



**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 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 20% of the lesser of the cost and the fair market value of WIP. The inclusion rate increases to 40% in the second tax year that starts after March 21, 2017, 60% in the third year, 80% in the fourth year and 100% in the fifth and all subsequent tax years. For more information, 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
<b>Subtotal: Amount 3A minus amount 3B</b>		3C
<b>If you are using the quick method for GST/HST – Government assistance calculated as follows:</b>		
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 <b>plus</b> GST/HST collected or collectible) <b>multiplied</b> by the applicable quick method remittance rate . . . . .		3E
<b>Subtotal: Amount 3D minus amount 3E</b>		3F
<b>Adjusted gross sales: Amount 3C plus amount 3F (enter on line 8000 of Part 3C)</b> . . . . .		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) and any WIP at the end of the year you elected to exclude . . . . .		3I
<b>Subtotal: Amount 3H minus amount 3I</b>		3J
<b>If you are using the quick method for GST/HST – Government assistance calculated as follows:</b>		
GST/HST collected or collectible on professional fees eligible for the quick method . . . . .		3K
GST/HST remitted: (professional fees eligible for the quick method <b>plus</b> GST/HST collected or collectible) <b>multiplied</b> by the applicable quick method remittance rate . . . . .		3L
<b>Subtotal: Amount 3K minus amount 3L</b>		3M
WIP at the start of the year, per your election to exclude WIP at the end of last year (see Guide T4002, Chapter 2) . . . . .		3N
<b>Adjusted professional fees: Amount 3J plus amount 3M plus amount 3N (enter on line 8000 of Part 3C)</b> . . . . .		3O

**Part 3C – Gross business or professional income**

Adjusted gross sales (amount 3G) or adjusted professional fees (amount 3O) . . . . .		<b>8000</b>
Reserves deducted last year . . . . .		<b>8290</b>
Other income (specify)*: _____		<b>8230</b>
<b>Subtotal: Line 8290 plus line 8230</b>		3P
<b>Gross business or professional income: Line 8000 plus amount 3P</b> . . . . .		<b>8299</b>

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

\* You may have received assistance from COVID-related measures from the federal, provincial or territorial governments. For more information, go to [canada.ca/cra-coronavirus](https://canada.ca/cra-coronavirus).

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) .....		3Q
Opening inventory (include raw materials, goods in process and finished goods) .....	8300	3R
Purchases during the year (net of returns, allowances and discounts) .....	8320	3S
Direct wage costs .....	8340	3T
Subcontracts .....	8360	3U
Other costs .....	8450	3V
<b>Subtotal:</b> Add amounts 3R to 3V		3W
Closing inventory (include raw materials, goods in process and finished goods) .....	8500	
<b>Cost of goods sold:</b> Amount 3W minus line 8500	8518	▶
<b>Gross profit (or loss):</b> Amount 3Q 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
<b>Expenses</b> (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
<b>Total expenses:</b> Total of amounts 4B to 4V	9368	▶
<b>Net income (loss) before adjustments:</b> Amount 4A minus line 9368 .....		9369

You can only claim 50% of business meals and no alcohol

This can be your professional association membership.

Capital Cost is major purchases like computers or a vehicle, where you are only allowed to claim a portion each year.

**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	
<b>Total:</b> Amount 5A plus amount 5B plus line 9974		▶
Other amounts deductible from your share of net partnership income (loss) (amount 6F) .....	9943	5C
<b>Net income (loss) after adjustments:</b> Amount 5C minus line 9943 .....		5D
Business-use-of-home expenses (amount 7P) .....	9945	
<b>Your net income (loss):</b> 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

If you use a portion of your home for your professional work you can use this to zero out your balance. If not for this the net would be \$3,450 and this would be added to your T1 under professional net income and be taxable.

**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
<b>Total other amounts deductible from your share of the net partnership income (loss):</b> 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
<b>Subtotal:</b> Add amounts 7A to 7G	_____	7H
Personal-use part of the business-use-of-home expenses .....	_____	7I
<b>Subtotal:</b> 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
<b>Subtotal:</b> Add amounts 7J to 7L	_____	7M
Net income (loss) after adjustments (amount 5D) (if negative, enter "0") .....	_____	7N
<b>Business-use-of-home expenses available to carry forward:</b> Amount 7M minus amount 7N (if negative, enter "0") .....	_____	7O
<b>Allowable claim:</b> Amount 7M or 7N above, whichever is less (enter your share of this amount on line 9945 of Part 5) .....	_____	7P

If you use one room in your house/apartment for your work, i.e. an office then you have to calculate based on square footage what percentage of your space this is. Here I just went for 50% for ease.

**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	_____



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

**Note 2:** The amount you enter in column 8 must not exceed the amount in column 7. If the amount in column 7 is negative, enter "0."

**Note 3:** 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.

**Note 4:** Columns 11, 13 and 14 apply only to accelerated investment incentive properties (AIIPs) (see subsection 1104(4) of the federal Income Tax Regulations for the definition), zero-emission vehicles (ZEVs), zero-emission passenger vehicles (ZEPVs) and other eligible zero-emission automotive equipment and vehicles that become available for use in the year. In this chart, ZEV represents zero-emission vehicles, zero-emission passenger vehicles and other eligible zero-emission automotive equipment and vehicles. An AIIP is a property (other than ZEV) that you acquired after November 20, 2018, 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 eligible zero-emission automotive equipment and vehicles included in Class 56 acquired after March 1, 2020, and that became available for use before 2028. For more information, see Guide T4002.

**Note 5:** The proceeds of disposition of a ZEPV that has been included in Class 54 and that is subject to the \$59,000 capital cost limit will be adjusted based on a factor equal to the capital cost limit of \$59,000 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 in respect of the vehicle. The proceeds of disposition of a passenger vehicle purchased after April 18, 2021, that has been included in Class 10.1 and that is subject to the \$34,000 capital cost limit will be adjusted based on a factor equal to the capital cost limit of \$34,000 as a proportion of the actual cost of 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, read "Class 10.1 (30%)" and "Class 54 (30%)" in Guide T4002.

**Note 6:** The relevant factors for properties available for use before 2024 are 2 1/3 (Classes 43.1, 54 and 56), 1 1/2 (Class 55), 1 (Classes 43.2 and 53), 0 (Classes 12, 13, 14 and 15) and 1/2 for the remaining AIIPs.

For more information on AIIPs, see Guide T4002 or go to [canada.ca/taxes-accelerated-investment-income](https://canada.ca/taxes-accelerated-investment-income).

**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)
<b>Total equipment additions in the year: Total of column 5</b>				<b>9925</b>

**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)
<b>Total building additions in the year: Total of column 5</b>				<b>9927</b>

**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)
<b>Total equipment dispositions in the year: Total of column 5</b>				<b>9926</b>

**Note:** If you disposed of property in the year, see Chapter 3 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)
<b>Total building dispositions in the year: Total of column 5</b>				<b>9928</b>

**Note:** If you disposed of property in the year, see Chapter 3 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 .....	<b>9923</b>	_____
Total proceeds from all land dispositions in the year .....	<b>9924</b>	_____

**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 exceed 100%. If the total does exceed 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 <a href="#">Note 7</a>	3 Percentage assigned under the agreement
<b>Total of percentage assigned: Total of column 3</b>		<b>▶</b>

**Immediate expensing limit allocated to your business:** Multiply 1.5 million by the percentage assigned to your business in column 3 (see [note 8](#)) ..... iii

**Note 7:** The identification number is the EPOP's social insurance number, business number or partnership account number.

**Note 8:** If the total of column 3 exceeds 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	
<b>Total motor vehicle expenses:</b> Add amounts 3 to 11	12	
Business use part: amount 1: _____ ÷ amount 2: _____ × amount 12: _____ = _____	13	
Business parking fees .....	14	
Supplementary business insurance .....	15	
<b>Allowable motor vehicle expenses:</b> 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	
$\frac{\$10^{****}}{\text{the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method)}}$	18	
<b>Available interest expense:</b> Amount 17 or 18, whichever is less (include this in amount 4 of Chart A above) .....	19	

\*\*\*\* For passenger vehicles bought after 2000.

**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 (\$40,000 + GST and PST, or HST on \$40,000), whichever is more (see <a href="#">note 9</a> ) ▶	24	
[((\$900 + GST and PST, or \$900 + HST) × amount 22] ÷ (see <a href="#">note 10</a> )	25	
Amount 25: _____ - amount 21: _____	26	
[((\$34,000 + GST and PST, or \$34,000 + HST) × amount 20] ÷ amount 24 (see <a href="#">note 11</a> )	27	
<b>Eligible leasing cost:</b> 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.

**Note 9:** For leases entered into before 2022, it's amount 23 or (\$35,294 plus GST and PST, or HST on \$35,294), whichever is more.

**Note 10:** 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.

**Note 11:** 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.

See the privacy notice on your return.