

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	Year	Month	Day
From:			
To:	Year	Month	Day
Main product or service		Was 2012 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

If you have business income, tick this box and complete this part. **Do not complete parts 1 and 2 on the same form.**

Gross sales, commissions, or fees (including GST/HST collected or collectible)		A
Minus PST, GST/HST, returns, allowances, discounts included in sales, and GST/HST adjustments		(i)
Subtotal (line A minus line (i))		B
For those using the Quick Method – Government assistance calculated as follows:		
GST/HST collected or collectible on sales, commissions and fees eligible for the Quick Method		(ii)
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		(iii)
Subtotal (line (ii) minus line (iii))		(iv)
Adjusted gross sales (line B plus line (iv)) – Enter this amount on line 8000 in Part 3 below		C

Part 2 – Professional income

If you have professional income, tick this box and complete this part. **Do not complete parts 1 and 2 on the same form.**

Gross professional fees including work-in-progress (WIP) and GST/HST collected or collectible		D
Minus PST, GST/HST included in the fees, GST/HST adjustments and WIP at the end of the year if you elect to exclude it (see Chapter 2 of Guide T4002)		(i)
Subtotal (line D minus line (i))		E
For those using the Quick Method – Government assistance calculated as follows:		
GST/HST collected or collectible on professional fees eligible for the Quick Method		(ii)
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		(iii)
Subtotal (line (ii) minus line (iii))		(iv)
Work-in-progress (WIP), start of the year, per election to exclude WIP (see Chapter 2 of Guide T4002)		(v)
Adjusted professional fees (line E plus lines (iv), and (v)) – 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 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) 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	8518		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 K

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	9368		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 or the amount from your T5013 or T5013A slip	9974		M
Plus: GST/HST rebate for partners received in the year (see Chapter 3)			N
Total (line M plus line N)			O
Minus: Other amounts deductible from your share of the 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 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.

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 amounts 1 and 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 %
Name and address		
Name and address		
Name and address		
Name and address		

Details of equity

Total business liabilities	9931		
Drawings in 2012	9932		
Capital contributions in 2012	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.

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)

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

Total equipment dispositions in the year 9926

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)

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

Total building dispositions in the year 9928

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 fiscal period to earn business income	_____	1
Enter the total kilometres you drove in the fiscal period	_____	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: $\left(\begin{array}{l} \text{line 1:} \\ \text{line 2:} \end{array} \right) \times \text{line 11: } \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$ 12

Business parking fees _____ 13
 Supplementary business insurance _____ 14

Allowable motor vehicle expenses (add lines 12, 13, and 14) – Enter this amount on line 9281 in Part 5 on page 2 _____

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
$\underline{\hspace{2cm}} \$10^* \times \text{the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method)}$	_____	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 after 2000.

Chart C – Eligible leasing costs for passenger vehicles

Total lease charges incurred in your 2012 fiscal period for the vehicle	_____	1
Total lease payments deducted before your 2012 fiscal period for the vehicle	_____	2
Total number of days the vehicle was leased in your 2012 and previous fiscal periods	_____	3
Manufacturer's list price	_____	4
The amount on line 4 or $(\$35,294 + \text{GST}^* \text{ and PST, or HST}^* \text{ on } \$35,294)$, whichever is more \blacktriangleright _____ $\times 85\%$	_____	5
$\frac{[(\$800 + \text{GST}^* \text{ and PST, or HST}^* \text{ on } \$800) \times \text{line 3}]}{30} \blacktriangleright$ _____ $- \text{line 2:}$ _____	_____	6
$\frac{[(\$30,000 + \text{GST}^* \text{ and PST, or HST}^* \text{ on } \$30,000) \times \text{line 1}]}{\text{line 5}}$	_____	7
Eligible leasing cost (line 6 or line 7, whichever is less) – Enter this amount on line 8 of Chart A above	_____	

* Use a GST rate of 5% or the HST rate applicable to your province.