



Election for Disposition of Property Upon Cessation of Partnership

- For use by persons who were members of a Canadian partnership that ceased to exist at a particular time to jointly elect under the provisions of subsection 98(3).
- A former partner designated by the partnership to make this election, should mail one completed copy of this election form and related schedules (if any), separate from any other tax return as follows:
 - on or before the earliest date that any party to the election has to file an income tax return for the tax year the partnership ceased to exist (due date);
 - at the tax centre serving the area where the former partnership was located (address of former partnership)

Find your tax centre's address by going to www.cra.gc.ca/tso.

- Where there are more than two persons who were members of the former partnership, you can copy Schedule A on page 3, as needed.
- Paragraphs and subsections referred to on this form are from the *Income Tax Act*.
- Information about the making of this election is contained in Interpretation Bulletin IT-471, *Merger of Partnerships*.

Do not use this area

Name of former partnership	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="3" style="text-align: center; padding: 2px;">Cessation date</td> </tr> <tr> <td style="text-align: center; padding: 2px;">Year</td> <td style="text-align: center; padding: 2px;">Month</td> <td style="text-align: center; padding: 2px;">Day</td> </tr> <tr> <td style="border-bottom: 1px solid black; width: 20px;"></td> <td style="border-bottom: 1px solid black; width: 20px;"></td> <td style="border-bottom: 1px solid black; width: 20px;"></td> </tr> </table>	Cessation date			Year	Month	Day			
Cessation date										
Year	Month	Day								
Address	Partnership account number									

Name of person to contact for more information	Telephone number
Address	

Do not use this area

Remittance accompanying this election (details on page 2) _____

Penalty for late-filed elections

An election that is filed after its due date is subject to a late-filing penalty. Form T2060 can be filed within 3 years after its due date if an estimate of the penalty is paid at the time of filing. Form T2060 can be filed after the 3-year period, but in these situations, a written explanation of the reason for why the election is late-filed must be attached for consideration by the Minister and an estimate of the applicable penalty must be paid at the time of submission.

Calculation of late-filed penalty:

Partnership property received by all former members in consideration for all interests or rights in the partnership:

All amounts of money received		A
Add: the fair market value of other property		B
Subtotal amount A plus amount B		C
Minus: the sum of the proceeds of disposition of each former member's partnership interests or rights as determined under paragraph 98(3)(a)		D
Difference (amount C minus amount D)		E
Amount E _____ $\times 1/4 \times 1\% \times N =$		F
\$100 $\times N =$		G

N represents the sum of each month or each part of month in the period from the due date to the actual filing date. Amount G cannot exceed \$8,000.

Late-filing penalty is the lesser of amount F and amount G above H

Make cheque or money order payable to the Receiver General, if a penalty is payable. Specify on the remittance **T2060** and, to ensure proper credit, indicate the name and social insurance number of the taxpayer, or business number if a corporation.

Daily compound interest at a prescribed rate will apply to unpaid amounts, including late-filing penalties.

Election

We hereby jointly elect under subsection 98(3) for the property mentioned in Schedule A. We certify that the information given in this election is, to the best of our knowledge, true, correct, and complete in every respect.

1.	Name and address of former partner		Social insurance number or business number
	Signature of former partner or authorized officer	Date	Former partner's tax services office
2.	Name and address of former partner		Social insurance number or business number
	Signature of former partner or authorized officer	Date	Former partner's tax services office
3.	Name and address of former partner		Social insurance number or business number
	Signature of former partner or authorized officer	Date	Former partner's tax services office
4.	Name and address of former partner		Social insurance number or business number
	Signature of former partner or authorized officer	Date	Former partner's tax services office

All former partners, or a former partner authorized in writing by all former partners to sign for them, have to sign the election form. Where a former partner is authorized to sign for the purpose of making the election, that person should complete area 1 above and attach a copy of the authorizing agreement (the partnership agreement will not be accepted, as the partnership has ceased to exist). If space is insufficient, attach a complete schedule giving similar detail.

Schedule A

Protected B when completed

- Photocopy this page or attach a schedule giving similar detail where there are more than two former partners, as Canada Revenue Agency requires the information in the **Particulars of property disposed of** and the **Deemed proceeds of disposition** sections for each former partner.
- If a member of the partnership was itself a partnership, attach a list showing each partner's name and social insurance number or business number. Also, indicate the taxation year end of the partnership.

Name of former partnership member		Social insurance number or business number			
Address		Tax services office			
	Postal code	Tax year-end	Year	Month	Day

Particulars of property disposed of

Disposal date	Detailed description	Cost amount to partnership	×	% of interest or right held by this partner in former partnership	=	Cost amount to this former partner
Attach schedule giving similar detail if space not sufficient.						Total cost amount to this former partner

Deemed proceeds of disposition

Amount of any money received when the partnership ended I

Add: total cost amount to this partner as determined above J

Total K

Adjusted cost base of the partnership interest or right just before the partnership ended (attach calculations, and if applicable, a completed Form T2065) L

Deemed proceeds of disposition (greater of amounts K and L)

If amount L is more than amount K, attach a schedule to show how the excess was shared to determine the deemed cost of the former partnership member's interest or right in each property. If amount K is more than amount L, a capital gain could result. If there is such a gain report it on the former partnership member's income tax return.

Name of former partnership member		Social insurance number or business number			
Address		Tax services office			
	Postal code	Tax year-end	Year	Month	Day

Particulars of property disposed of

Disposal date	Detailed description	Cost amount to partnership	×	% of interest or right held by this partner in former partnership	=	Cost amount to this former partner
Attach a schedule giving similar detail if there is not enough space.						Total cost amount to this former partner

Deemed proceeds of disposition

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Total K

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If amount L is more than amount K, attach a schedule to show how the excess was shared to determine the deemed cost of the former partnership member's interest or right in each property. If amount K is more than amount L, a capital gain could result. If there is such a gain report it on the former partnership member's income tax return.