



**Net Income (Loss) for Income Tax Purposes  
(2011 and later tax years)**

**Protected B** when completed

Corporation's name	Business number	Year	Tax year-end Month	Day
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- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the *T2 Corporation Income Tax Guide*.
- All legislative references are to the *Income Tax Act*.

Amount calculated on line 9999 from Schedule 125 ..... **A**

**Add:**

Provision for income taxes – current .....	<b>101</b>	_____
Provision for income taxes – deferred .....	<b>102</b>	_____
Interest and penalties on taxes .....	<b>103</b>	_____
Amortization of tangible assets .....	<b>104</b>	_____
Amortization of natural resource assets .....	<b>105</b>	_____
Amortization of intangible assets .....	<b>106</b>	_____
Recapture of capital cost allowance from Schedule 8 .....	<b>107</b>	_____
Gain on sale of eligible capital property from Schedule 10 .....	<b>108</b>	_____
Loss in equity of subsidiaries and affiliates .....	<b>110</b>	_____
Loss on disposal of assets .....	<b>111</b>	_____
Charitable donations and gifts from Schedule 2 .....	<b>112</b>	_____
Taxable capital gains from Schedule 6 .....	<b>113</b>	_____
Political donations .....	<b>114</b>	_____
Holdbacks .....	<b>115</b>	_____
Deferred and prepaid expenses .....	<b>116</b>	_____
Depreciation in inventory – end of year .....	<b>117</b>	_____
Scientific research expenditures deducted per financial statements .....	<b>118</b>	_____
Capitalized interest .....	<b>119</b>	_____
Non-deductible club dues and fees .....	<b>120</b>	_____
Non-deductible meals and entertainment expenses .....	<b>121</b>	_____
Non-deductible automobile expenses .....	<b>122</b>	_____
Non-deductible life insurance premiums .....	<b>123</b>	_____
Non-deductible company pension plans .....	<b>124</b>	_____
Other reserves on lines 270 and 275 from Schedule 13 .....	<b>125</b>	_____
Reserves from financial statements – balance at the end of the year .....	<b>126</b>	_____
Soft costs on construction and renovation of buildings .....	<b>127</b>	_____
Non-deductible fines and penalties under section 67.6 .....	<b>128</b>	_____
Income or loss for tax purposes – partnerships .....	<b>129</b>	_____
Amounts calculated under section 34.2 – Schedule 73 .....	<b>130</b>	_____
Income shortfall adjustment and additional amount from Schedule 73 .....	<b>131</b>	_____
Income or loss for tax purposes – joint ventures .....	<b>132</b>	_____
Total of lines 201 to 294 on page 3 .....	<b>199</b>	_____
Total of lines 101 to 199 .....	<b>500</b>	_____ <b>B</b>

Amount A **plus** amount B ..... \_\_\_\_\_

**Deduct:**

Gain on disposal of assets per financial statements ..... **401** \_\_\_\_\_

Non-taxable dividend under section 83 from Schedule 3 ..... **402** \_\_\_\_\_

Capital cost allowance from Schedule 8 ..... **403** \_\_\_\_\_

Terminal loss from Schedule 8 ..... **404** \_\_\_\_\_

Cumulative eligible capital deduction from Schedule 10 ..... **405** \_\_\_\_\_

Allowable business investment loss – Schedule 6 ..... **406** \_\_\_\_\_

Foreign non-business tax deduction under subsection 20(12) ..... **407** \_\_\_\_\_

Holdbacks ..... **408** \_\_\_\_\_

Deferred and prepaid expenses ..... **409** \_\_\_\_\_

Depreciation in inventory – end of prior year ..... **410** \_\_\_\_\_

SR&ED expenditures claimed in the year from Form T661 (line 460) ..... **411** \_\_\_\_\_

Other reserves on line 280 from Schedule 13 ..... **413** \_\_\_\_\_

Reserves from financial statements – balance at the beginning of the year ..... **414** \_\_\_\_\_

Patronage dividend deduction on line 116 from Schedule 16 ..... **416** \_\_\_\_\_

Contributions to deferred income plans from Schedule 15 ..... **417** \_\_\_\_\_

Total of lines 300 to 394 on page 4 ..... **499** \_\_\_\_\_

Total of lines 401 to 499 **510** \_\_\_\_\_ ► \_\_\_\_\_

**Net income (loss) for income tax purposes** – enter on line 300 on page 3 of the T2 return ..... \_\_\_\_\_

**Add:**

Accounts payable and accruals for cash basis – closing	201	
Accounts receivable and prepaid for cash basis – opening	202	
Accrual inventory – opening	203	
Accrued dividends – prior year	204	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Deemed dividend income	209	
Deemed interest on loans to non-residents	210	
Deemed interest received	211	
Development expenses claimed in current year	212	
Dividend stop-loss adjustment	213	
Dividends credited to the investment account	214	
Exploration expenses claimed in current year	215	
Financing fees deducted in books	216	
Foreign accrual property income	217	
Foreign affiliate property income	218	
Foreign exchange included in retained earnings	219	
Gain on settlement of debt	220	
Interest paid on income debentures	221	
Limited partnership losses from Schedule 4	222	
Loss from international banking centres	223	
Mandatory inventory adjustment – included in current year	224	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Optional value of inventory – included in current year	229	
Other expenses from financial statements	230	
Recapture of SR&ED expenditures – Form T661	231	
Resource amounts deducted	232	
Restricted farm losses – current year – Schedule 4	233	
Sales tax assessments	234	
Share issue expense	235	
Write-down of capital property	236	
Amounts received in respect of qualifying environmental trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	
Contractors' completion method adjustment: revenue net of costs on contracts under 2 years – previous year	238	
Taxable/non-deductible other comprehensive income items	239	

**Other additions:**

600		290	
601		291	
602		292	
603		293	
604		294	

Total of lines 201 to 294 (enter this amount at line 199 on page 1) \_\_\_\_\_

**Deduct:**

Accounts payable and accruals for cash basis – opening . . . . .	<b>300</b>	_____
Accounts receivable and prepaid for cash basis – closing . . . . .	<b>301</b>	_____
Accrual inventory – closing . . . . .	<b>302</b>	_____
Accrued dividends – current year . . . . .	<b>303</b>	_____
Bad debt . . . . .	<b>304</b>	_____
Book income of joint venture or partnership . . . . .	<b>305</b>	_____
Equity in income from subsidiaries or affiliates . . . . .	<b>306</b>	_____
Exempt income under section 81 . . . . .	<b>307</b>	_____
Income from international banking centres . . . . .	<b>308</b>	_____
Mandatory inventory adjustment – included in prior year . . . . .	<b>309</b>	_____
Contributions to a qualifying environmental trust . . . . .	<b>310</b>	_____
Non-Canadian advertising expenses – broadcasting . . . . .	<b>311</b>	_____
Non-Canadian advertising expenses – printed materials . . . . .	<b>312</b>	_____
Optional value of inventory – included in prior year . . . . .	<b>313</b>	_____
Other income from financial statements . . . . .	<b>314</b>	_____
Payments made for allocations in proportion to borrowing and bonus interest payments from Schedule 17 . . . . .	<b>315</b>	_____
Contractors' completion method adjustment: revenue net of costs on contracts under 2 years – current year . . . . .	<b>316</b>	_____
Non-taxable/deductible other comprehensive income items . . . . .	<b>347</b>	_____

**Resource deductions:**

Canadian development expenses from Schedule 12 . . . . .	<b>340</b>	_____
Canadian exploration expenses from Schedule 12 . . . . .	<b>341</b>	_____
Canadian oil and gas property expenses from Schedule 12 . . . . .	<b>342</b>	_____
Depletion from Schedule 12 . . . . .	<b>344</b>	_____
Foreign exploration and development expenses from Schedule 12 . . . . .	<b>345</b>	_____

**Other deductions:**

<b>700</b> _____	<b>390</b>	_____
<b>701</b> _____	<b>391</b>	_____
<b>702</b> _____	<b>392</b>	_____
<b>703</b> _____	<b>393</b>	_____
<b>704</b> _____	<b>394</b>	_____

Total of lines 300 to 394 (enter this amount at line 499 on page 2) \_\_\_\_\_