



**Part 3A – Business income**

Fill in this part **only** if you have business income. If you have professional income, leave this part blank and fill in Part 3B.  
If you have both business and professional income, you have to fill out a separate Form T2125 for each.

**Part 3B – Professional income**

Fill in this part **only** if you have professional income. If you have business income, leave this part blank and fill in Part 3A.  
If you have both business and professional income, you have to fill out a separate Form T2125 for each.

**Note:** New proposed rules allow you to include your work in progress (WIP) progressively if you elected to use billed basis accounting for the last tax year that started before March 22, 2017. Generally, for the first tax year that starts after March 21, 2017, you must include 50% of the lesser of the cost and the fair market value of WIP. For more information, see chapter 2 of guide T4002.

**Part 3A – Business income**

Gross sales, commissions, or fees (include GST/HST collected or collectible) . . . . .	_____	1
GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 1) . . . . .	_____	2
<b>Subtotal: Amount 1 minus amount 2</b>	_____	3
<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 . . . . .	_____	4
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 . . . . .	_____	5
<b>Subtotal: Amount 4 minus amount 5</b>	_____	6
<b>Adjusted gross sales: Amount 3 plus amount 6 (enter on line 8000 of Part 3C)</b> . . . . .	_____	7

**Part 3B – Professional income**

Gross professional fees including work-in-progress (WIP) (include GST/HST collected or collectible) . . . . .	_____	8
GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 8) and any WIP at the end of the year you elected to exclude . . . . .	_____	9
<b>Subtotal: Amount 8 minus amount 9</b>	_____	10
<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 . . . . .	_____	11
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 . . . . .	_____	12
<b>Subtotal: Amount 11 minus amount 12</b>	_____	13
Work-in-progress (WIP), start of the year, per election to exclude WIP (see Guide T4002, Chapter 2) . . . . .	_____	14
<b>Adjusted professional fees: Amount 10 plus amount 13 plus amount 14 (enter on line 8000 of Part 3C)</b> . . . . .	_____	15

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

Adjusted gross sales (amount 7 of Part 3A) or adjusted professional fees (amount 15 of Part 3B) . . . . .	8000	_____
Reserves deducted last year . . . . .	8290	_____
Other income . . . . .	8230	_____
<b>Subtotal: Line 8290 plus line 8230</b>	_____	▶ _____ 16
<b>Gross business or professional income: Line 8000 plus amount 16</b> . . . . .	8299	_____
Report the gross business or professional income from line 8299 on the applicable line of your income tax and benefit return as indicated below:		
<ul style="list-style-type: none"> <li>• business income on line 162</li> <li>• professional income on line 164</li> <li>• commission income on line 166</li> </ul>		

For Parts 3D, 4, and 5, 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 3D – Cost of goods sold and gross profit**

If you have business income, fill in this part. Enter only the business part of the costs.

Gross business income (line 8299 of Part 3C) . . . . .	_____	17
Opening inventory (include raw materials, goods in process, and finished goods) . . . . .	8300	_____
Purchases during the year (net of returns, allowances, and discounts) . . . . .	8320	_____
Direct wage costs . . . . .	8340	_____
Subcontracts . . . . .	8360	_____
Other costs . . . . .	8450	_____
<b>Subtotal: Add the amounts above</b>	_____	18
<b>Minus: Closing inventory (include raw materials, goods in process, and finished goods)</b> . . . . .	8500	_____
<b>Cost of goods sold: Amount 18 minus line 8500</b>	8518	_____ ▶ _____ 19
<b>Gross profit (or loss): Amount 17 minus amount 19</b> . . . . .	8519	_____

**Part 4 – Net income (loss) before adjustments**

<b>Gross business or professional income</b> (line 8299 of Part 3C) or <b>Gross profit</b> (line 8519 of Part 3D) .....		_____	a
<b>Expenses</b> (enter only the business part)			
Advertising .....	8521		
Meals and entertainment .....	8523		
Bad debts .....	8590		
Insurance .....	8690		
Interest and bank charges .....	8710		
Business taxes, licences, and memberships .....	8760		
Office expenses .....	8810		
Office stationery and supplies .....	8811		
Professional fees (includes legal and accounting fees) .....	8860		
Management and administration fees .....	8871		
Rent .....	8910		
Repairs and maintenance .....	8960		
Salaries, wages, and benefits (including employer's contributions) .....	9060		
Property taxes .....	9180		
Travel expenses .....	9200		
Utilities .....	9220		
Fuel costs (except for motor vehicles) .....	9224		
Delivery, freight, and express .....	9275		
Motor vehicle expenses (not including CCA) (amount 15 of Chart A) .....	9281		
Capital cost allowance (CCA). Enter amount i of Area A <b>minus</b> any personal part and any CCA for business-use-of-home expenses. ....	9936		
Other expenses (specify): _____	9270		
<b>Total expenses:</b> Total of the above amounts	9368		
<b>Net income (loss) before adjustments:</b> Amount a <b>minus</b> amount b .....	9369		

**Part 5 – Your net income (loss)**

Your share of line 9369 or the amount from your T5013 slip, <i>Statement of Partnership Income</i> .....	9974		c
<b>Plus:</b> GST/HST rebate for partners that was received in the year .....			
<b>Total:</b> Amount c <b>plus</b> line 9974			
<b>Minus:</b> Other amounts deductible from your share of the net partnership income (loss) (amount 6 of Part 6) .....	9943		
<b>Net income (loss) after adjustments:</b> Amount d <b>minus</b> line 9943 .....			
<b>Minus:</b> Business-use-of-home expenses (amount 16 of Part 7) .....	9945		
<b>Your net income (loss):</b> Amount e <b>minus</b> line 9945 .....	9946		

Report the net income amount from line 9946 on the applicable line of your income tax and benefit return as indicated below:

- business income on line 135
- professional income on line 137
- commission income on line 139

**Part 6 – 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. These claims must not be included in the claims already calculated for the partnership.

List details of expenses:

Expense amounts

_____	_____	1
_____	_____	2
_____	_____	3
_____	_____	4
_____	_____	5
<b>Total other amounts deductible from your share of the net partnership income (loss):</b> Add amounts 1 to 5 (enter this on line 9943 of Part 5)	_____	6

**Part 7 – Calculation of business-use-of-home expenses**

Heat . . . . .	_____	1
Electricity . . . . .	_____	2
Insurance . . . . .	_____	3
Maintenance . . . . .	_____	4
Mortgage interest . . . . .	_____	5
Property taxes . . . . .	_____	6
Other expenses (specify): _____	_____	7
<b>Subtotal:</b> Add amounts 1 to 7	_____	8
<b>Minus:</b> Personal-use part of the business-use-of-home expenses . . . . .	_____	9
<b>Subtotal:</b> Amount 8 minus amount 9	_____	10
<b>Plus:</b> Capital cost allowance (business part only), which means amount i of Area A minus any portion of CCA that is for personal use or entered on line 9936 of Part 4. . . . .	_____	11
Amount carried forward from previous year . . . . .	_____	12
<b>Subtotal:</b> Add amounts 10 to 12	_____	13
<b>Minus:</b> Net income (loss) after adjustments (amount e of Part 5) (if negative, enter "0"). . . . .	_____	14
<b>Business-use-of-home expenses available to carry forward:</b> Amount 13 minus amount 14 (if negative, enter "0") . . . . .	_____	15
<b>Allowable claim:</b> The lesser of amount 13 and 14 above (enter your share of this amount on line 9945 of Part 5) . . . . .	_____	16

**Part 8 – Details of other partners**

Do not fill in this chart if you must file a partnership information return.

Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) \$	Percentage of partnership %
Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) \$	Percentage of partnership %
Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) \$	Percentage of partnership %
Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) \$	Percentage of partnership %

**Part 9 – Details of equity**

Total business liabilities . . . . .	<b>9931</b>	_____
Drawings in 2017 . . . . .	<b>9932</b>	_____
Capital contributions in 2017 . . . . .	<b>9933</b>	_____



**Chart A – Motor vehicle expenses**

Kilometres you drove in the fiscal period that was part of earning business income .....	_____	1
Total kilometres you drove in the fiscal period .....	_____	2
Fuel and oil .....	_____	3
Interest (see Chart B) .....	_____	4
Insurance .....	_____	5
Licence and registration .....	_____	6
Maintenance and repairs .....	_____	7
Leasing (see Chart C) .....	_____	8
Other expenses (specify): _____	_____	9
_____	_____	10
<b>Total motor vehicle expenses:</b> Add amounts 3 to 10	_____	<b>11</b>
Business use part: $\left( \begin{array}{l} \text{amount 1 :} \\ \text{amount 2 :} \end{array} \right) \times \text{amount 11 :}$ _____	_____	= _____   12
Business parking fees .....	_____	13
Supplementary business insurance .....	_____	14
<b>Allowable motor vehicle expenses:</b> Add amounts 12, 13, and 14 (enter this total on line 9281 of Part 4) .....	_____	<b>15</b>

**Note:** You can claim CCA on motor vehicles in Area A.

**Chart B – Available interest expense for passenger vehicles**

Total interest payable (accrual method) or paid (cash method) in the fiscal period .....	_____	16
$\$10^* \times \text{the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method)}$ _____	_____	= _____   17
<b>Available interest expense:</b> The lesser of amount 16 and 17 (enter this in amount 4 of Chart A) .....	_____	<b>18</b>

\* For passenger vehicles bought after 2000.

**Chart C – Eligible leasing cost for passenger vehicles**

Total lease charges incurred in your 2017 fiscal period for the vehicle .....	_____	19
Total lease payments deducted before your 2017 fiscal period for the vehicle .....	_____	20
Total number of days the vehicle was leased in your 2017 and previous fiscal periods .....	_____	21
Manufacturer's list price .....	_____	22
Use a GST rate of 5% or HST rate applicable to your province.		
Amount 22 or (\$35,294 + GST and PST, or HST on \$35,294), whichever is more	_____	× 85% = _____   23
$\frac{[(\$800 + \text{GST and PST, or } \$800 + \text{HST}) \times \text{amount 21}]}{30}$ _____	_____	- amount 20: _____   = _____   24
$\frac{[(\$30,000 + \text{GST and PST, or } \$30,000 + \text{HST}) \times \text{amount 19}]}{\text{amount 23}}$ _____	_____	= _____   25
<b>Eligible leasing cost:</b> Whichever is less of amount 24 or 25 (enter in amount 8 of Chart A above) .....	_____	<b>26</b>

See the privacy notice on your return.

**Part 1 – Fiscal periods that do not end on December 31**

Fill in parts 1A, 1B, and 1C **only** if you are electing or you have already elected to have a fiscal period that does not end on December 31. We refer to this as the alternative method. If you are cancelling your previous election so that your fiscal period ends on December 31, fill in Part 2 on page 6.

**Part 1A – Identification**

Your name	Social insurance number (SIN) 
Business name	Business number (if applicable) 

**Part 1B – Alternative method – fiscal periods that do not end on December 31****Notes**

- Part 1B will help you calculate your additional business income to report on your 2017 income tax and benefit return (T1 General).
- Once you have made an election to have a fiscal period that does not end on December 31, you do not have to make it again for that business.
- For a final tax return in case of death of a partner or a proprietor, see "Part 1 – Detailed Information" on page 3.
- For more information on amount A or if you are a partner in a partnership, see "Part 1 – Detailed Information" on page 3.

Net income (loss) for your fiscal period ending in 2017 (if applicable) . . . . . | A

Additional business income based on your fiscal year-end period. Use **only one** of the formulas below.  
Enter the result at amount D (if the amount you calculate with the formula is negative, we consider it to be nil)

**Additional business income if your fiscal period ends is in 2017**

$$\left( \text{Amount A} - \begin{array}{l} \text{Lesser of the total of} \\ \text{amount A considered to be a} \\ \text{taxable capital gain for the purpose} \\ \text{of the capital gains deduction, and} \\ \text{your total capital gains deduction} \\ \text{deducted for 2017} \end{array} \right) \times \frac{\begin{array}{l} \text{Number of days you carry on the} \\ \text{business after your fiscal period ending} \\ \text{in 2017 up to December 31, 2017} \end{array}}{\begin{array}{l} \text{Number of days you carry on the} \\ \text{business that are in the fiscal period} \\ \text{ending in 2017} \end{array}} = \text{ | B}$$

**Additional business income if your business started in 2017 and your fiscal period ends in 2018**

Enter at amount C the lesser of any amount you designate as your additional business income or the result of the following formula.

If the net income for the fiscal period ending in 2018 is unknown, use reasonable estimated amounts.

$$\left( \begin{array}{l} \text{Net income for} \\ \text{the fiscal year} \\ \text{ending in 2018} \end{array} - \begin{array}{l} \text{Lesser of the total of the net} \\ \text{income considered to be a taxable} \\ \text{capital gain for the purpose of the} \\ \text{capital gains deduction, and the capital} \\ \text{gains deduction deducted for 2018} \end{array} \right) \times \frac{\begin{array}{l} \text{Number of days you carry on the} \\ \text{business in 2017 that are in the} \\ \text{fiscal period ending in 2018} \end{array}}{\begin{array}{l} \text{Number of days you carry on the} \\ \text{business that are in the fiscal} \\ \text{period ending in 2018} \end{array}} = \text{ | C}$$

**Additional business income:** Enter either amount B or C based on the formula that was used above. . . . . | D

**Subtotal:** Amount A plus amount D | E

Last year's additional business income: Enter amount G from last year's Form T1139 . . . . . | F

**Net income (loss) of the business:** Amount E minus amount F – Report this amount on the appropriate line of your T1 General . . . . . | G

Report amount G as self-employment income on your T1 General:

- 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 1C – Certification**

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.

I have already elected to have a fiscal period that does not end on December 31 and I am using the form to calculate my additional business income to declare on my 2017 T1 General.

First name

Last name

Title

Telephone number

I certify that the information given on this form is correct and complete.

Signature

Date (YYYYMMDD)



**Part 2 – Changing to a fiscal period ending on December 31**

Fill in parts 2A, 2B, and 2C **only** if you are cancelling your previous election so that your fiscal period now ends on December 31. If you are electing or you have already elected to have a fiscal period that does not end on December 31, fill in Part 1 on page 4.

**Part 2A – Identification**

Your name	Social insurance number (SIN) 
Business name	Business number (if applicable) 

**Part 2B – Changing to a fiscal period ending on December 31****Notes**

- Part 2B applies only to businesses that started before 2017 and that sent Form T1139 with their income tax and benefit return (T1 General) last year.
- If you cancel your previous election so that your fiscal period now ends on December 31, you have to report your business income on a calendar-year basis in later years. Once you have changed your fiscal period end to December 31, you cannot change it back.
- For more information on amount H and I or if you are a partner in a partnership, see "Part 2 – Detailed Information" on page 5.

Net income (loss) for your <b>first</b> fiscal period that ends between January 1, 2017, and December 30, 2017 . . . . .	_____	H
Net income (loss) for the period that starts after the end of your first fiscal period in 2017, and up to December 31, 2017 . . . . .	_____	I
	<b>Subtotal: Amount H plus amount I</b> _____	J
Last year's additional business income: Enter amount G from last year's Form T1139 . . . . .	_____	K
<b>Net income (loss) of the business:</b> Amount J <b>minus</b> amount K – Report this amount on the appropriate line of your T1 General . . . . .	_____	L

Report amount L as self-employment income on your T1 General:

- 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 2C – Certification**

I am cancelling my previous election to have a fiscal period that does not end on December 31 in order to have a fiscal period ending on December 31.

First name	Last name
_____	_____
Title	Telephone number
_____	_____
I certify that the information given on this form is correct and complete.	
Signature	Date (YYYYMMDD)
▶ _____	

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the Act such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source at [cra.gc.ca/cra-info-source](http://cra.gc.ca/cra-info-source), Personal Information Bank CRA PPU 005.



**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>