



## Statement of Business or Professional Activities

- This form is used to help calculate self-employed business and professional income.
- For each business or profession, fill out a **separate** Form T2125.
- Fill out this form and send it with your income tax and benefit return.
- For more information on how to fill out this form, see Guide T4002, *Business and Professional Income*.

Identification			
Name		Social insurance number (SIN)	
Business name		Business number (15 characters)	
Business address		City and province or territory	Postal code
Fiscal period	Year	Month	Day
From:		To:	
Main product or service		Was 2016 your last year of business? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Tax shelter identification number		Partnership business number (9 digits)	Your percentage of the partnership
Name and address of person or firm preparing this form			

Internet business activities
How many Internet web pages does your business earn income from? _____
List below the site addresses (URL addresses) of your main web pages.
http:// _____
What percentage of your gross income is generated from the above web pages? _____

**Part 1 – Business income**

Fill in Part 1 **only** if you have business income. If you have professional income, leave this part blank and fill in Part 2. If you have both business and professional income, you have to fill out a separate Form T2125 for each.

**Part 2 – Professional income**

Fill in Part 2 **only** if you have professional income. If you have business income, leave this part blank and fill in Part 1. If you have both business and professional income, you have to fill out a separate Form T2125 for each.

**Part 1 – Business income**

Gross sales, commissions, or fees (include GST/HST collected or collectible) . . . . .	_____	<b>1</b>
GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included on line 1) . . . . .	_____	<b>2</b>
<b>Subtotal</b> (line 1 minus line 2)	=====	<b>3</b>
<b>If you are using the quick method for GST/HST – Government assistance calculated as follows:</b>		
GST/HST collected or collectible on sales, commissions and fees eligible for the quick method . . . . .	_____	<b>4</b>
GST/HST remitted, calculated on (sales, commissions, and fees eligible for the quick method <b>plus</b> GST/HST collected or collectible) <b>multiplied</b> by the applicable quick method remittance rate . . . . .	_____	<b>5</b>
<b>Subtotal</b> (line 4 minus line 5)	=====	<b>6</b>
<b>Adjusted gross sales</b> (line 3 <b>plus</b> line 6) – Enter this amount in Part 3 at line 16 . . . . .	=====	<b>7</b>

**Part 2 – Professional income**

Gross professional fees including work-in-progress (WIP) (include GST/HST collected or collectible) . . . . .	_____	<b>8</b>
GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included on line 8) and any WIP at the end of the year you elected to exclude . . . . .	_____	<b>9</b>
<b>Subtotal</b> (line 8 minus line 9)	=====	<b>10</b>
<b>If you are using the quick method for GST/HST – Government assistance calculated as follows:</b>		
GST/HST collected or collectible on professional fees eligible for the quick method . . . . .	_____	<b>11</b>
GST/HST remitted, calculated on (professional fees eligible for the quick method <b>plus</b> GST/HST collected or collectible) <b>multiplied</b> by the applicable quick method remittance rate . . . . .	_____	<b>12</b>
<b>Subtotal</b> (line 11 minus line 12)	=====	<b>13</b>
Work-in-progress (WIP), start of the year, per election to exclude WIP (see Guide T4002, Chapter 2) . . . . .	_____	<b>14</b>
<b>Adjusted professional fees</b> (line 10 <b>plus</b> line 13 <b>plus</b> line 14) – Enter this amount in Part 3 at line 16 . . . . .	=====	<b>15</b>

**Part 3 – Gross business or professional income**

Adjusted gross sales (Part 1 line 7) or adjusted professional fees (Part 2 line 15) . . . . .	<b>8000</b>	_____	<b>16</b>
Reserves deducted last year . . . . .	<b>8290</b>	_____	<b>17</b>
Other income . . . . .	<b>8230</b>	_____	<b>18</b>
<b>Subtotal</b> (line 17 <b>plus</b> line 18)	=====	▶	<b>19</b>
<b>Gross business or professional income</b> (line 16 <b>plus</b> line 19) . . . . .	<b>8299</b>	=====	<b>20</b>

Report the gross business or professional income from line 20 on the applicable line of your income tax and benefit return as indicated below:

- business income at line 162;
- professional income at line 164; or
- commission income at line 166.

For Parts 4, 5 and 6, if GST/HST has been remitted or an input tax credit has been claimed, do not include GST/HST when you calculate the cost of goods sold, expenses, or net income (loss).

**Part 4 – Cost of goods sold and gross profit**

If you have business income, fill out Part 4. Enter only the business part of the costs.

Gross business income (from Part 3 line 20) .....			21
Opening inventory (include raw materials, goods in process, and finished goods) .....	8300	22	
Purchases during the year (net of returns, allowances, and discounts) .....	8320	23	
Direct wage costs .....	8340	24	
Subcontracts .....	8360	25	
Other costs .....	8450	26	
	<b>Subtotal</b> (add lines 22 to 26)	<u>27</u>	
<b>Minus:</b>			
Closing inventory (include raw materials, goods in process, and finished goods) .....	8500	28	
	<b>Cost of goods sold</b> (line 27 minus line 28)	<u>8518</u>	29
<b>Gross profit</b> (line 21 minus line 29) .....		<b>8519</b>	<u>30</u>

**Part 5 – Net income (loss) before adjustments**

Gross business or professional income (from Part 3 line 20) or Gross profit (from Part 4 line 30) .....			31
<b>Expenses</b> (enter only the business part)			
Advertising .....	8521	32	
Meals and entertainment (allowable part only) .....	8523	33	
Bad debts .....	8590	34	
Insurance .....	8690	35	
Interest .....	8710	36	
Business tax, fees, licences, dues, memberships, and subscriptions .....	8760	37	
Office expenses .....	8810	38	
Supplies .....	8811	39	
Legal, accounting, and other professional fees .....	8860	40	
Management and administration fees .....	8871	41	
Rent .....	8910	42	
Maintenance and repairs .....	8960	43	
Salaries, wages, and benefits (including employer's contributions) .....	9060	44	
Property taxes .....	9180	45	
Travel (including transportation fees, accommodations, and allowable part of meals) .....	9200	46	
Telephone and utilities .....	9220	47	
Fuel costs (except for motor vehicles) .....	9224	48	
Delivery, freight, and express .....	9275	49	
Motor vehicle expenses (not including CCA) (Amount from Part 17 at line 15) .....	9281	50	
Allowance on eligible capital property .....	9935	51	
Capital cost allowance (CCA). Enter the amount from Part 11 line G minus any personal part and any CCA for business-use-of-home expenses .....	9936	52	
Other expenses (specify): .....	9270	53	
	<b>Total business expenses</b> (add lines 32 to 53)	<u>9368</u>	54
<b>Net income (loss) before adjustments</b> (line 31 minus line 54) .....		<b>9369</b>	<u>55</u>

**Part 6 – Your net income (loss)**

Your share of net income (loss) before adjustments (from Part 5 line 55) or the amount from Form T5013, <i>Statement of Partnership Income</i> .....			56
GST/HST rebate for partners that was received in the year .....	9974	57	
	<b>Subtotal</b> (line 56 plus line 57)	<u>9943</u>	58
Other amounts deductible from your share of the net partnership income (loss) (amount from Part 7 at line F) .....	9943	59	
<b>Net income (loss) after adjustments</b> (line 58 minus line 59) .....		<u>9945</u>	60
Business-use-of-home expenses (amount from Part 8 line 78) .....	9945	61	
<b>Your net income (loss)</b> (line 60 minus line 61) .....	9946	62	

Report the net income amount from line 62 on the applicable line of your income tax and benefit return as indicated below:

- business income at line 135;
- professional income at line 137; or
- commission income at line 139.

**Part 7 – Other amounts deductible from your share of the net partnership income (loss)**

Claim expenses you incurred that were not included in the partnership statement of income and expenses, and for which the partnership did not reimburse you.

List details of expenses:

Expense amounts

_____	_____	<b>A</b>
_____	_____	<b>B</b>
_____	_____	<b>C</b>
_____	_____	<b>D</b>
_____	_____	<b>E</b>
<b>Total other amounts deductible from your share of the net partnership income (loss)</b> (add lines A to E) Enter this amount in Part 6 at line 59		<b>F</b>

**Part 8 – Calculation of business-use-of-home expenses**

Heat .....	_____	<b>63</b>
Electricity .....	_____	<b>64</b>
Insurance .....	_____	<b>65</b>
Maintenance .....	_____	<b>66</b>
Mortgage interest .....	_____	<b>67</b>
Property taxes .....	_____	<b>68</b>
Other expenses (specify): _____	_____	<b>69</b>
<b>Subtotal</b> (add lines 63 to 69)		<b>70</b>
Your personal use portion of the business-use-of-home expenses .....	_____	<b>71</b>
<b>Subtotal</b> (line 70 minus line 71)		<b>72</b>
Capital cost allowance (business part only), which means the amount from Part 11 line G minus any portion of CCA that is for personal use or entered in Part 5 at line 52) .....	_____	<b>73</b>
Amount carried forward from previous year .....	_____	<b>74</b>
<b>Subtotal</b> (line 72 plus line 73 plus line 74)		<b>75</b>
Net income (loss) after adjustments (amount from Part 6 line 60 – if negative, enter "0") .....	_____	<b>76</b>
<b>Business-use-of-home expenses available to carry forward</b> (line 75 minus line 76 – if negative, enter "0") .....	_____	<b>77</b>
<b>Allowable claim</b> (enter the lesser amount of line 75 and 76 – Enter this amount in Part 6 at line 61) .....	_____	<b>78</b>

**Part 9 – Details of other partners**

Name and address	Share of net income or (loss) \$	Percentage of partnership
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Part 10 – Details of equity**

Total business liabilities .....	<b>9931</b>	_____
Drawings in 2016 .....	<b>9932</b>	_____
Capital contributions in 2016 .....	<b>9933</b>	_____

For more information see Guide T4002, Chapter 3.

**Part 11 – Calculation of capital cost allowance (CCA) claim**

1 Class number	2 Undepreciated capital cost (UCC) at the start of the year	3 Cost of additions in the year (see Part 12 and Part 13)	4 Proceeds of dispositions in the year (see Part 14 and Part 15)	5* UCC after additions and dispositions (col. 2 plus col. 3 minus col. 4)	6 Adjustment for current-year additions (col. 3 minus col. 4) divided by 2. If negative, enter "0."	7 Base amount for CCA (col. 5 minus col. 6)	8 CCA Rate %	9 CCA for the year (col. 7 x col. 8 or an adjusted amount)	10 UCC at the end of the year (col. 5 minus col. 9)
<b>Total CCA claim for the year. Total of column 9. (Enter in Part 5 at line 52, the amount from line G minus any personal part and any CCA for business-use-of-home expenses **)</b>									<b>G</b>

\* If you have a negative amount in column 5, add it to income as a recapture in Part 3 at line 8230, "Other income." If no property is left in the class and there is a positive amount in the column, deduct the amount from income as a terminal loss on line 9270, "Other expenses," in Part 5. Recapture and terminal loss do not apply to a class 10.1 property.

\*\* For information on CCA for "Calculation of business-use-of-home expenses," see "Special situations" in Guide T4002, Chapter 4. To help you calculate the capital cost allowance claim see the calculation charts in Parts 12 to Part 17.

**Part 12 – Equipment additions in the year**

1 Class number	2 Property details	3 Total cost	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
<b>Total equipment additions in the year. (Total of column 5)</b>				<b>9925</b>

**Part 13 – Building additions in the year**

1 Class number	2 Property details	3 Total cost	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
<b>Total of building additions in the year. (Total of column 5)</b>				<b>9927</b>

**Part 14 – Equipment dispositions in the year**

1 Class number	2 Property details	3 Proceeds of disposition (should not be more than the capital cost)	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
<b>Total equipment dispositions in the year. (Total of column 5)</b>				<b>9926</b>

**Part 15 – Building dispositions in the year**

1 Class number	2 Property details	3 Proceeds of disposition (should not be more than the capital cost)	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
<b>Total building dispositions in the year. (Total of column 5)</b>				<b>9928</b>

**Part 16 – Land additions and dispositions in the year**

Total cost of all land additions in the year . . . . .	<b>9923</b>
Total proceeds from all land dispositions in the year . . . . .	<b>9924</b>
<b>Note:</b> You cannot claim capital cost allowance on land.	

**Part 17 – Motor vehicle expenses**

Kilometres you drove in the fiscal period that was part of earning business income. . . . .	_____	<b>1</b>
Total kilometres you drove in the fiscal period . . . . .	_____	<b>2</b>
Fuel and oil . . . . .	_____	<b>3</b>
Interest (see Part 18). . . . .	_____	<b>4</b>
Insurance. . . . .	_____	<b>5</b>
Licence and registration . . . . .	_____	<b>6</b>
Maintenance and repairs . . . . .	_____	<b>7</b>
Leasing (see Part 19) . . . . .	_____	<b>8</b>
Other expenses (specify): _____	_____	<b>9</b>
	_____	<b>10</b>
<b>Total motor vehicle expenses</b> (Add lines 3 to 10)	=====	<b>11</b>

Business use part:  $\left( \frac{\text{Kilometres you drove in the fiscal period that was part of earning business income (amount from line 1)}}{\text{Total kilometres you drove in the fiscal period (amount from line 2)}} \right) \times \text{Total motor vehicle expenses amount from line 11} \dots =$  \_\_\_\_\_ **12**

Business parking fees . . . . .	_____	<b>13</b>
Supplementary business insurance . . . . .	_____	<b>14</b>

**Total allowable motor vehicle expenses** (add lines 12, 13, and 14) – Enter this result in Part 5 at line 50 . . . . . =\_\_\_\_\_ **15**

**Note:** You can claim CCA on motor vehicles in Part 11.

**Part 18 – Available interest expense for passenger vehicles**

Total interest payable (accrual method) or paid (cash method) in the fiscal period . . . . . \_\_\_\_\_ **16**

\_\_\_\_\_ \$10\* × the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method) \_\_\_\_\_ = \_\_\_\_\_ **17**

**Available interest expense** (the amount at line 16 or 17, whichever is less) – Enter this amount in Part 17 at line 4. . . . . =\_\_\_\_\_ **18**

\* For passenger vehicles bought after 2000.

**Part 19 – Eligible leasing costs for passenger vehicles**

Total lease charges incurred in your 2016 fiscal period for the vehicle . . . . .	_____	<b>1</b>
Total lease payments deducted before your 2016 fiscal period for the vehicle . . . . .	_____	<b>2</b>
Total number of days the vehicle was leased in your 2016 and previous fiscal periods . . . . .	_____	<b>3</b>
Manufacturer's list price . . . . .	_____	<b>4</b>

Use a GST rate of 5% or the HST rate applicable to your province.

Amount from line 4 or (\$35,294 plus GST and PST, or HST on \$35,294) whichever is more ► \_\_\_\_\_ × 85% = \_\_\_\_\_ **5**

$\frac{(\$800 + \text{GST and PST, or HST on } \$800) \times \text{amount from line 3}}{30} - \text{amount from line 2} \dots =$  \_\_\_\_\_ **6**

$\frac{(\$30,000 + \text{GST and PST, or HST on } \$30,000) \times \text{amount from line 1}}{\text{Amount from line 5}} \dots =$  \_\_\_\_\_ **7**

**Eligible leasing cost** (the amount from line 6 or line 7, whichever is less) – Enter this amount in Part 17 at line 8. . . . . =\_\_\_\_\_ **8**



**Part 2 – Alternative method – Electing to have a fiscal period that does not end on December 31**

Fill out Part 2 if you elect or have already elected to have a fiscal period that does not end on December 31. We refer to this as the alternative method.

For a final tax return in case of death of a partner or a proprietor see Guide RC4015.

	List of details for business 1	List of details for business 2
Net income (loss) for your <b>fiscal</b> periods ending in 2016 .....	_____ F	_____ F
Additional business income based on your fiscal year-end period. Use one of the formulas below. Enter the result at line G.	_____ G	_____ G

**Additional business income if your fiscal year-end is in 2016.**

$$\left( \text{Amount F} - \begin{array}{l} \text{Lesser of the total of amount F} \\ \text{considered to be a taxable} \\ \text{capital gain for the purpose of} \\ \text{the capital gains deduction, and} \\ \text{the total capital gains deduction} \\ \text{deducted for 2016} \end{array} \right) \times \frac{\text{Number of days you carry on the} \\ \text{business after the fiscal year-end} \\ \text{up to December 31, 2016}}{\text{Number of days you carry on the} \\ \text{business that are in the fiscal period} \\ \text{ending in 2016}} =$$

If your business started in 2016 and your fiscal year-end is in 2017, use the formula below.

Enter at line G the lesser of any amount designated as additional business income or the result of the following formula.

$$\left( \text{Net income for} \\ \text{fiscal year} \\ \text{ending in 2017} - \begin{array}{l} \text{Lesser of the total of the net} \\ \text{income considered to be a taxable} \\ \text{capital gain for the purpose of the} \\ \text{capital gains deduction, and the} \\ \text{capital gains deduction deducted} \\ \text{for 2017 *} \end{array} \right) \times \frac{\text{Number of days you carry on the} \\ \text{business in 2016 that are in the} \\ \text{fiscal period ending in 2017}}{\text{Number of days you carry on the} \\ \text{business that are in the fiscal} \\ \text{period ending in 2017}} =$$

Subtotal (line F plus line G) \_\_\_\_\_ H \_\_\_\_\_ H

\* If the net income for the fiscal year ending in 2017 is unknown, use reasonable estimated amounts.

Last year's additional business income – Enter the amount from line G on last year's Form T1139 ..... \_\_\_\_\_ I \_\_\_\_\_ I

**Net income (loss) for each business** (line H minus line I) – Report this amount on the appropriate line of your income tax and benefit return. .... \_\_\_\_\_ J \_\_\_\_\_ J

Report the amount from line J at self-employment income on the your income tax and benefit return:

- For business income, enter it at line 135.
- For professional income, enter it at line 137.
- For commission income, enter it at line 139.
- For farming income, enter it at line 141.
- For fishing income, enter it at line 143.

**Part 3 – Election**

Indicate your choice by ticking the box that applies to you:

- I choose to have a fiscal period that does not end on December 31 for all businesses listed in Part 2.
- I choose to change a fiscal period to end on December 31, and cancel my previously filed election to have a fiscal period that does not end on December 31. Attach a separate sheet that lists the businesses you want to change.

\_\_\_\_\_ Name \_\_\_\_\_ Signature |\_|\_|\_|\_|  
Year Month Day

See the privacy notice on your return.



**Details of equipment additions in the year**

1 Class number	2 Property details	3 Total cost	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
<b>Total equipment additions in the year</b>				<b>9925</b>

**Details of building additions in the year**

1 Class number	2 Property details	3 Total cost	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
<b>Total building additions in the year</b>				<b>9927</b>

**Details of equipment dispositions in the year**

1 Class number	2 Property details	3 Proceeds of disposition (should not be more than the capital cost)	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
<b>Total equipment dispositions in the year</b>				<b>9926</b>

**Details of building dispositions in the year**

1 Class number	2 Property details	3 Proceeds of disposition (should not be more than the capital cost)	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
<b>Total building dispositions in the year</b>				<b>9928</b>