

**CUMULATIVE ELIGIBLE CAPITAL DEDUCTION**
(2002 and later taxation years)

Name of corporation	Business Number	Taxation year-end Year Month Day
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- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 – Calculation of current year deduction and carry-forward

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")	200	A
Add: Cost of eligible capital property acquired during the taxation year	222	
Other adjustments	226	
Subtotal (line 222 plus line 226)		B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228	C
amount B minus amount C (if negative, enter "0")		D
Amount transferred on amalgamation or wind-up of subsidiary	224	E
Subtotal (add amounts A, D, and E)	230	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242	G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244	H
Other adjustments	246	I
(add amounts G, H, and I)		J
x 3/4 =	248	K
Cumulative eligible capital balance (amount F minus amount J) (if amount K is negative, enter "0" at line M and proceed to Part 2)		
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	249	
amount K		
less amount from line 249		
Current year deduction	250	*
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)		L
Cumulative eligible capital - Closing balance (amount K minus amount L) (if negative, enter "0")	300	M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

Part 2 – Amount to be included in income arising from disposition

(complete this part only if the amount at line K is negative)

Amount from line K (show as positive amount)		N
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988	400	1
Total of all amounts which reduced CEC in the current or prior years under subsection 80 (7)	401	2
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	402	3
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	408	4
Line 3 minus line 4 (if negative, enter "0")		5
Total of lines 1, 2, and 5		6
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400		7
Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000		8
Subtotal (line 7 plus line 8)	409	9
Line 6 minus line 9 (if negative, enter "0")		O
Line N minus line O (if negative, enter "0")		P
Line 5		Q
x 1/2 =		R
Line P minus line Q (if negative, enter "0")		S
Amount R		T
x 2/3 =		
Amount N or amount O, whichever is less		
Amount to be included in income (amount S plus amount T) (enter this amount on line 108 of Schedule 1)	410	