

**Aggregate Investment Income and Active Business Income**
(2016 and later tax years)

Corporation's name	Business number	Tax year-end Year Month Day
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- Use this schedule if you are a Canadian-controlled private corporation (CCPC) to calculate:
 - your aggregate investment income and foreign investment income, as defined in subsection 129(4), to determine the refundable portion of Part I tax;
 - your **specified partnership income**, if you are a member or **designated member** of one or more partnerships as defined under subsection 125(7); and
 - your income from an active business carried on in Canada eligible for the small business deduction including any **specified corporate income** as defined in subsection 125(7).
- Use this schedule if another CCPC is making an assignment of **business limit** under subsection 125(3.2) to you.
- Use this schedule if you are a member of a partnership to assign **specified partnership business limit** to a **designated member** under subsection 125(8).
Note: If you are a corporation that is not a CCPC, **only** complete Table 1 (columns A1, B1, C1, G1, H1 and J1) and Table 3 to make this assignment.
- All legislative references are to the *Income Tax Act*.
- For more information, see **Small Business Deduction** and **Refundable Portion of Part I Tax** in Guide T4012, *T2 Corporation – Income Tax Guide*.
- Use the note links to see the notes in a pop-up or see the notes at the end of the form.

Part 1 – Aggregate investment incomeAggregate investment income is all **world** source income.

Eligible portion of taxable capital gains for the year	002	_____
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	012	_____
Net capital losses of previous years claimed on line 332 on the T2 return	022	_____
Subtotal (line 012 plus line 022)		_____ A
Line 002 minus amount A (if negative, enter "0")		_____ B
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada)	032	_____
Exempt income	042	_____
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	052	_____
Taxable dividends deductible (total of column F on Schedule 3 minus related expenses)	062	_____
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	072	_____
Subtotal (add lines 042, 052, 062 and 072)		_____ C
Subtotal (line 032 minus amount C)		_____ D
Amount B plus amount D		_____ E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)	082	_____
Amount E minus line 082 (if negative, enter "0") (enter on line 440 of the T2 return)	092	_____

Part 2 – Foreign investment incomeForeign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year	001	_____
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	009	_____
Subtotal (line 001 minus line 009) (if negative, enter "0")		_____ F
Total income from property from a source outside Canada (net of related expenses)	019	_____
Exempt income	029	_____
Taxable dividends deductible (total of column F on Schedule 3 minus related expenses)	049	_____
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	059	_____
Subtotal (add lines 029, 049, and 059)		_____ G
Subtotal (line 019 minus amount G)		_____ H
Amount F plus amount H		_____ I
Total losses from property from a source outside Canada	069	_____
Amount I minus line 069 (if negative, enter "0") (enter on line 445 of the T2 return)	079	_____

Part 3 – Specified partnership income**Table 1 – Specified partnership income**

	A1 Partnership name	B1 Total income (loss) of partnership from an active business	C1 Corporation's share of amount in column B1	D1 Income of the corporation from providing (directly or indirectly) services or property to the partnership ^{note 1}
	200	300	310	311
1.				
2.				
3.				
4.				
5.				

	E1 Adjustments (add or deduct the prorated amounts calculated under section 34.2 ^{note 2} and deduct expenses the corporation incurred to earn partnership income)	F1 Corporation's income (loss) in respect of the partnership ^{note 3} (add columns C1, D1 and E1)	G1 Number of days in the partnership's fiscal period	H1 Prorated business limit ^{notes 3 and 4} (column C1 ÷ column B1) × [\$500,000 × (column G1 ÷ 365)] (if column C1 is negative, enter "0")
	315	320	325	330
1.				
2.				
3.				
4.				
5.				
Total		350		

	I1 Specified partnership business limit assigned to you (from H2 in Table 2) ^{notes 1, 6 and 7}	J1 Specified partnership business limit assigned by you (from F3 in Table 3) ^{notes 1, 6 and 8}	K1 Specified partnership business limit amount (column H1 plus column I1 minus column J1)	L1 Column F1 minus column K1 (if negative, enter "0")	M1 Lesser of columns F1 and K1 (if column F1 is negative, enter "0") ^{note 5}
	335	336			340
1.					
2.					
3.					
4.					
5.					
Total				385	360

Corporation's losses for the year from an active business carried on in Canada
(other than as a member of a partnership) – enter as a positive amount **370** _____

Specified partnership loss of the corporation for the year – enter as a positive amount
(total of all negative amounts in column F1) **380** _____

Subtotal (line 370 **plus** line 380) _____ **J**

Amount at line 385 or amount J, whichever is less **390** _____

Specified partnership income (line 360 **plus** line 390) **400** _____
(enter at amount N in Part 4)

Part 3 – Specified partnership income (continued)

Tables 2 and 3 are used to make an assignment of **specified partnership business limit** under subsection 125(8). A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member** for any tax year that **starts after** March 21, 2016. Also, that person can make an assignment for its tax year that **starts before** March 22, 2016 and **ends after** March 21, 2016 if the tax year of the **designated member starts after** March 21, 2016.

If you are a designated member and **receiving** specified partnership business limit from a person that is a member of the partnership, complete Table 2.

If you are a member of the partnership and **assigning** specified partnership business limit to a designated member, complete Table 3.

Table 2 – A member is assigning to you specified partnership business limit under subsection 125(8)

A2 Partnership name	B2 Name of the member	C2 Business number of the member (if applicable)	D2 Social insurance number of the member (if applicable)	E2 Trust account number of the member (if applicable)	F2 Tax year start of the member (yyyymmdd)	G2 Tax year-end of the member (yyyymmdd)	H2 Specified partnership business limit assigned to you by the member ^{note 9}
405	406	410	411	412	415	416	420

Table 3 – You are assigning to a designated member (CCPC) specified partnership business limit under subsection 125(8)

A3 Partnership name	B3 Name of the designated member	C3 Business number of the designated member	D3 Tax year start of the designated member (yyyymmdd)	E3 Tax year-end of the designated member (yyyymmdd)	F3 Specified partnership business limit assigned by you to the designated member ^{note 10}
425	426	430	435	436	440

Part 4 – Partnership income not eligible for the small business deduction

Corporation's income from active businesses carried on in Canada as a member or designated member of a partnership (after deducting related expenses) – from line 350 in Part 3 (if the net amount is negative, enter "0" on line 450) K

Specified partnership loss (from line 380 in Part 3) L

Subtotal (amount K **plus** amount L) M

Specified partnership income (from line 400 in Part 3) N

Partnership income not eligible for the small business deduction (amount M **minus** amount N) **450**
(enter at amount V in Part 5)

Part 5 – Income from active business carried on in Canada

Net income for income tax purposes from line 300 of the T2 return O

Allowable business investment loss from line 406 of Schedule 1 P

Subtotal (amount O **plus** amount P) Q

Foreign business income after deducting related expenses **note 11** **500**

Taxable capital gains from line 113 of Schedule 1 R

Net property income (line 032 **note 12** **minus** the total of lines 042, 052 and 082 **note 11** in Part 1) S

Personal services business income and other income after deducting related expenses **note 11** **520**

Subtotal (**add** line 500, amount R, amount S and line 520) T

Net amount (amount Q **minus** amount T) U

Partnership income not eligible for the small business deduction (line 450 in Part 4) V

Partnership income allocated to your corporation under subsection 96(1.1) **530**

Income referred to in clause 125(1)(a)(i)(C) **540**

Income referred to in clause 125(1)(a)(i)(B) (from line 615 in Part 6) W

Subtotal (**add** amount V, line 530, line 540 and amount W) X

Specified corporate income (from line 625 in Part 6) Y

Income from active business carried on in Canada (amount U **minus** amount X **plus** amount Y) Z
(enter amount Z on line 400 of the T2 return – if negative, enter "0")

Part 6 – Specified corporate income and assignment under subsection 125(3.2)

Applies to tax years that begin after March 21, 2016.

A CCPC can also make an assignment of **business limit** to you for its tax year that **starts before** March 22, 2016, and **ends after** March 21, 2016, if your tax **year starts** after March 21, 2016.

AA Business number of the corporation	BB Income described under clause 125(1)(a)(i)(B) from the corporation identified in column AA note 13	CC Business limit assigned from the corporation identified in column AA note 14
600	610	620
Total	615	625

See Notes on the next page.

Notes

- Note 1** Applies to tax years that **begin after** March 21, 2016. For tax years beginning before March 22, 2016 leave blank.
- Note 2** Do **not** include expenses that were deducted in computing the income of the corporation in column D1.
In general, amounts included under subsections 34.2(2) and 34.2(3) or claimed under subsection 34.2(4) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. Amounts claimed under subsection 34.2(11) and included under subsection 34.2(12) are deemed to have the **same character** and be in the **same proportions** as the qualifying transitional income. For example, if a corporation receives \$100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of \$40,000 of active business income, \$30,000 of income from property, and \$30,000 as a taxable capital gain, the corporation's adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct only the portion of the following amounts that are characterized as **active business income** in accordance with subsection 34.2(5):
- Add:**
- the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
 - the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)
 - the previous-year transitional reserve under subsection 34.2(12) (column 12 of Schedule 73)
- Deduct:**
- the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
 - the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)
 - the current-year transitional reserve under subsection 34.2(11) (column 11 of Schedule 73)
- Note 3** When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is **not** netted against the partnership's income when calculating the prorated business limit (column H1). Enter on line 380 the total of all losses from column F1.
- Note 4** For tax years that begin after March 21, 2016, if you are a **designated member** of the partnership, enter "0".
- Note 5** For tax years that begin after March 21, 2016, you must enter "0" if the partnership provides services or property to either:
- (A) a private corporation (directly or indirectly in any manner whatever) in the year, if:
- you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
 - it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
 - persons (other than the private corporation) that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
 - partnerships with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest, or
- (B) a particular partnership (directly or indirectly in any manner whatever) in the year, if:
- you (or one of your shareholders) do **not** deal at arm's length with the particular partnership or a person that holds a direct or indirect interest in the particular partnership, and
 - it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
 - persons that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
 - partnerships (other than the particular partnership) with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest
- Note 6** A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member** for any tax year that **starts after** March 21, 2016. Also, that person can make an assignment for its tax year that **starts before** March 22, 2016 and **ends after** March 21, 2016 if the tax year of the **designated member starts after** March 21, 2016.
- Note 7** If you are a **designated member** receiving an assignment of **specified partnership business limit**, complete Table 2 to determine the amounts to enter in Table 1 column I1.
- Note 8** If you are a corporation that is a **member** of the partnership and you are assigning **specified partnership business limit**, complete Table 3 to determine the amounts to enter in Table 1 column J1.
- Note 9** Add the amounts in column H2 that are for the same partnership and enter it in Table 1 column I1, in the row of the applicable partnership.
- Note 10** Add the amounts in column F3 that are for the same partnership and enter it in Table 1 column J1, in the row of the applicable partnership. This amount **cannot** be higher than the amount of prorated business limit you would otherwise be entitled to in Table 1 column H1 for that partnership.
- Note 11** If negative, enter amount in brackets, and **add** instead of subtracting.
- Note 12** Net of related expenses.
- Note 13** This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts, each of which is your income from an active business for the year from providing services or property to a private corporation (directly or indirectly, in any manner whatever) if
- (A) at any time in the year, you (or one of your shareholders) or a person that does not deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
- (B) it is not the case that all or substantially all of your income for the year from an active business is from providing services or property to
- (I) persons (other than the private corporation) with which you deal at arm's length, or
 - (II) partnerships with which you deal at arm's length, other than a partnership in which a person that does not deal at arm's length with you holds a direct or indirect interest.
- Do **not** include income from an associated corporation if the conditions described in subsection 125(10) are met.
- Note 14** The amount of business limit that a CCPC can assign to you cannot be greater than the amount in column BB that is from providing services or property **directly** to that CCPC. If there is an amount included in column BB that is deductible by that CCPC in respect of the amount of its income referred to in clause 125(1)(a)(i)(A) or (B) for its tax year, you need to deduct it from column BB for the purpose of determining the amount that can be assigned to you.