



Statement of Business or Professional Activities

- Use this form to calculate your self-employment business and professional income.
- For each business or profession, fill in a **separate** Form T2125.
- Fill in this form and send it with your income tax and benefit return.
- For more information on how to fill in this form, see Guide T4002, Self-employed Business, Professional, Commission, Farming, and Fishing Income.

Part 1 – Identification

Your name				Your social insurance number			
Business name				Business number			
Business address				City		Prov./Terr.	Postal code
Fiscal period	Date (YYYYMMDD)		Date (YYYYMMDD)		Was this your last year of business?		
From			to		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Main product or service				Industry code (see the appendix in Guide T4002)			
Accounting method (commission only)		<input type="checkbox"/> Cash <input type="checkbox"/> Accrual		Tax shelter identification number		Partnership business number	Your percentage of the partnership %
Name and address of the person or firm preparing this form							

Part 2 – Internet business activities

If your web pages or websites generate business or professional income, fill in this part of the form.

How many Internet web pages and websites does your business earn income from? Enter "0" if none

Provide up to five main web page or website addresses, also known as uniform resource locator (URL):

http://

http://

http://

http://

http://

Percentage of your gross income generated from the web pages and websites
(If no gross income was generated from the Internet, enter "0") %

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 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 20% of the lesser of the cost and the fair market value of WIP. The inclusion rate increases to 40% in the second tax year that starts after March 21, 2017, 60% in the third year, 80% in the fourth year and 100% in the fifth and all subsequent tax years. For more information, see Chapter 2 of Guide T4002.

Part 3A – Business income	
Gross sales, commissions or fees (include GST/HST collected or collectible)	3A
GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 3A)	3B
Subtotal: Amount 3A minus amount 3B	3C
If you are using the quick method for GST/HST – Government assistance calculated as follows:	
GST/HST collected or collectible on sales, commissions and fees eligible for the quick method	3D
GST/HST remitted, (sales, commissions and fees eligible for the quick method plus	
GST/HST collected or collectible) multiplied by the applicable quick method remittance rate	3E
Subtotal: Amount 3D minus amount 3E	3F
Adjusted gross sales: Amount 3C plus amount 3F (enter on line 8000 of Part 3C)	3G

Part 3B – Professional income	
Gross professional fees including work-in-progress (WIP) and GST/HST collected or collectible	3H
GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 3H) and any WIP at the end of the year you elected to exclude	3I
Subtotal: Amount 3H minus amount 3I	3J
If you are using the quick method for GST/HST – Government assistance calculated as follows:	
GST/HST collected or collectible on professional fees eligible for the quick method	3K
GST/HST remitted, (professional fees eligible for the quick method plus GST/HST collected or collectible) multiplied by the applicable quick method remittance rate	3L
Subtotal: Amount 3K minus amount 3L	3M
WIP at the start of the year, per your election to exclude WIP at the end of last year (see Guide T4002, Chapter 2)	3N
Adjusted professional fees: Amount 3J plus amount 3M plus amount 3N (enter on line 8000 of Part 3C)	3O

Part 3C – Gross business or professional income	
Adjusted gross sales (amount 3G) or adjusted professional fees (amount 3O)	8000
Reserves deducted last year	8290
Other income (specify)*:	8230
Subtotal: Line 8290 plus line 8230	8299
Gross business or professional income: Line 8000 plus amount 3P	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"> • business income on line 13499 • professional income on line 13699 • commission income on line 13899 	
* You may have received assistance from COVID-related measures from the federal, provincial or territorial governments. For more information, go to canada.ca/cra-coronavirus .	

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). **If you are using the quick method for GST/HST, include the GST/HST paid or payable 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)				3Q
Opening inventory (include raw materials, goods in process and finished goods)	8300		3R	
Purchases during the year (net of returns, allowances and discounts)	8320		3S	
Direct wage costs	8340		3T	
Subcontracts	8360		3U	
Other costs	8450		3V	
			3W	
Subtotal: Add amounts 3R to 3V				
Closing inventory (include raw materials, goods in process and finished goods)	8500			
Cost of goods sold: Amount 3W minus line 8500	8518			
Gross profit (or loss): Amount 3Q minus line 8518		8519		

Part 4 – Net income (loss) before adjustments

Gross business or professional income (line 8299 of Part 3C) or Gross profit (line 8519 of Part 3D)				4A
Expenses (enter only the business part)				
Advertising	8521		4B	
Meals and entertainment	8523		4C	
Bad debts	8590		4D	
Insurance	8690		4E	
Interest and bank charges	8710		4F	
Business taxes, licences and memberships	8760		4G	
Office expenses	8810		4H	
Office stationery and supplies	8811		4I	
Professional fees (includes legal and accounting fees)	8860		4J	
Management and administration fees	8871		4K	
Rent	8910		4L	
Repairs and maintenance	8960		4M	
Salaries, wages and benefits (including employer's contributions)	9060		4N	
Property taxes	9180		4O	
Travel expenses	9200		4P	
Utilities	9220		4Q	
Fuel costs (except for motor vehicles)	9224		4R	
Delivery, freight and express	9275		4S	
Motor vehicle expenses (not including CCA) (amount 16 of Chart A)	9281		4T	
Capital cost allowance (CCA). Enter amount i of Area A minus any personal part and any CCA for business-use-of-home expenses	9936		4U	
Other expenses (specify):	9270		4V	
Total expenses: Total of amounts 4B to 4V	9368			
Net income (loss) before adjustments: Amount 4A minus line 9368		9369		

Part 5 – Your net income (loss)

Your share of line 9369 or the amount from your T5013 slip, Statement of Partnership Income			5A	
Canadian journalism labour tax credit allocated to you in the year (box 236 of your T5013 slip)			5B	
GST/HST rebate for partners received in the year	9974			
Total: Amount 5A plus amount 5B plus line 9974				5C
Other amounts deductible from your share of net partnership income (loss) (amount 6F)		9943		
Net income (loss) after adjustments: Amount 5C minus line 9943				5D
Business-use-of-home expenses (amount 7P)		9945		
Your net income (loss): Amount 5D minus 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:				
<ul style="list-style-type: none"> • business income on line 13500 • professional income on line 13700 • commission income on line 13900 				

Part 6 – Other amounts deductible from your share of 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

	6A
	6B
	6C
	6D
	6E
Total other amounts deductible from your share of the net partnership income (loss): Add amounts 6A to 6E (enter this on line 9943 of Part 5)	6F

Part 7 – Calculating business-use-of-home expenses

Heat	7A
Electricity	7B
Insurance	7C
Maintenance	7D
Mortgage interest	7E
Property taxes	7F
Other expenses (specify):	7G
Subtotal: Add amounts 7A to 7G	7H
Personal-use part of the business-use-of-home expenses	7I
Subtotal: Amount 7H minus amount 7I	7J
Capital cost allowance (business part only), which means amount i of Area A minus any portion of capital cost allowance that is for personal use or entered on line 9936 of Part 4	7K
Amount carried forward from previous year	7L
Subtotal: Add amounts 7J to 7L	7M
Net income (loss) after adjustments (amount 5D) (if negative, enter "0")	7N
Business-use-of-home expenses available to carry forward: Amount 7M minus amount 7N (if negative, enter "0")	7O
Allowable claim: Amount 7M or 7N above, whichever is less (enter your share of this amount on line 9945 of Part 5)	7P

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	9931
Drawings in the current year	9932
Capital contributions in the current year	9933

[illegible]

* If you have a negative amount in column 6, add it to income as a recapture in Part 3C on line 8230. 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 in Part 4 on line 9270. Recapture and terminal loss do not apply to a Class 10.1 property. For more information, read Chapter 3 of Guide T4002.

*** For information on CCA for "Calculating business-use-of-home expenses," see "Special situations" in Chapter 4 of Guide T4002. To help you calculate the CCA, see the calculation charts in Areas B to F.

Note 1: Columns 4, 7 and 8 apply only to accelerated investment incentive properties (AIPs) (see Regulation 1104(4) of the federal Income Tax Regulations for the definition), zero-emission vehicles (ZEVs), zero-emission passenger vehicles (ZEPVs) and other eligible zero-emission automotive equipment and vehicles that become available for use in the year. In this chart, ZEV represents zero-emission vehicles, zero-emission passenger vehicles and other eligible zero-emission automotive equipment and vehicles. An AIP is a property (other than ZEV) that you acquired after November 20, 2018, and became available for use before 2028. A ZEV is a motor vehicle included in Class 54 or 55 that you acquired after March 18, 2019, and became available for use before 2028, or eligible zero-emission automotive equipment and vehicles included in Class 56 acquired after March 1, 2020, and that became available for use before 2028. For more information, see Guide T4002.

Note 2: The proceeds of disposition of a ZEPV that has been included in Class 54 and that is subject to the \$55,000 capital cost limit will be adjusted based on a factor equal to the capital cost limit of \$55,000 as a proportion of the actual cost of the vehicle. For dispositions after July 29, 2019, you will have to adjust the actual cost of the vehicle for any payments or repayments of government assistance that you may have received or repaid in respect of the vehicle. For more information on proceeds of disposition, read "Class 54 (30%)" in Guide T4002.

Note 3: The relevant factors for properties available for use before 2024 are 2 1/3 (Classes 43.1, 54 and 56), 1 1/2 (Class 55), 1 (Classes 43.2 and 53), 0 (Classes 12, 13, 14 and 15) and 1/2 for the remaining AIPs.

For more information on AIIPIs, see Guide T4002 or go to canada.ca/taxes-accelerated-investment-income.

Area B – Equipment additions in the year

1 Class number	2 Property description	3 Total cost	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
Total equipment additions in the year: Total of column 5 9925				

Area C – Building additions in the year

1 Class number	2 Property description	3 Total cost	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
Total building additions in the year: Total of column 5 9927				

Page 5 of 7

Area D – Equipment dispositions in the year

1 Class number	2 Property description	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)
Total equipment dispositions in the year: Total of column 5				9926

Note: If you disposed of property in the year, see Chapter 3 of Guide T4002 for information about your proceeds of disposition.

Area E – Building dispositions in the year

1 Class number	2 Property description	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)
Total building dispositions in the year: Total of column 5				9928

Note: If you disposed of property in the year, see Chapter 3 of Guide T4002 for information about your proceeds of disposition.

Area F – Land additions and dispositions in the year

Total cost of all land additions in the year	9923	
Total proceeds from all land dispositions in the year	9924	

Note: You cannot claim capital cost allowance on land. For more information, see Chapter 3 of Guide T4002.

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 (use Chart B below)	4
Insurance	5
Licence and registration	6
Maintenance and repairs	7
Leasing (use Chart C below)	8
Electricity for zero-emission vehicles	9
Other expenses (specify):	10
	11
Total motor vehicle expenses: Add amounts 3 to 11	12
Business use part: Amount 1: \div amount 2: \times amount 12: =	13
Business parking fees	14
Supplementary business insurance	15
Allowable motor vehicle expenses: Add amounts 13, 14 and 15 (enter this total on line 9281 of Part 4)	16

Note: You can claim capital cost allowance on motor vehicles in Area A.

Chart B – Available interest expense for passenger vehicles and zero-emission passenger vehicles

Total interest payable (accrual method) or paid (cash method) in the fiscal period	17
$\$10^*$ \times the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method) =	18
Available interest expense: Amount 17 or 18, whichever is less (include this in amount 4 of Chart A above)	19

* For passenger vehicles bought after 2000.

Chart C – Eligible leasing cost for passenger vehicles**

Total lease charges incurred in your current fiscal period for the vehicle	_____	20
Total lease payments deducted before your current fiscal period for the vehicle	_____	21
Total number of days the vehicle was leased in your current and previous fiscal periods	_____	22
Manufacturer's list price	_____	23
Use a GST rate of 5% or HST rate applicable to your province.		
Amount 23 or (\$35,294 + GST and PST, or HST on \$35,294), whichever is more	▶ _____ × 85% = _____	24
[(\$800 + GST and PST, or \$800 + HST) × amount 22] ÷ 30	= _____	25
Amount 25: _____ – amount 21: _____	= _____	26
[(\$30,000 + GST and PST, or \$30,000 + HST) × amount 20] ÷ amount 24	= _____	27
Eligible leasing cost: Amount 26 or 27, whichever is less (enter in amount 8 of Chart A above).	=====	28

** Includes a vehicle that would qualify as a zero-emission passenger vehicle if you owned it.

See the privacy notice on your return.

Part 1 – Identification

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

Part 2 – Alternative method – Fiscal periods that do not end on December 31

Part 2 will help you calculate your additional business income to report on your 2021 income tax and benefit return.

Once you elect to have a fiscal period that does not end on December 31, you do not have to do it again for that business.

For a final income tax and benefit return in case of death of a partner or a proprietor, complete Part 3 – Alternative method – Death of a proprietor.

For more information on amount A or if you are a partner in a partnership, see Part 7 – Notes.

Net income (loss) for your fiscal period ending in 2021 (if applicable) | A

Additional business income is 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 is negative, we consider it to be nil).

Additional business income if your fiscal period ends in 2021

Total of amount A considered to be a taxable capital gain for the capital gains deduction | 2A

Your total capital gains deduction for 2021 | 2B

Amount 2A or 2B, whichever is less. | 2C

Amount A **minus** amount 2C. | 2D

Number of days in 2021 you carried on the business after your fiscal period ending in 2021 up to December 31, 2021 | 2E

Number of days in 2021 you carried on the business in your fiscal period ending in 2021 | 2F

Amount 2E **divided** by amount 2F | 2G

Amount 2D **multiplied** by amount 2G | B

For an example of how to calculate amount B, see Part 7 – Notes.

Additional business income if your business started in 2021 and your fiscal period ends in 2022

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 2022 is unknown, use reasonable estimated amounts.

Net income for the fiscal year ending in 2022 | 2H

Total of the net income considered to be a taxable capital gain for the capital gains deduction | 2I

Your total capital gains deduction for 2022 | 2J

Amount 2I or 2J, whichever is less | 2K

Amount 2H **minus** amount 2K | 2L

Number of days in 2021 that the business is carried on in the fiscal period ending in 2022 | 2M

Number of days the business is carried on that are in the fiscal period ending in 2022 | 2N

Amount 2M **divided** by amount 2N | 2O

Amount 2L **multiplied** by amount 2O | C

For an example of how to calculate amount C, see Part 7 – Notes.

Part 3 – Alternative method – Death of a proprietor**Death of a partner or a proprietor**

In the case of the death of a partner or a proprietor, there are timing issues to consider when reporting income and completing the final income tax and benefit return.

If the partner or proprietor died after the end of the business fiscal period, his legal representative can choose to fill in an optional income tax and benefit return. This means the representative will fill in two sets of returns and two T1139 forms for the 2021 year:

- A final income tax and benefit return and Form T1139 to report the business income for the regular fiscal period as well as all other income
- An optional income tax and benefit return and Form T1139 to report the business income from the short fiscal period that is immediately after the end of the regular fiscal period to the death of the partner or proprietor.

Final income tax and benefit return for the regular fiscal period and this form

In this case, the final income tax and benefit return includes the business income from the regular fiscal period and all other income. The legal representative fills in the financial statements and this form. Fill in the form for the regular fiscal period as follows:

Net income (loss) for your fiscal period ending in 2021 (if applicable) A

Total of amount A considered to be a taxable capital gain for the capital gains deduction 3A

Your total capital gains deduction for 2021 3B

Amounts 3A or 3B, whichever is less 3C

Amount A **minus** amount 3C 3D

Number of days the business is carried on after the end of the 2021 fiscal period, up to and including the date of death 3E

Number of days the business is carried on that are in the regular fiscal period ending in 2021 3F

Amount 3E **divided** by amount 3F 3G

Amount 3D **multiplied** by amount 3G 3H

Enter amount 3H at amount D below.

Optional income tax and benefit return, plus this form, for the short fiscal period

The optional income tax and benefit return includes the business income for the short fiscal period. The legal representative fills in the financial statements and this form for the time from the end of the regular fiscal period until the date of death. Fill in the form for the short fiscal period as follows:

- At amount A, enter the net income (loss) from the end of the regular fiscal period until the date of death
- At amount F, enter the additional business income from amount D of the Form T1139 for the final income tax and benefit return

For more information about filing returns for deceased persons, see Guide T4011, Preparing Returns for Deceased Persons.

Part 4 – Final net income (loss) of the business

Additional business income: Enter either amount B, C or 3H based on the formula that was used above. D

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

Last year's additional business income: Enter amount D 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 income tax and benefit return G

Report amount G as self-employment income on your return:

- For business income, enter it at line 13500
- For professional income, enter it at line 13700
- For commission income, enter it at line 13900
- For farming income, enter it at line 14100
- For fishing income, enter it at line 14300

Part 5 – Changing back to a fiscal period ending on December 31

Part 5 applies only to businesses that started before 2021 and that sent this form with their income tax and benefit return 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 8 – Detailed information.

Net income (loss) for your **first** fiscal period that ends between January 1, 2021, and December 30, 2021 H

Net income (loss) for the period that starts after the end of your first fiscal period in 2021, and up to December 31, 2021 I

For more information on amounts H and I, see Part 8 – Detailed information.

Subtotal: Amount H plus amount I J

Last year's additional business income: Enter amount D from last year's Form T1139 K

Net income (loss) of the business: Amount J minus amount K – Report this amount on the appropriate line of your income tax and benefit return L

Report amount L as self-employment income on your income tax and benefit return:

- For business income, enter it at line 13500
- For professional income, enter it at line 13700
- For commission income, enter it at line 13900
- For farming income, enter it at line 14100
- For fishing income, enter it at line 14300

Part 6 – 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 2021 T1 tax return.
- ☐ 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 (including the SIN) is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign 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 a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 005 on Info Source at canada.ca/cra-info-source.

Calculation of capital cost allowance (CCA) claim

[illegible]

Total CCA claim for the year

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)
Total equipment additions in the year				9925

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)
Total building additions in the year				9927

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)
Total equipment dispositions in the year				9926

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)
Total building dispositions in the year				9928