

SUMMARY OF RESERVES ON DISPOSITIONS OF CAPITAL PROPERTY

Complete this form if you are an individual (other than a trust) who is reporting a reserve claimed on your 2013 income tax and benefit return or claiming a reserve on dispositions of capital property (including gifts of certain securities) in 2014. To determine if you are eligible to claim a reserve in 2014, see "Claiming a reserve" in Guide T4037, *Capital Gains*. The information on the back of this form explains how to calculate a capital gains reserve.

Attach one completed copy of this form to your 2014 income tax and benefit return.

Part 1 – Dispositions of capital property after November 12, 1981

A. Dispositions of qualified farm property (QFP) and qualified fishing property (QXP)

Amount of 2013 reserve for dispositions of QFP to your child after 2004 and before March 19, 2007, and all dispositions of QXP to your child after May 1, 2006, and before March 19, 2007 (from line 6681 of Form T2017 for 2013) **6680** _____

Amount of 2014 reserve for dispositions of QFP to your child after 2005 and before March 19, 2007, and all dispositions of QXP to your child after May 1, 2006, and before March 19, 2007 **6681** - _____

Subtotal: line 6680 minus line 6681 (if negative, enter "0") = _____ **A**

Amount of 2013 reserve for dispositions of QFP and QXP to your child after March 18, 2007, and all other dispositions of QFP and QXP after 2009 (from line 6684 of Form T2017 for 2013) **6708** _____

Amount of 2014 reserve for dispositions of QFP and QXP to your child after March 18, 2007, and all other dispositions of QFP and QXP after 2010 **6684** - _____

Subtotal: line 6708 minus line 6684 (if negative, show in brackets) = _____ **B**

Subtotal: line A plus line B (if negative, show in brackets) = _____ **C**

If the amount at line 6684 includes a reserve from a disposition in 2014 and at least one reserve from a prior year disposition, enter the amount of 2014 reserve for dispositions of QFP and QXP in 2014 **6694** _____

B. Dispositions of qualified small business corporation shares (QSBCS)

Amount of 2013 reserve for dispositions of QSBCS to your child after 2004 and before March 19, 2007 (from line 6688 of Form T2017 for 2013) **6687** _____

Amount of 2014 reserve for dispositions of QSBCS to your child after 2005 and before March 19, 2007 **6688** - _____

Subtotal: line 6687 minus line 6688 (if negative, enter "0") = _____ **D**

Amount of 2013 reserve for dispositions of QSBCS to your child after March 18, 2007, and all other dispositions of QSBCS after 2009 (from line 6685 of Form T2017 for 2013) **6709** _____

Amount of 2014 reserve for dispositions of QSBCS to your child after March 18, 2007, and all other dispositions of QSBCS after 2010 **6685** - _____

Subtotal: line 6709 minus line 6685 (if negative, show in brackets) = _____ **E**

Subtotal: line D plus line E (if negative, show in brackets) = + _____ **F**

If the amount at line 6685 includes a reserve from a disposition in 2014 and at least one reserve from a prior year disposition, enter the amount of 2014 reserve for dispositions of QSBCS in 2014. **6695** _____

C. Dispositions of property (other than QFP, QXP, and QSBCS) to your child

Amount of 2013 reserve for dispositions to your child:
 • after 2004, of family farm property other than QFP and of shares of capital stock of a small business corporation other than QSBCS; or
 • after May 1, 2006, of family fishing property other than QXP (from line 6692 of Form T2017 for 2013) **6691** _____

Amount of 2014 reserve for dispositions to your child:
 • after 2005, of family farm property other than QFP and of shares of capital stock of a small business corporation other than QSBCS; or
 • after May 1, 2006, of family fishing property other than QXP **6692** - _____

Subtotal: line 6691 minus line 6692 (if negative, show in brackets) = + _____ **G**

D. Dispositions of property other than dispositions described in A, B, and C above

Amount of 2013 reserve for dispositions of property after 2009, other than dispositions listed on lines 6680, 6708, 6687, 6709, and 6691 (from line 6699 of Form T2017 for 2013) **6696** _____

Amount of 2014 reserve for dispositions of property after 2010, other than dispositions listed on lines 6681, 6684, 6688, 6685, and 6692 **6699** - _____

Subtotal: line 6696 minus line 6699 (if negative, show in brackets) = + _____ **H**

Total of lines C, F, G, and H (if negative, show in brackets) = _____ **I**

continued on the next page

Part 2 – Dispositions of capital property before November 13, 1981

Enter the amount from line I on the previous page.	_____	I
Amount of 2013 reserve for dispositions before November 13, 1981 (from line 6704 of Form T2017 for 2013)	6703 +	_____
Total of lines I and 6703. Enter this amount on line 192 of Schedule 3 (if negative, show in brackets)	6706 =	_____

Definitions

Eligible amount of gift, excepted gift, family farm property, family fishing property, non-qualifying securities, qualified farm property, qualified fishing property, qualified small business corporation shares, small business corporation, spouse or common-law partner, child – for the definitions of these terms, see "Definitions" in Guide T4037, *Capital Gains*.

How do you calculate a reserve?

The reserve you can claim in a tax year depends on when you disposed of the property, and the type of property you disposed of. You do not have to claim the maximum reserve in a tax year (**Year A**). However, the amount you claim in a later year (**Year B**) cannot be more than the amount you claimed for that property in the previous year (**Year A**). To determine your maximum reserve for 2014, use the calculation below that applies to you.

Dispositions of capital property after November 12, 1981

If you disposed of property after November 12, 1981, the calculation you use will depend on the type of property and disposition.

- **All property (other than family farm property, family fishing property, and small business corporation shares sold to your child, as well as donated non-qualifying securities).**

You can claim a reserve up to a maximum of four years. Your reserve in each year cannot be more than the **lesser** of the following:

(i) Capital gain × $\frac{\text{Amount payable after the end of the year}}{\text{Proceeds of disposition}}$

Year of sale (A)	Year after the sale (B)	
80%	1st year: 60%	3rd year: 20%
	2nd year: 40%	4th year: zero

(ii) Capital gain × _____ ← (Enter the applicable percentage)

- **Family farm property, family fishing property after May 1, 2006, and small business corporation shares sold to your child**

You can claim a reserve up to a maximum of nine years. Your reserve in each year cannot be more than the **lesser** of the following:

(i) Capital gain × $\frac{\text{Amount payable after the end of the year}}{\text{Proceeds of disposition}}$

Year of sale (A)	Year after the sale (B)		
90%	1st year: 80%	4th year: 50%	7th year: 20%
	2nd year: 70%	5th year: 40%	8th year: 10%
	3rd year: 60%	6th year: 30%	9th year: zero

(ii) Capital gain × _____ ← (Enter the applicable percentage)

- **Gift of non-qualifying security (other than an excepted gift) to a qualified donee**

You can claim a reserve for any tax year ending within 60 months after the time you made the gift. However, you cannot claim a reserve for a gift of non-qualifying securities for the year in which the donee disposes of the securities, or the security ceases to be a non-qualifying security, or for any following year. Your reserve in each year cannot be more than the amount of the capital gain you realized from the making of the gift.

For gifts of non-qualifying securities made after December 20, 2002, the reserve you can claim **cannot be greater** than the eligible amount of the gift.

Dispositions of capital property before November 13, 1981

If you sold property before November 13, 1981, use the calculation below to determine your reserve. You should also use the calculation for property that you sold, or are considered to have sold, after November 12, 1981, if the disposition occurred:

- under the terms of an offer or a written agreement made or entered into before November 13, 1981; or
- as a result of the property having been stolen, destroyed, or expropriated before November 13, 1981.

Capital gain × $\frac{\text{Amount payable after the end of the year}}{\text{Proceeds of disposition}}$