



**DESIGNATION OF A PROPERTY AS A PRINCIPAL RESIDENCE
BY THE LEGAL REPRESENTATIVE OF A DECEASED INDIVIDUAL**

Tax year **20**

Use this form to designate a property as a principal residence. You must also complete the "Principal residence designation" section of Schedule 3 for the year the deceased person:

- disposed of, or was considered to have disposed of, his or her principal residence, or any part of it; or
- granted someone an option to buy his or her principal residence, or any part of it.

Note

If the deceased person was not a resident of Canada for the entire time he or she owned the designated property, call **1-800-959-8281**. The period of non-residence may reduce or eliminate the availability of the principal residence exemption.

For more information about designating a principal residence and what qualifies as a principal residence, see Income Tax Folio S1-F3-C2, *Principal Residence*, or the "Principal residence" chapter in Guide T4037, *Capital Gains*.

You can only designate one property as the deceased's principal residence for any specific year. However, where the principal residence is sold and another one bought (or where the deceased moved to another of his or her properties) in the same year, the "plus one" rule in calculating the principal residence exemption amount will allow you to claim the principal residence exemption for both properties for that year even though you can only designate one property as the deceased's principal residence.

For dispositions that occurred after October 2, 2016, if the deceased was a non-resident throughout the taxation year in which the property was purchased or acquired, the "plus 1" rule does **not** apply.

If you ticked box 1 at line 179 of Schedule 3, you only need to complete the first page of this form. You do not need to report any gain amount on Schedule 3 for this property.

Description of property

Provide the information requested below for the property disposed of in the tax year. Complete a separate form for each disposition.

Address				Year of acquisition	Proceeds of disposition
Street number, Street name, and unit number if applicable					
Prov./Terr.	Postal code	City	Country	9955	9954

Designation

I, _____, the legal representative for the Estate of the Late _____, hereby
(print your name) (Deceased's name)

designate the property described above to have been the principal residence of the deceased person for the following **tax years ending after the acquisition date:**

- After 1981 1
- After 1971 and before 1982 + 2

Total number of years designated (line 1 **plus** line 2) **9956** = 3

For those years after 1981, I also confirm that neither the deceased person, nor his or her spouse or common-law partner (who was not separated and living apart from the deceased person throughout the year under a judicial separation or written separation agreement), nor any of the deceased person's children (who were under 18 and unmarried or not in a common-law partnership throughout the year) designated any other property as a principal residence. For any tax year after 1981 for which the deceased person designated the property and throughout which he or she was under 18 and unmarried or not in a common-law partnership, I also confirm that neither the deceased person's mother, father, nor any of his or her brothers and sisters (who were under 18 and unmarried or not in a common-law partnership throughout the year) designated any other property as a principal residence.

For those years before 1982, I confirm that the deceased person has not designated any other property as his or her principal residence.

Note

If the property was designated as a principal residence for the purpose of filing Form T664 or T664(Seniors), the legal representative has to include those previously designated tax years as part of the deceased person's principal residence designation.

Signature	Deceased's social insurance number	Date
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Definitions

For the purpose of this form, the **acquisition date** is the date on which the deceased person last acquired or reacquired the property, or December 31, 1971, whichever is later. However, if the deceased person or his or her spouse or common-law partner filed Form T664 or T664(Seniors), the deceased person or his or her spouse or common-law partner are **not** considered to have disposed of and immediately reacquired the property as a result of that election.

The term **spouse** used throughout this form applies to a person to whom the deceased person was legally married. For 1993 to 2000, a spouse included a common-law spouse. For 2001 and future years, the reference to spouse is replaced with **spouse** or **common-law partner** as defined in the "Definitions" section in Guide T4037, *Capital Gains*.

Note

If the deceased person made an election to have his or her same-sex partner considered his or her common-law partner for 1998, 1999, and/or 2000, then, for those years, the deceased person's common-law partner also can not designate a different housing unit as his or her principal residence.

Information needed to calculate the capital gain

If you ticked either box 2 or 3 at line 179 of Schedule 3, you must complete the remainder of this form that is applicable to the deceased person's situation.

If the deceased person disposed of, or was considered to have disposed of, a property for which the deceased person or the deceased person's spouse or common-law partner filed Form T664 or T664(Seniors), *Election to Report a Capital Gain on Property Owned at the End of February 22, 1994*, use this form to calculate the capital gain for the year if:

- the property was the deceased person's principal residence for 1994; or
- you are designating the property in this form as the deceased person's principal residence for any tax year.

The deceased person may be entitled to a reduction as a result of the capital gains election. To calculate this reduction, use Form T2091(IND)-WS, *Principal Residence Worksheet*. To get this form, go to canada.ca/get-cra-forms or call **1-800-959-8281**.

Number of tax years for which the property is designated as a principal residence (from line 3 of first page)	=	_____	3
Number of tax years ending after the acquisition date in which the deceased person owned the property (jointly with another person or otherwise):			
• After 1981		_____	4
• After 1971 and before 1982	+	_____	5
	=	_____	6
Total number of years owned (line 4 plus line 5)			
Proceeds of disposition or deemed disposition		_____	7
Outlays and expenses related to the disposition		_____	8
Adjusted cost base at the time of disposition (If the deceased person or his or her spouse or common-law partner filed Form T664 or T664(Seniors) for this property, do not take into consideration any increase to the adjusted cost base as a result of that election.)		_____	9
Adjusted cost base on December 31, 1981		_____	10
Fair market value on December 31, 1981		_____	11
Adjustments to the cost base made after 1981 (for example, capital expenditures)		_____	12

Calculation of the capital gain

Part 1

Proceeds of disposition or deemed disposition (line 7)		_____	13
Adjusted cost base at the time of disposition (line 9)		_____	14
Outlays and expenses (line 8)	+	_____	15
Line 14 plus line 15	=	_____	16
Capital gain before principal residence exemption (line 13 minus line 16)	=	_____	17
Amount from line 17		_____	18
Line 3 plus 1 (one year is granted by law *)	x	_____	19
Multiply line 18 by line 19	=	_____	20
Line 6	÷	_____	21
Divide line 20 by line 21	=	_____	22
Net capital gain from Part 1 (line 17 minus line 22; if negative, enter "0")	=	_____	23

Part 2

Complete Part 2 **only** if the property disposed of is one of two or more properties that qualify as principal residences a family member owned on December 31, 1981, and continuously thereafter until its disposition. You will find a definition of **family** in the "Principal residence" chapter in Guide T4037, *Capital Gains*. **In all other cases**, do not complete Part 2 and enter the amount from line 23 above on line 53 in Part 3 on the next page.

a) Pre-1982 gain – If you designated the property as a principal residence for all the years the deceased person owned it before 1982, do not complete lines 24 to 31 and enter "0" on line 32.

Fair market value on December 31, 1981 (line 11)		_____	24
Adjusted cost base on December 31, 1981 (line 10)		_____	25
Pre-1982 gain before principal residence exemption (line 24 minus line 25)	=	_____	26
Amount from line 26		_____	27
Line 2 plus 1 (one year is granted by law *)	x	_____	28
Multiply line 27 by line 28	=	_____	29
Line 5	÷	_____	30
Divide line 29 by line 30	=	_____	31
Pre-1982 gain (line 26 minus line 31; if negative, enter "0")	=	_____	32

* Under proposed changes, if the deceased person disposed of his or her principal residence after October 2, 2016, and was a non-resident throughout the year of acquisition of the property, you are not eligible to use the "plus 1" in this calculation.

