

# Principal Residence Worksheet

Complete this worksheet and Form T1079, *Designation of a Property as a Principal Residence by a Personal Trust*, to calculate a reduction as a result of the capital gains election. Keep one copy of this worksheet for your records and attach one copy to Form T1079.

## Information you need to calculate a reduction

The **acquisition date** is the date the trust last acquired or reacquired a property, or December 31, 1971, whichever is later. For the purpose of the calculation below, the trust is not considered to have disposed of and immediately reacquired the property as a result of the capital gains election.

**Note:** If the trust was not a resident of Canada during the entire period it owned the designated property, contact us at **1-800-959-8281**. The period of non-residence may reduce or eliminate the availability of the principal residence exemption.

Number of tax years ending after the **acquisition date** for which the trust designated the property as a principal residence:

• Before 1982 (line 1 of Form T1079) . . . . .	_____	1
• After 1981 and <b>before February 22, 1995</b> (see line B in the designation area of Form T1079) . . . . .	<u>+</u> _____	2
Total number of years designated <b>before February 22, 1995</b> (line 1 <b>plus</b> line 2) . . . . .	<u>=</u> _____	3

Number of tax years ending after the **acquisition date** in which the trust owned the property (jointly with another person or otherwise):

• Before 1982 (line 4 of Form T1079) . . . . .	_____	4
• After 1981 and <b>before February 22, 1995</b> . . . . .	<u>+</u> _____	5
Total number of years <b>owned before February 22, 1995</b> (line 4 <b>plus</b> line 5) . . . . .	<u>=</u> _____	6

Designated proceeds of disposition (column 2, Step 2, Part B of Form 94-115) . . . . .	_____	7
Adjusted cost base at the end of February 22, 1994 (column 1, Step 2, Part B of Form 94-115) . . . . .	_____	8
Adjusted cost base on December 31, 1981 (line 10 of Form T1079) . . . . .	_____	9
Fair market value at the end of February 22, 1994 (Step 1 of Form 94-115) . . . . .	_____	10
Fair market value on December 31, 1981 (line 11 of Form T1079) . . . . .	_____	11
Adjustments made to the cost base after 1981 and <b>before February 23, 1994</b> (for example, capital expenditures) . . . . .	_____	12
Elected capital gain (column 5, Step 2, Part B of Form 94-115) . . . . .	_____	13

### Chart 1

If the designated proceeds of disposition (line 7) are **more** than the fair market value of the property at the end of February 22, 1994 (line 10), complete this chart. Otherwise, enter the amount from line 10 on line 19.

Fair market value at the end of February 22, 1994 (line 10) . . . . .	_____	14
Designated proceeds of disposition (line 7) . . . . .	_____	15
<b>Multiply</b> line 14 by 1.1. . . . .	<u>-</u> _____	16
Line 15 <b>minus</b> line 16 (if negative, enter "0") . . . . .	<u>=</u> _____	▶ 17
Line 14 <b>minus</b> line 17 . . . . .	<u>=</u> _____	18

### Part 1

Amount from line 18 if you completed Chart 1. Otherwise, enter the amount from line 10. . . . .	_____	19
Adjusted cost base at the end of February 22, 1994 (line 8) . . . . .	<u>-</u> _____	20
<b>Adjusted gain before principal residence exemption</b> (line 19 <b>minus</b> line 20) . . . . .	<u>=</u> _____	21
Amount from line 21 . . . . .	_____	22
Amount from line 3 <b>plus</b> 1 (one additional year is granted by law) . . . . .	<u>x</u> _____	23
<b>Multiply</b> line 22 by line 23. . . . .	<u>=</u> _____	24
Amount from line 6 . . . . .	<u>÷</u> _____	25
<b>Divide</b> line 24 by line 25. . . . .	<u>=</u> _____	▶ 26
<b>Net adjusted gain from Part 1</b> (line 21 <b>minus</b> line 26) . . . . .	<u>=</u> _____	27

**Part 2**

Complete this part **only** if you completed Part 2 of Form T1079. In all other cases, enter the amount from line 27 on line 59 below.

**A. Adjusted pre-1982 gain**

**Note:** If the trust designated the property as a principal residence for all the years the trust owned it before 1982, enter "0" on line 36.

Fair market value on December 31, 1981 (line 11) .....			28
Adjusted cost base on December 31, 1981 (line 9) .....	-		29
<b>Adjusted pre-1982 gain before principal residence exemption</b> (line 28 minus line 29) .....	=		30
Amount from line 30 .....			31
Amount from line 1 <b>plus</b> 1 (one additional year is granted by law) .....	x		32
<b>Multiply</b> line 31 by line 32. ....	=		33
Amount from line 4 .....	÷		34
<b>Divide</b> line 33 by line 34. ....	=		35
<b>Adjusted pre-1982 gain</b> (line 30 minus line 35; if negative, enter "0") .....	=		36

**B. Adjusted post-1981 gain**

**Note:** If the trust designated the property as a principal residence for all the years the trust owned it after 1981, enter "0" on line 47, and complete D and E below. If the fair market value of the property on December 31, 1981, exceeds the amount on line 19, enter "0" on line 47, and complete C, D, and E below.

Amount from line 19 .....			37
Fair market value on December 31, 1981 (line 11) .....			38
Adjustments made to the cost base after 1981 and before February 23, 1994 (line 12) .....	+		39
Line 38 <b>plus</b> line 39 .....	=		40
<b>Adjusted post-1981 gain before principal residence exemption</b> (line 37 minus line 40) .....	=		41
Amount from line 41 .....			42
Amount from line 2 .....	x		43
<b>Multiply</b> line 42 by line 43. ....	=		44
Amount from line 5 .....	÷		45
<b>Divide</b> line 44 by line 45. ....	=		46
<b>Adjusted post-1981 gain</b> (line 41 minus line 46; if negative, enter "0") .....	=		47

**C. Adjusted post-1981 loss**

Fair market value on December 31, 1981 (line 11) .....			48
Amount from line 19 .....	-		49
<b>Adjusted post-1981 loss</b> (line 48 minus line 49; if negative, enter "0") .....	=		50

**D. Net adjusted gain from Part 2**

Adjusted pre-1982 gain, if any (line 36) .....			51
Adjusted post-1981 gain, if any (line 47) .....	+		52
Line 51 <b>plus</b> line 52 .....	=		53
Adjusted post-1981 loss, if any (line 50) .....	-		54
<b>Net adjusted gain from Part 2</b> (line 53 minus line 54; if negative, enter "0") .....	=		55

**E. Total adjusted gain before reduction for non-qualifying real property**

Net adjusted gain from Part 1 (line 27) .....			56
Net adjusted gain from Part 2 (line 55) .....			57
<b>Total adjusted gain before reduction for non-qualifying real property</b> (line 56 or line 57, whichever is less) .....			58

**Part 3**

Total adjusted gain before reduction for non-qualifying real property (If you completed Part 2 above, enter the amount from line 58. Otherwise, enter the amount from line 27.) .....			59
Number of months the trust owned the property after February 1992 and before March 1994 (do not include any months the trust designated the property as a principal residence) .....	x		60
<b>Multiply</b> line 59 by line 60. ....	=		61
Number of months the trust owned the property after 1971 and before March 1994 (do not include any months the trust designated the property as a principal residence) .....	÷		62
<b>Divide</b> line 61 by line 62. ....	=		63
<b>Total adjusted gain</b> (line 59 minus line 63) .....	=		64
Amount from line 64 .....			65
Elected capital gain (line 13) .....			66
<b>Reduction as a result of the capital gains election</b> (line 65 or line 66, whichever is less) .....	=		67

Enter the amount from line 67 above on line 57 of Form T1079.