



DESIGNATION OF A PROPERTY AS A PRINCIPAL RESIDENCE BY THE LEGAL REPRESENTATIVE OF A DECEASED INDIVIDUAL

Use this form to designate a property as a principal residence and to calculate the capital gain for the year if the deceased person:

- disposed of, or was considered to have disposed of, his or her principal residence, or any part of it; or
- granted someone an option to buy his or her principal residence, or any part of it.

Attach one copy of this form to the final return of the deceased person **only** if a capital gain has to be reported. If the property is designated as the principal residence of the deceased person for **all the years** in which he or she owned it, there is no capital gain.

Note

If the deceased person was not a resident of Canada for the entire time he or she owned the designated property, call **1-800-959-8281**. The period of non-residence may reduce or eliminate the availability of the principal residence exemption.

The term **spouse** used throughout this form applies to a person to whom the deceased person was legally married. For 1993 to 2000, a spouse included a common-law spouse. For 2001 and future years, the reference to spouse is replaced with **spouse** or **common-law partner** as defined in the "Definitions" section in Guide T4037, *Capital Gains*.

Note

If the deceased person made an election to have his or her same-sex partner considered his or her common-law partner for 1998, 1999, and/or 2000, then, for those years, the deceased person's common-law partner also could not designate a different housing unit as his or her principal residence.

If the deceased person disposed of, or was considered to have disposed of, a property for which the deceased person or the deceased person's spouse or common-law partner filed Form T664 or T664(Seniors), *Election to Report a Capital Gain on Property Owned at the End of February 22, 1994*, use this form to calculate the capital gain for the year if:

- the property was the deceased person's principal residence for 1994; or
- you are designating the property in this form as the deceased person's principal residence for any tax year.

The deceased person may be entitled to a reduction as a result of the capital gains election. To calculate this reduction, use Form T2091(IND)-WS, *Principal Residence Worksheet*. To get this form, go to www.cra.gc.ca/forms or call **1-800-959-8281**.

For more information about designating a principal residence and what qualifies as a principal residence, see Income Tax Folio S1-F3-C2, *Principal Residence*, or the "Principal residence" chapter in Guide T4037, *Capital Gains*.

Designation

For the purpose of this form, the **acquisition date** is the date on which the deceased person last acquired or reacquired the property, or December 31, 1971, whichever is later. However, if the deceased person or his or her spouse or common-law partner filed Form T664 or T664(Seniors), the deceased person or his or her spouse or common-law partner are not considered to have disposed of and immediately reacquired the property as a result of that election.

Note

If the property was designated as a principal residence for the purpose of filing Form T664 or T664(Seniors), the legal representative has to include those previously designated tax years as part of the deceased person's principal residence designation.

Description of property designated: _____

I, _____, the legal representative for the Estate of the Late _____, hereby
(print your name) (Deceased's name)

designate the property described above to have been the principal residence of the deceased person for the following tax years ending after the **acquisition date**:

a) _____
(specify which tax years after 1971 and before 1982)

b) _____
(specify which tax years after 1981)

For those years before 1982, I confirm that the deceased person has not designated any other property as his or her principal residence.

For those years after 1981, I also confirm that neither the deceased person, nor his or her spouse or common-law partner (who was not separated and living apart from the deceased person throughout the year under a judicial separation or written separation agreement), nor any of the deceased person's children (who were under 18 and unmarried or not in a common-law partnership throughout the year) designated any other property as a principal residence. For any tax year after 1981 for which the deceased person designated the property and throughout which he or she was under 18 and unmarried or not in a common-law partnership, I also confirm that neither the deceased person's mother, father, nor any of his or her brothers and sisters (who were under 18 and unmarried or not in a common-law partnership throughout the year) designated any other property as a principal residence.

Signature	Deceased's social insurance number	Date

Information needed to calculate the capital gain

Number of tax years for which the property is designated as a principal residence:		1
• Before 1982 (as per designation above)		2
• After 1981 (as per designation above)	+	3
Total number of years designated (line 1 plus line 2)	=	3
Number of tax years ending after the acquisition date in which the deceased person owned the property (jointly with another person or otherwise):		4
• Before 1982		5
• After 1981	+	6
Total number of years owned (line 4 plus line 5)	=	6
Proceeds of disposition or deemed disposition		7
Outlays and expenses related to the disposition		8
Adjusted cost base at the time of disposition (If the deceased person or his or her spouse or common-law partner filed Form T664 or T664(Seniors) for this property, do not take into consideration any increase to the adjusted cost base as a result of that election.)		9
Adjusted cost base on December 31, 1981		10
Fair market value on December 31, 1981		11
Adjustments to the cost base made after 1981 (for example, capital expenditures)		12

Calculation of the capital gain

Protected B
when completed

Part 1

Proceeds of disposition or deemed disposition (line 7)			13
Adjusted cost base at the time of disposition (line 9)			14
Outlays and expenses (line 8)	+		15
Line 14 plus line 15	=		16
Capital gain before principal residence exemption (line 13 minus line 16)	=		17
Amount from line 17			18
Line 3 plus 1 (one year is granted by law)	x		19
Multiply line 18 by line 19	=		20
Line 6	÷		21
Divide line 20 by line 21	=		22
Net capital gain from Part 1 (line 17 minus line 22; if negative, enter "0")	=		23

Part 2

Complete Part 2 **only** if the property disposed of is one of two or more properties that qualify as principal residences a family member owned on December 31, 1981, and continuously thereafter until its disposition. You will find a definition of **family** in the "Principal residence" chapter in Guide T4037, *Capital Gains*. **In all other cases**, do not complete Part 2 and enter the amount from line 23 above on line 53 in Part 3 below.

a) Pre-1982 gain – If you designated the property as a principal residence for all the years the deceased person owned it before 1982, do not complete lines 24 to 31 and enter "0" on line 32.

Fair market value on December 31, 1981 (line 11)			24
Adjusted cost base on December 31, 1981 (line 10)	-		25
Pre-1982 gain before principal residence exemption (line 24 minus line 25)	=		26
Amount from line 26			27
Line 1 plus 1 (one year is granted by law)	x		28
Multiply line 27 by line 28	=		29
Line 4	÷		30
Divide line 29 by line 30	=		31
Pre-1982 gain (line 26 minus line 31; if negative, enter "0")	=		32

b) Post-1981 gain – If you designated the property as a principal residence for all the years the deceased person owned it after 1981, enter "0" on line 44 and complete area d) below.

Proceeds of disposition or deemed disposition (line 7)			33
Fair market value on December 31, 1981 (line 11). If the fair market value of the property on December 31, 1981, is more than the amount on line 33, enter "0" on line 44 and complete areas c) and d) below.			34
Adjustments made to the cost base after 1981 (line 12)	+		35
Outlays and expenses (line 8)	+		36
Add lines 34 to 36	=		37
Post-1981 gain before principal residence exemption (line 33 minus line 37)	=		38
Amount from line 38			39
Line 2	x		40
Multiply line 39 by line 40	=		41
Line 5	÷		42
Divide line 41 by line 42	=		43
Post-1981 gain (line 38 minus line 43; if negative, enter "0")	=		44

c) Post-1981 loss

Fair market value on December 31, 1981 (line 11)			45
Proceeds of disposition or deemed disposition (line 7)	-		46
Post-1981 loss (line 45 minus line 46; if negative, enter "0")	=		47

d) Net capital gain from Part 2

Pre-1982 gain, if any (line 32)			48
Post-1981 gain, if any (line 44)	+		49
Line 48 plus line 49	=		50
Post-1981 loss, if any (line 47)	-		51
Net capital gain from Part 2 (line 50 minus line 51; if negative, enter "0")	=		52

Part 3

Total capital gain – If you completed Part 2, enter the amount from line 23 or line 52, **whichever is less**.
Otherwise, enter the amount from line 23

Complete Part 4 **only** if the deceased person or his or her spouse or common-law partner filed Form T664 or T664(Seniors) for this property. In all other cases, enter the amount from line 53 on line 158 of Schedule 3, *Capital Gains (or Losses)*, for dispositions or deemed dispositions.

Part 4

Total capital gain before reduction (line 53)			54
Reduction as a result of the capital gains election (line 66 of Form T2091(IND)-WS)	-		55
Capital gain (line 54 minus line 55; if negative, enter "0")	=		56

Enter the amount from line 56 on line 158 of Schedule 3, *Capital Gains (or Losses)*, for dispositions or deemed dispositions.