

Aggregate Investment Income and Active Business Income (2011 and later tax years)

Corporation's name	Business number	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Tax year-end</td> <td style="text-align: center;">Year</td> <td style="text-align: center;">Month</td> <td style="text-align: center;">Day</td> </tr> <tr> <td style="border-bottom: 1px solid black; width: 10%;"></td> <td style="border-bottom: 1px solid black; width: 10%;"></td> <td style="border-bottom: 1px solid black; width: 10%;"></td> <td style="border-bottom: 1px solid black; width: 10%;"></td> </tr> </table>	Tax year-end	Year	Month	Day				
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- This version of Schedule 7 is for tax years ending after March 22, 2011. For tax years ending on or before March 22, 2011, see the previous-year versions available at www.cra.gc.ca/forms.
- This schedule is for the use of Canadian-controlled private corporations (CCPCs) to calculate:
 - for the purpose of determining the refundable portion of Part I tax, aggregate investment income and foreign investment income, as defined in subsection 129(4) of the *Income Tax Act*;
 - specified partnership income, when the CCPC is a member of one or more partnership(s); and
 - income from an active business carried on in Canada for the small business deduction.
- For more information, see the sections called "Small Business Deduction" and "Refundable Portion of Part I Tax" in Guide T4012, *T2 Corporation – Income Tax Guide*.

Part 1 – Aggregate investment income

The aggregate investment income is the aggregate **world** source income.

Eligible portion of taxable capital gains for the year	002		A
Deduct:			
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	012		a
Net capital losses of previous years claimed on line 332 on the T2 return	022		b
Subtotal (amount a plus amount b)	▶		B
Amount A minus amount B (if negative, enter "0")			C
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada)	032		c
Deduct:			
Exempt income	042		1
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	052		2
Taxable dividends deductible (total of column F on Schedule 3 minus related expenses)	062		3
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	072		4
Subtotal (add amounts 1 to 4)	▶		d
Subtotal (amount c minus amount d)	▶		D
Amount C plus amount D			E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)	082		F
Amount E minus amount F (if negative, enter "0")	092		G

Enter amount G on line 440 of the T2 return.

Part 2 – Foreign investment income

The foreign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year **001** _____ H
 Eligible portion of allowable capital losses for the year (including allowable business investment losses) **009** _____ I
 Subtotal (amount H **minus** amount I) (if negative, enter "0") _____ J

Total income from property from a source **outside Canada** (net of related expenses) **019** _____ e

Deduct:
 Exempt income **029** _____ 5
 Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses) **049** _____ 6
 Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) **059** _____ 7
 Subtotal (**add** amounts 5 to 7) _____ ► _____ f
 Subtotal (amount e **minus** amount f) _____ ► _____ K

Amount J **plus** amount K _____ L

Total losses from property from a source **outside Canada** **069** _____ M
 Amount L **minus** amount M (if negative, enter "0") **079** _____ N
 (enter amount N on line 445 of the T2 return)

Part 3 – Specified partnership income

	A	B	C
	Partnership name	Total income (loss) of partnership from an active business	Corporation's share of amount in column B
	200	300	310
1.			
2.			
3.			
4.			
5.			

	D	E	F	G	H	I
	Adjustments (add or deduct the prorated amounts calculated under section 34.2* and deduct expenses incurred by the corporation to earn partnership income)	Corporation's income (loss) of the partnership (column C plus column D)	Number of days in the partnership's fiscal period	Prorated business limit (column C ÷ column B) × [\$500,000 × (column F ÷ 365)] (if column C is negative, enter "0")**	Column E minus column G (if negative, enter "0")	Lesser of columns E and G (if column E is negative, enter "0")
	315	320	325	330		340
1.						
2.						
3.						
4.						
5.						
	Total	350		Total	385	360

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount **370** _____ g

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column E) **380** _____ h

Subtotal (amount g plus amount h) i

Amount at line 385 or amount i, whichever is less **390** _____ O

Specified partnership income (line 360 plus amount O) **400** _____ P

Enter amount P at line T in Part 4.

* In general, amounts included under subsections 34.2(2), (3), and (12) or claimed under subsections 34.2(4) and (11) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. For example, if a corporation receives \$100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of \$40,000 of active business income, \$30,000 of income from property, and \$30,000 as a taxable capital gain, the corporation's adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct **only the portion** of the following amounts that is deemed under subsection 34.2(5) to be **active business income**:

Add:

- the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
- the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)
- the previous-year transitional reserve under subsection 34.2(12) (column 12 of Schedule 73)

Deduct:

- the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
- the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)
- the current-year transitional reserve under subsection 34.2(11) (column 11 of Schedule 73)

** When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is not netted against the partnership's income for the purpose of calculating the prorated business limit in column G. Enter on line h the total of all loss from column E.

Part 4 – Partnership income not eligible for the small business deduction

Corporation's share of partnership income from active businesses carried on in Canada after deducting related expenses – from line 350 in Part 3 (if the net amount is negative, enter "0" on line U)	_____	Q
Specified partnership loss (from amount h in Part 3)	_____	R
	Subtotal (amount Q plus amount R)	_____ S
Deduct:		
Specified partnership income (from amount P in Part 3)	_____	T
Partnership income not eligible for the small business deduction (amount S minus amount T)	450 _____	U
(enter on line p in Part 5)	=====	

Part 5 – Income from active business carried on in Canada

Net income for income tax purposes from line 300 of the T2 return	_____	j
Plus:		
Allowable business investment loss from line 406 of Schedule 1	_____	k
	Subtotal (amount j plus amount k)	===== ► _____ V
Deduct:		
Foreign business income after deducting related expenses*	500 _____	l
Taxable capital gains from line 113 of Schedule 1	_____	m
Net property income (amount c** minus amounts 1, 2, and F* in Part 1)	_____	n
Personal services business income and other income after deducting related expenses* . . .	520 _____	o
	Subtotal (add amounts l to o)	===== ► _____ W
Net amount (amount V minus amount W)	_____	X
Deduct:		
Partnership income not eligible for the small business deduction (amount U in Part 4)	_____	p
Income allocated to the corporation under subsection 96(1.1)	530 _____	q
	Subtotal (amount p plus amount q)	===== ► _____ Y
Income from active business carried on in Canada (amount X minus amount Y)	_____	Z
(enter amount Z on line 400 of the T2 return – if negative, enter "0")	=====	

* If negative, enter amount in brackets, and **add** instead of **subtracting**.
 ** Net of related expenses.