

CHARITABLE DONATIONS AND GIFTS
(2007 and later tax years)

Name of corporation	Business Number	Year	Tax year-end Month	Day
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- For use by corporations to claim any of the following:
 - charitable donations;
 - gifts to Canada, a province, or a territory;
 - gifts of certified cultural property;
 - gifts of certified ecologically sensitive land; or
 - additional deduction for gifts of medicine.
- The donations and gifts are eligible for a five-year carryforward.
- Use this schedule to show a credit transfer following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1) of the *Income Tax Act*.
- For donations and gifts made after March 22, 2004, subsection 110.1(1.2) of the *Income Tax Act* provides as follows:
 - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control
 - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- Under proposed changes, the eligible amount of a charitable gift is the amount by which the fair market value of the gift exceeds the amount of an advantage, if any, for the gift.
- Under proposed changes, a gift of medicine made after March 18, 2007, to qualifying organizations for activities outside of Canada, may be eligible for an additional deduction if the gift is an eligible medical gift. This additional deduction is calculated in Part 6.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation - Income Tax Guide*.

Part 1 - Charitable donations

Charitable donations at the end of the previous tax year	_____	
Deduct: Charitable donations expired after five tax years	239 _____	
Charitable donations at the beginning of the tax year	240 _____	▶ _____
Add:		
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250 _____	
Total current-year charitable donations made (enter this amount on line 112 of Schedule 1)	210 _____	
	Subtotal (line 250 plus line 210)	_____
Deduct: Adjustment for an acquisition of control (for donations made after March 22, 2004)	255 _____	
Total charitable donations available		_____ A
Deduct: Amount applied against taxable income (cannot be more than amount K in Part 2) (enter this amount on line 311 of the T2 return)	260 _____	
Charitable donations closing balance	280 _____	

Part 2 - Calculation of the maximum allowable deduction for charitable donations

Net income for tax purposes* multiplied by 75%	_____	B
Taxable capital gains arising in respect of gifts of capital property included in Part 1**	225 _____	C
Taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01)	227 _____	D
The amount of the recapture of capital cost allowance in respect of charitable gifts	230 _____	
Proceeds of disposition, less outlays and expenses**	_____ E	
Capital cost**	_____ F	
Amount E or F, whichever is less	235 _____	
Amount on line 230 or 235, whichever is less	_____ G	
Subtotal (add amounts C, D, and G)	_____ H	
Amount H multiplied by 25%	_____ I	
Subtotal (amount B plus amount I)	_____ J	
Maximum allowable deduction for charitable donations (enter amount A from Part 1, amount J, or net income for tax purposes, whichever is less)	_____ K	

* For credit unions, this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

** This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

Part 3 - Gifts to Canada, a province, or a territory

Gifts to Canada, a province, or a territory at the end of the previous tax year

Deduct:

Gifts to Canada, a province, or a territory expired after five tax years **339**

Gifts to Canada, a province, or a territory at the beginning of the tax year **340**

Add:

Gifts to Canada, a province, or a territory transferred on an amalgamation or the windup
of a subsidiary **350**

Total current-year gifts made to Canada, a province, or a territory* **310**

Subtotal (line 350 **plus** line 310)

Deduct:

Adjustment for an acquisition of control (for gifts made after March 22, 2004) **355**

Amount applied against taxable income (enter this amount on line 312 of the T2 return) **360**

Gifts to Canada, a province, or a territory closing balance **380**

* Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date. If no written agreement exists, enter the amount on line 210 and complete Part 2.

Part 4 - Gifts of certified cultural property

Gifts of certified cultural property at the end of the previous tax year

Deduct:

Gifts of certified cultural property expired after five tax years **439**

Gifts of certified cultural property at the beginning of the tax year **440**

Add:

Gifts of certified cultural property transferred on an amalgamation or the windup
of a subsidiary **450**

Total current-year gifts of certified cultural property **410**

Subtotal (line 450 **plus** line 410)

Deduct:

Adjustment for an acquisition of control (for gifts made after March 22, 2004) **455**

Amount applied against taxable income (enter this amount on line 313 of the T2 return) **460**

Gifts of certified cultural property closing balance **480**

Part 5 - Gifts of certified ecologically sensitive land

Gifts of certified ecologically sensitive land at the end of the previous tax year

Deduct:

Gifts of certified ecologically sensitive land expired after five tax years **539**

Gifts of certified ecologically sensitive land at the beginning of the tax year **540**

Add:

Gifts of certified ecologically sensitive land transferred on an amalgamation or the
windup of a subsidiary **550**

Total current-year gifts of certified ecologically sensitive land **510**

Subtotal (line 550 **plus** line 510)

Deduct:

Adjustment for an acquisition of control (for gifts made after March 22, 2004) **555**

Amount applied against taxable income (enter this amount on line 314 of the T2 return) **560**

Gifts of certified ecologically sensitive land closing balance **580**

Part 6 - Additional deduction for gifts of medicine

Additional deduction for gifts of medicine at the end of the previous tax year

Deduct:

Additional deduction for gifts of medicine expired after five tax years **639** _____
 Additional deduction for gifts of medicine at the beginning of the tax year **640** _____ **▶** _____

Add:

Additional deduction for gifts of medicine transferred on an amalgamation or the wind-up of a subsidiary **650** _____

Additional deduction for gifts of medicine for the current year:

Proceeds of disposition **602** _____ 1
 Cost of gifts of medicine **601** _____ 2
 Subtotal (line 1 **minus** line 2) 3
 Line 3 **multiplied** by 50% 4
 Eligible amount of gifts **600** _____ 5

Additional deduction for gifts of medicine for the current year **610** _____

$$A \text{ _____ } \times \left(\frac{B}{C} \text{ _____} \right) =$$

where:

- A** is the **lesser** of line 2 and line 4
B is the eligible amount of gifts (line 600)
C is the proceeds of disposition (line 602)

Subtotal (line 650 **plus** line 610) _____

Deduct:

Adjustment for an acquisition of control **655** _____
 Amount applied against taxable income (enter this amount on line 315 of the T2 return) **660** _____
 Additional deduction for gifts of medicine closing balance **680** _____

Part 7 - Amount available for carryforward by year of origin

You can complete this part to show all the donations and gifts from previous years available for carryforward by year of origin. This will help you determine the amount that could expire in following years.

Year of origin YYYY/MM/DD	Charitable donations available for carryforward	Gifts to Canada, a province, or a territory available for carryforward	Gifts of certified cultural property available for carryforward	Gifts of certified ecologically sensitive land available for carryforward	Additional deduction for gifts of medicine available for carryforward
	\$	\$	\$	\$	\$
Totals					