



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	From	Date (YYYYMMDD)	to	Date (YYYYMMDD)	Was this your last year of business? <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 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 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
Work-in-progress (WIP), start of the year, per election to exclude WIP (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	8230	
Subtotal: Line 8290 plus line 8230		3P
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 		

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)		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
Subtotal: Add amounts 3R to 3V		3W
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 15 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

GST/HST rebate for partners received in the year 9974

Total: Amount 5A **plus** line 9974

5B

Other amounts deductible from your share of the net partnership income (loss) (amount 6F) 9943

Net income (loss) after adjustments: Amount 5B **minus** line 9943 5C

Business-use-of-home expenses (amount 7P) 9945

Your net income (loss): Amount 5C **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:

- business income on line 13500
- professional income on line 13700
- commission income on line 13900

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

		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 – Calculation of 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 CCA 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 5C) (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: The lesser of amount 7M and 7N above (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	

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 (see Chart B)		4
Insurance		5
Licence and registration		6
Maintenance and repairs		7
Leasing (see Chart C)		8
Other expenses (specify):		9
		10
Total motor vehicle expenses: Add amounts 3 to 10		11
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
Allowable motor vehicle expenses: Add amounts 12, 13, and 14 (include this total on line 9281 of Part 4)		15

Note: You can claim CCA 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		16
$\$10^* \times \text{the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method)}$		17
Available interest expense: The lesser of amount 16 and 17 (include this in amount 4 of Chart A)		18

* 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		19
Total lease payments deducted before your current fiscal period for the vehicle		20
Total number of days the vehicle was leased in your current 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	►	23
$[(\$800 + \text{GST and PST, or } \$800 + \text{HST}) \times \text{amount 21}]$	►	24
30		
$[(\$30,000 + \text{GST and PST, or } \$30,000 + \text{HST}) \times \text{amount 19}]$		25
amount 23		
Eligible leasing cost: Whichever is less of amount 24 or 25 (enter in amount 8 of Chart A above)		26

** 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 2019 Income Tax and Benefit Return.

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 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 2019 (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 with the formula is negative, we consider it to be nil)

Additional business income if your fiscal period ends in 2019

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

Your total capital gains deduction for 2019 | 2B

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

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

Number of days in 2019 that the business is carried on after your fiscal period ending in 2019 up to December 31, 2019..... | 2E

Number of days in 2019 that the business is carried on in the fiscal period ending in 2019..... | 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 2019 and your fiscal period ends in 2020

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 2020 is unknown, use reasonable estimated amounts.

Net income for the fiscal year ending in 2020 | 2H

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

Your total capital gains deduction for 2020 | 2J

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

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

Number of days in 2019 that the business is carried on in the fiscal period ending in 2020..... | 2M

Number of days the business is carried on that are in the fiscal period ending in 2020 | 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 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 2019 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 2019 (if applicable).....	_____	A
Total of amount A considered to be a taxable capital gain for the purpose of the capital gains deduction	_____	3A
Your total capital gains deduction for 2019	_____	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 2019 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 2019.....	_____	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 this form 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 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 5 – Changing back to a fiscal period ending on December 31

Part 5 applies only to businesses that started before 2019 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, 2019, and December 30, 2019 H

Net income (loss) for the period that starts after the end of your first fiscal period in 2019, and up to December 31, 2019 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

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 the right to access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 005 on Info Source at canada.ca/cra-info-source.