Т3 –	Eligible Taxable Capital Ga
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Schedule 3

- Enter the applicable tax year in the box above. Include a completed copy of this schedule with the trust's return.
- Complete this schedule if the trust is a personal trust designating net taxable capital gains (see reverse) to a beneficiary who is an individual or a trust, to determine the amount that is eligible for the beneficiary's capital gains deduction. Also use this schedule if the trust is a spousal or common-law partner trust claiming a capital gains deduction, available only in the year the beneficiary spouse or common-law partner dies.
- Eligible capital gains include only gains from dispositions, or deemed dispositions, of qualified farm or fishing property (QFFP), or qualified small business corporation shares (QSBCS).

Eligible capital gains (losses) for the year (lines 1 and 2 of Schedule 1, and lines 1 and 2 of Torm 11005)	Part 1 – Trust's annual gains limit for the	year						
Subtotal (line 1 plus line 2) = 3 Multiply line 3 by 1/2.					_ 1			
Multiply line 3 by 1/2. Farming of trishing income eligible for the capital gains deduction (see Chapter 5 of Guide T4003. Farming Income. or Guide T4004. Fishing Income) Subtotal (line 4 plus line 5, if negative, enter '0') = 6 Total taxable capital gains (or net capital classes) for the year (line 23 of Schedule 1 and line 25 of Form 11055, minute 12 of the amount on line 10 of Schedule 1 and line 25 of Form 11055, minute 12 of the amount on line 10 of Schedule 1 and line 25 of Form 11055, minute 12 of the amount on line 10 of Schedule 1 and line 25 of Form 11055, minute 12 of the amount on line 10 of Schedule 1 and line 25 of Form 11055, minute 12 of the 13 return) Total qualitying taxable capital gains for the year (line 6 of line 9, whichever is less) Net capital losses of other years deduced in current year (line 5 of the 13 return) Line 9 Subtotal (line 1 minute line 12, if negative, enter '0') = 13 Allowable business investment losses (line 25 of the 13 return) Total losses (line 13 plus line 14) = 14 Annual gains limit for the year (line 10 minus line 15; if negative, enter '0') = 16 Part 2 – Trust's cumulative gains limit for the year Qualifying taxable capital gains reported after 1984 and before current year (line 19 of previous year's Schedule 3) Toxable part of reserves from pre-1985 dispositions included in income for the years 1985 to 1991. Toxable part of reserves from pre-1985 dispositions included in income for the years 1985 to 1991. Toxable part of reserves from pre-1985 dispositions included in income for the years 1985 to 1991. Total losses used to calculate the numal gains limit (amount from line 16 above) = 20 Cumulative loss amount reported after 1984 and before the current year (line 24 plus line 25) = 22 Cumulative loss amount reported after 1984 and before the current year (line 24 plus line 25) = 22 Cumulative loss amount reported after 1984 and before the current year (line 20 minus line 21) = 22 Cumulative loss amount reported after 1984 and before the current								
Famming or fishing income eligible for the capital gains deduction (see Chapter 5 of Guide T4003, Farming Income) 0880	Multiply line 3 by 1/2	Subtotal (line 1 plus line	<u>e 2)</u>			- -		4
Subtotal (line 4 plus line 5; if negative, enter '0') Total taxable capital gains (or net capital losses) for the year (line 23 of Schedule 1 and line 25 of Form 11055, minus 1/2 of the amount on line 10 of Schedule 1) Amount from line 5 above Subtotal (line 7 plus line 8; if negative, enter '0') = 9 Total qualifying taxable capital gains for the year (line 6 of line 9, whichever is less) Not capital losses of other vears deducted in current vear (line 15 of the 13 return) Line 9		me or G		hina Income	3080	+	- ⁻ 5	
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Subtotal (line 29 minus line 32; if negative, enter "0") = 33	Lines 930 and 9301 of previou	s year's Schedule 9 +	31					
	Subtota	al (line 30 plus line 31)		· <u>-</u>		32		
)	=				33	
	Enter the amount from line 34 on line 1 of Schedu	le 5, or use it to calculate the taxable capital gains eligible	or dedi	iction on				



Schedule 9. See lines 930 and 9301 in Guide T4013, T3 Trust Guide.

Adjusted cumulative loss amount reported after 1984 and before the current year

You have to make an adjustment if the trust claimed net capital losses of other years in a tax year after 1984 and before 1992 if, in the same tax year, the trust reported a pre-1985 reserve. You have to reduce the net capital losses of other years claimed in a year by the taxable part of the pre-1985 reserve reported in the year. The following chart will help you calculate this adjustment for line 21. If you have never made this calculation, you have to make it in the current year for all the years from 1985 to 1991.

(Calculation for line 21 ——				
Year	1 Net capital losses of other years claimed in the year	2 Reserves for capital dispositions before 1985	3	4 Taxable part of reserve (column 2 x column 3)	5 Lesser of amounts in column 1 and column 4 (if negative, enter "0")
1985	\$	\$	× 1/2	\$	\$
1986	\$	\$	x 1/2	\$	\$
1987	\$	\$	x 1/2	\$	\$
1988	\$	\$	x 2/3	\$	\$
1989	\$	\$	× 2/3	\$	\$
1990	\$	\$	× 3/4	\$	\$
1991	\$	\$	× 3/4	\$	\$
Total					\$

Enter the total of column 5 on line 21 of this schedule.

- 1. Net capital losses of other years claimed in the year—for 1985 and 1986, line 6 of Part I of Form T672; for 1987, line 523 of Schedule 5B; for 1988 to 1991, line 52 of the T3 return. Also include any capital loss carrybacks claimed in each year.
- Reserves for capital dispositions before 1985—for 1985, previous-year reserve from Schedule 2; for 1986, line 511 of Schedule 5; for 1987, 1985 and prior, net reserve (line 513 minus line 514) from Schedule 5A; for 1988 and 1989, line 575 of Schedule 5C; and for 1990 and 1991, line 215 of Schedule 2.

Related schedules

If you complete Schedule 3, you also have to complete and submit Schedule 4, *Cumulative Net Investment Loss*. You will need the amount you calculated on line 34 of Schedule 3 when you complete Schedule 5, *Spousal or Common-Law Partner Trust's Capital Gains Deduction in Year of Beneficiary's Death*, and Schedule 9, *Income Allocations and Designations to Beneficiaries*. The line 34 amount is the amount of the trust's taxable capital gain that qualifies for a capital gains deduction for a spousal or common-law partner trust (line 1 of Schedule 5) or an individual beneficiary (lines 930 and 9301 of Schedule 9).