amount 12	_____	13
Work-in-progress (WIP), start of the year, per election to exclude WIP (see Guide T4002, Chapter 2)	_____	14
Adjusted professional fees: Amount 10 plus amount 13 plus amount 14 (enter on line 8000 of Part 3C)	_____	15

Part 3C – Gross business or professional income

Adjusted gross sales (amount 7 of Part 3A) or adjusted professional fees (amount 15 of Part 3B)	8000	_____	
Reserves deducted last year	8290	_____	
Other income	8230	_____	
Subtotal: Line 8290 plus line 8230		_____	▶ 16
Gross business or professional income: Line 8000 plus amount 16	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 162
- professional income on line 164
- commission income on line 166

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).

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)	_____	17
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	_____
Subtotal: Add the amounts above		_____ 18
Minus: Closing inventory (include raw materials, goods in process, and finished goods)	8500	_____
Cost of goods sold: Amount 18 minus line 8500	8518	_____
Gross profit (or loss): Amount 17 minus amount 19	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)		_____	a
Expenses (enter only the business part)			
Advertising	8521		
Meals and entertainment	8523		
Bad debts	8590		
Insurance	8690		
Interest and bank charges	8710		
Business taxes, licences, and memberships	8760		
Office expenses	8810		
Office stationery and supplies	8811		
Professional fees (includes legal and accounting fees)	8860		
Management and administration fees	8871		
Rent	8910		
Repairs and maintenance	8960		
Salaries, wages, and benefits (including employer's contributions)	9060		
Property taxes	9180		
Travel expenses	9200		
Utilities	9220		
Fuel costs (except for motor vehicles)	9224		
Delivery, freight, and express	9275		
Motor vehicle expenses (not including CCA) (amount 15 of Chart A)	9281		
Capital cost allowance (CCA). Enter amount i of Area A minus any personal part and any CCA for business-use-of-home expenses	9936		
Other expenses (specify): _____	9270		
Total expenses: Total of the above amounts	9368		_____ b
Net income (loss) before adjustments: Amount a minus amount b			9369 _____

Part 5 – Your net income (loss)

Your share of line 9369 or the amount from your T5013 slip, <i>Statement of Partnership Income</i>	9974		_____ c
Plus: GST/HST rebate for partners that was received in the year			
Total: Amount c plus line 9974			_____ d
Minus: Other amounts deductible from your share of the net partnership income (loss) (amount 6 of Part 6)			9943 _____ e
Net income (loss) after adjustments: Amount d minus line 9943			_____
Minus: Business-use-of-home expenses (amount 16 of Part 7)			9945 _____
Your net income (loss): Amount e 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:			
<ul style="list-style-type: none"> • business income on line 135 • professional income on line 137 • commission income on line 139 			

Part 6 – Other amounts deductible from your share of the 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

_____	_____	1
_____	_____	2
_____	_____	3
_____	_____	4
_____	_____	5
Total other amounts deductible from your share of the net partnership income (loss): Add amounts 1 to 5 (enter this on line 9943 of Part 5)	_____	6

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

Heat	_____	1
Electricity	_____	2
Insurance	_____	3
Maintenance	_____	4
Mortgage interest	_____	5
Property taxes	_____	6
Other expenses (specify): _____	_____	7
Subtotal: Add amounts 1 to 7	_____	8
Minus: Personal-use part of the business-use-of-home expenses	_____	9
Subtotal: Amount 8 minus amount 9	_____	10
Plus: Capital cost allowance (business part only), which means amount i of Area A minus any portion of CCA that is for personal use or entered on line 9936 of Part 4.	_____	11
Amount carried forward from previous year	_____	12
Subtotal: Add amounts 10 to 12	_____	13
Minus: Net income (loss) after adjustments (amount e of Part 5) (if negative, enter "0").	_____	14
Business-use-of-home expenses available to carry forward: Amount 13 minus amount 14 (if negative, enter "0")	_____	15
Allowable claim: The lesser of amount 13 and 14 above (enter your share of this amount on line 9945 of Part 5)	_____	16

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 2017	9932	_____
Capital contributions in 2017	9933	_____

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 (see Chart B)	_____	4
Insurance	_____	5
Licence and registration	_____	6
Maintenance and repairs	_____	7
Leasing (see Chart C)	_____	8
Other expenses (specify): _____	_____	9
_____	_____	10
Total motor vehicle expenses: Add amounts 3 to 10	_____	11
Business use part: $\left(\begin{array}{l} \text{amount 1 :} \\ \text{amount 2 :} \end{array} \right) \times \text{amount 11 :}$ _____	=	_____ 12
Business parking fees	_____	13
Supplementary business insurance	_____	14
Allowable motor vehicle expenses: Add amounts 12, 13, and 14 (enter this total on line 9281 of Part 4)	_____	15

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

Chart B – Available interest expense for passenger vehicles

Total interest payable (accrual method) or paid (cash method) in the fiscal period	_____	16
$\$10^* \times \text{the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method)}$ _____	=	_____ 17
Available interest expense: The lesser of amount 16 and 17 (enter this in amount 4 of Chart A)	_____	18

* For passenger vehicles bought after 2000.

Chart C – Eligible leasing cost for passenger vehicles

Total lease charges incurred in your 2017 fiscal period for the vehicle	_____	19
Total lease payments deducted before your 2017 fiscal period for the vehicle	_____	20
Total number of days the vehicle was leased in your 2017 and previous fiscal periods	_____	21
Manufacturer's list price	_____	22
Use a GST rate of 5% or HST rate applicable to your province.		
Amount 22 or (\$35,294 + GST and PST, or HST on \$35,294), whichever is more	▶ _____	× 85% = _____ 23
$\frac{[(\$800 + \text{GST and PST, or } \$800 + \text{HST}) \times \text{amount 21}]}{30}$ ▶ _____	-	amount 20: _____ = _____ 24
$\frac{[(\$30,000 + \text{GST and PST, or } \$30,000 + \text{HST}) \times \text{amount 19}]}{\text{amount 23}}$ _____	=	_____ 25
Eligible leasing cost: Whichever is less of amount 24 or 25 (enter in amount 8 of Chart A above)	_____	26

See the privacy notice on your return.