



Request for Capital Dividend Account Balance Verification

Corporation's name	Business number
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- If you are a private corporation, use this schedule to summarize the components making up your capital dividend account (CDA) balance as at the date entered on line 001 below.
- Mail one completed copy of this schedule, separately from any other return, to your tax services office.
Find your tax service office's address by going to cra.gc.ca/tso
- For specific details about calculating the CDA balance, see the applicable legislation in the federal *Income Tax Act*.
- All legislative references are to the current version of the Act. But since the CDA balance components can span several years, these references may not apply to older components of your CDA balance. In these cases, see the version of the Act that applies to the appropriate year.
- All references to paragraphs in subsection 89(1) of the Act are under the definition of "capital dividend account".
- If you are paying out a capital dividend from your CDA, you must file Form T2054, *Election for a Capital Dividend Under Subsection 83(2)*. Attach a copy of this completed form. Note that if a capital dividend paid out under this election exceeds the balance of the CDA at the time the dividend becomes payable, you may have to pay Part III tax on the excessive dividends (see section 184 of the Act).

Year Month Day

Capital dividend account balance as at **001**

Please check one of the following:

Is this a balance verification request? **002** Yes ☐ No ☐

Is this request related to the requirements of
section 89(1) for form T2054? **003** Yes ☐ No ☐

Part 1 – CDA components (except for eligible capital property) (Note 1 and Note 2)

	1 Tax year-end or relevant date (YYYY/MM/DD) (Note 3) 100	2 Non-taxable portion of capital gains and non-deductible portion of capital losses per paragraph 89(1)(a) (Note 4) 110	3 Capital dividends received per paragraph 89(1)(b) (Note 5) 120	4 Net proceeds of a life insurance policy per paragraph 89(1)(d) 130	5 Non-taxable portion of capital gains from a trust per paragraph 89(1)(f) (Note 6) 140	6 Capital dividends from a trust per paragraph 89(1)(g) (Note 6) 150	7 Capital dividends payable per subsection 83(2) 160
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9.							
10.							
11.							
12.							
13.							
Totals							

If you need more space, use additional sheets.

- Note 1. For eligible capital property, see parts 2 and 4.
- Note 2. If you were a private corporation under non-resident control that became Canadian controlled as per subsection 89(1.1), and/or were a tax-exempt corporation that became taxable as per subsection 89(1.2), the CDA balance may be reduced to nil immediately before the dates referred to in those provisions.
- Note 3. Include as many tax years as required. Start your list with the tax year that began after the corporation last became a private corporation and that ended after 1971. End your list on the CDA balance date shown on line 001. If you are completing this schedule before your tax year-end, enter the relevant date of the activity.
- Note 4. Along with applicable losses, include the non-deductible portion of a business investment loss here. Show losses as a negative.
- Note 5. May be adjusted by an excessive dividend election under subsection 184(3). Exclude a dividend that subsection 83(2.1) applies to.
- Note 6. The amounts that can be added to the CDA of the corporation in a particular taxation year, in respect of amounts received by the corporation, from a trust and that are attributable to capital gains realized by the trust or to dividends received and distributed by a trust, can only be determined after the end of the taxation year of the trust in which the capital gains were realized or the dividends were received and distributed by it.

Part 2 – CDA components – Eligible capital property (ECP)

Record in these tables the most common amounts included in the eligible capital property (ECP) component of the CDA. This information is not meant to replace the calculation at line C in Part 4.

**Section A: CDA components – List of eligible capital property acquisitions and dispositions
(for tax years ending before February 28, 2000)**

	1 Tax year-end (YYYY/MM/DD) 200	2 Cost of eligible capital property acquired 210	3 Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property 220
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If you need more space, use additional sheets.

Section B: CDA components – List of ECP dispositions (for tax years ending after February 27, 2000)

	1 Tax year-end (YYYY/MM/DD) 250	2 Amount from line S of Schedule 10 260	3 Appropriate portion of the amount deducted as a bad debt per subsection 20(4.2) or as an allowable capital loss per subsection 20(4.3) 270	4 Non-taxable portion of ECP sales (column 2 minus column 3) 280
1.				
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10.				
Total				

If you need more space, use additional sheets.

Part 3 – Additional information

For each capital dividend received, as recorded in column 3 in Part 1, give the name and business number of the corporation that paid the capital dividend and the date the dividend became payable.

	1 Corporation's name 300	2 Business number 310	3 Date the dividend became payable (YYYY/MM/DD) 320
1.			
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15.			

If you need more space, use additional sheets.

Part 4 – CDA balance

Non-taxable portion of capital gains and non-deductible portion of capital losses (total of column 2 in Part 1; if negative enter "0")		A
Capital dividends received (total of column 3 in Part 1)		B
Eligible capital property (as calculated per paragraphs 89(1)(c), (c.1) and (c.2); if negative, enter "0")	400	C
Life insurance proceeds (total of column 4 in Part 1; if negative, enter "0")		D
Life insurance CDA (Note 7)	410	E
Non-taxable portion of capital gains from a trust (total of column 5 in Part 1)		F
Capital dividends from a trust (total of column 6 in Part 1)		G
Amounts from predecessor and subsidiary corporations (Note 8)	420	H
Subtotal (total of amounts A to H)		I
Deduct: capital dividends that previously became payable (total of column 7 in Part 1)		J
CDA balance (amount I minus amount J)	430	K

Note 7. Include the balance of the corporation's life insurance CDA immediately before May 24, 1985, in accordance with paragraph 89(1)(e). For more information, see paragraph 15 of Interpretation Bulletin IT66R6 Archived, *Capital Dividends*.

- Note 8.
- For amalgamations and wind-ups **before** July 14, 1990, calculate the CDA balance of each predecessor or subsidiary corporation separately. Then add these CDA balances to the CDA of the successor or parent corporation. Do not carry forward negative amounts, since these are considered to be nil.
 - For amalgamations and wind-ups **after** July 13, 1990, carry over the amounts of all the CDA components of each predecessor or subsidiary corporation into the calculation of the CDA components of the new corporation. As a result, a negative balance in a component of a CDA of a predecessor or subsidiary corporation has to show in the CDA of the successor or parent corporation. Include a separate CDA calculation on a separate schedule for each predecessor or subsidiary corporation.
 - For amalgamations, see paragraph 87(2)(z.1). For wind-ups, see paragraph 88(1)(e.2).