



# Statement of Business or Professional Activities

- For each business or profession, complete a **separate** Form T2125.
- File each completed Form T2125 with your *Income Tax and Benefit Return*.
- For more information on how to complete this form, see Guide T4002, *Business and Professional Income*.

<b>Identification</b>							
Your name				Your social insurance number			
Business name				Account Number (15 characters)			
Business address				City, province or territory		Postal code	
Fiscal period	Year	Month	Day	To:	Year	Month	Day
Main product or service				Was 2010 your last year of business? Yes <input type="checkbox"/> No <input type="checkbox"/>			
Tax shelter identification number				Partnership Business Number (9 digits)		Your percentage of the partnership %	
Name and address of person or firm preparing this form							

**Part 1 – Business income**

2.  If you have business income, tick this box and complete this part. **Do not complete parts 1 and 2 on the same form.**

Sales, commissions, or fees .....                      A

**Minus**

Goods and services tax and provincial sales tax (GST and PST) or harmonized sales tax (HST) (if included in sales above) .....                     

Returns, allowances, and discounts (if included in sales above) .....                     

**Total of the above two lines** .....                      B

**Adjusted gross sales** (line A minus line B) (enter this amount on line 8000 in Part 3 below) .....                      C

**Part 2 – Professional income**

3.  If you have professional income, tick this box and complete this part. **Do not complete parts 1 and 2 on the same form.**

Professional fees (includes work-in-progress) .....                      D

**Minus**

Goods and services tax and provincial sales tax (GST and PST) or harmonized sales tax (HST) (if included in fees above) .....                     

Work-in-progress (WIP), end of the year, per election to exclude WIP (see Chapter 2 of the guide) ...                     

**Total of the above two lines** .....                      E

**Subtotal** (line D minus line E) .....                     

**Plus**

Work-in-progress (WIP), start of the year, per election to exclude WIP (see Chapter 2 of the guide) .....                     

**Adjusted professional fees** (total of the above two lines) (enter this amount on line 8000 in Part 3 below) .....                      F

**Part 3 – Gross business or professional income**

Adjusted gross sales (from line C in Part 1) or adjusted professional fees (from line F in Part 2) ..... **8000**                      G

**Plus**

Reserves deducted last year ..... **8290**                     

Other income ..... **8230**                     

**Total of the above two lines** .....                      H

**Gross business or professional income** (line G plus line H) ..... **8299**                     

Enter this amount on the appropriate line of your income tax and benefit return: business on line 162, professional on line 164, or commission on line 166.

If GST/HST has been remitted and/or an input tax credit has been claimed, do not include GST/HST in the calculation of cost of goods sold, expenses or net income (loss) in parts 4 to 6.

**Part 4 – Cost of goods sold and gross profit**

If you have business income, complete this part. Enter only the business part of the costs.

Gross business income from line 8299 in Part 3 on page 1 .....				I
Opening inventory (include raw materials, goods in process, and finished goods) .....	8300			
Purchases during the year (net of returns, allowances, and discounts) .....	8320			
Direct wage costs .....	8340			
Subcontracts .....	8360			
Other costs .....	8450			
<b>Total</b> of the above five lines				
<b>Minus</b>				
Closing inventory (include raw materials, goods in process, and finished goods) .....	8500			
<b>Cost of goods sold</b>	8518			J
<b>Gross profit</b> (line I minus line J) .....			8519	

**Part 5 – Net income (loss) before adjustments**

Gross profit from line 8519 in Part 4 above, or gross income from line 8299 in Part 3 on page 1 .....

**Expenses** (enter only the business part)

Advertising .....	8521			
Meals and entertainment (allowable part only) .....	8523			
Bad debts .....	8590			
Insurance .....	8690			
Interest .....	8710			
Business tax, fees, licences, dues, memberships, and subscriptions .....	8760			
Office expenses .....	8810			
Supplies .....	8811			
Legal, accounting, and other professional fees .....	8860			
Management and administration fees .....	8871			
Rent .....	8910			
Maintenance and repairs .....	8960			
Salaries, wages, and benefits (including employer's contributions) .....	9060			
Property taxes .....	9180			
Travel (including transportation fees, accommodations, and allowable part of meals) .....	9200			
Telephone and utilities .....	9220			
Fuel costs (except for motor vehicles) .....	9224			
Delivery, freight, and express .....	9275			
Motor vehicle expenses (not including CCA) (see Chart A on page 5) .....	9281			
Allowance on eligible capital property .....	9935			
Capital cost allowance (CCA) (from Area A on page 4) .....	9936			
Other expenses (specify) .....	9270			
<b>Total business expenses</b>	9368			L
<b>Net income (loss) before adjustments</b> (line K minus line L) .....			9369	

**Part 6 – Your net income (loss)**

Your share of the amount on line 9369 in Part 5 above .....	9974			M
<b>Plus:</b> GST/HST rebate for partners received in the year (see Chapter 3) .....				N
<b>Total</b> (line M plus line N)				O
<b>Minus:</b> Other amounts deductible from your share of net partnership income (loss) (from the chart on page 3) .....	9943			P
<b>Net income (loss) after adjustments</b> (line O minus line P) .....				Q
<b>Minus:</b> Business-use-of-home expenses (your share of line 3 from the chart on page 3) .....	9945			R
<b>Your net income (loss)</b> (line Q minus line R) .....	9946			

Enter this amount on the appropriate line of your income tax and benefit return: business on line 135, professional on line 137, or commission on line 139.

**Other amounts deductible from your share of 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.

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Other amounts deductible from your share of the partnership** (total of the above lines) (enter this amount on line 9943, in Part 6 on page 2) \_\_\_\_\_

**Calculation of business-use-of-home expenses**

Heat .....	_____	_____
Electricity .....	_____	_____
Insurance .....	_____	_____
Maintenance .....	_____	_____
Mortgage interest .....	_____	_____
Property taxes .....	_____	_____
Other expenses (specify) _____	_____	_____
	<b>Subtotal</b>	_____
<b>Minus:</b> Personal use part .....	_____	_____
	<b>Subtotal</b>	_____
<b>Plus:</b> Capital cost allowance (business part only) .....	_____	_____
Amount carried forward from previous year .....	_____	_____
	<b>Subtotal</b>	_____ 1
<b>Minus:</b> Net income (loss) after adjustments (from line Q in Part 6 on page 2) (if negative, enter "0") .....	_____	_____ 2
<b>Business-use-of-home expenses available to carry forward</b> (line 1 minus line 2) (if negative, enter "0") _____	_____	_____
<b>Allowable Claim</b> (the lesser of amount 1 or 2 above) (enter your share of this amount on line 9945 in Part 6) .....	_____	_____ 3

**Details of other partners**

Name and address	Share of net income or (loss) \$	Percentage of partnership %
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Details of equity**

Total business liabilities .....	_____	9931	_____
Drawings in 2010 .....	_____	9932	_____
Capital contributions in 2010 .....	_____	9933	_____

**Area A – Calculation of capital cost allowance (CCA) claim**

1 Class number	2 Undepreciated capital cost (UCC) at the start of the year	3 Cost of additions in the year (see areas B and C below)	4 Proceeds of dispositions in the year (see areas D and E below)	5* UCC after additions and dispositions (col. 2 plus col. 3 minus col. 4)	6 Adjustment for current-year additions $1/2 \times (\text{col. 3} - \text{col. 4})$ If negative, enter "0."	7 Base amount for CCA (col. 5 minus col. 6)	8 Rate %	9 CCA for the year (col. 7 x col. 8 or an adjusted amount)	10 UCC at the end of the year (col. 5 minus col. 9)	
<b>Total CCA claim for the year</b> (enter this amount, minus any personal part and any CCA for business-use-of-home expenses, on line 9936 in Part 5 on page 2*)										

\* If you have a negative amount in this column, add it to income as a recapture on line 8230, "Other income," in Part 3 on page 1. If no property is left in the class and there is a positive amount in the column, deduct the amount from income as a terminal loss on line 9270, "Other expenses," in Part 5 on page 2. Recapture and terminal loss do not apply to a class 10.1 property. For more information, see Chapter 4 of Guide T4002, *Business and Professional Income*.

\*\* For information on CCA for "Calculation of business-use-of-home expenses" on page 3, see "Special Situations" in Chapter 4 of Guide T4002, *Business and Professional Income*.

**Area B – Details of equipment additions in the year**

1 Class number	2 Property details	3 Total cost	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
<b>Total equipment additions in the year</b>				<b>9925</b>

**Area C – Details of building additions in the year**

1 Class number	2 Property details	3 Total cost	4 Personal part (if applicable)	5 Business part (column 3 minus column 4)
<b>Total building additions in the year</b>				<b>9927</b>

**Area D – Details of equipment dispositions in the year**

1 Class number	2 Property details	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)
<b>Total equipment dispositions in the year</b>				<b>9926</b>

**Note:** If you disposed of property from your business in the year, see Chapter 4 of Guide T4002, *Business and Professional Income*, for information about your proceeds of disposition.

**Area E – Details of building dispositions in the year**

1 Class number	2 Property details	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)
<b>Total building dispositions in the year</b>				<b>9928</b>

**Note:** If you disposed of property from your business in the year, see Chapter 4 of Guide T4002, *Business and Professional Income*, for information about your proceeds of disposition.

**Area F – Details of land additions and dispositions in the year**

Total cost of all land additions in the year .....	<b>9923</b>	
Total proceeds from all land dispositions in the year .....	<b>9924</b>	

**Note:** You cannot claim capital cost allowance on land.

**Chart A – Motor vehicle expenses**

Enter the kilometres you drove in the tax year to earn business income .....	_____	_____	1
Enter the total kilometres you drove in the tax year .....	_____	_____	2
Fuel and oil .....	_____	_____	3
Interest (see Chart B below) .....	_____	_____	4
Insurance .....	_____	_____	5
Licence and registration .....	_____	_____	6
Maintenance and repairs .....	_____	_____	7
Leasing (see Chart C below) .....	_____	_____	8
Other expenses (specify) _____	_____	_____	9
	_____	_____	10
<b>Total motor vehicle expenses</b> (add lines 3 to 10 )	_____	_____	11
Business use part: ( line 1: _____ ) <input type="checkbox"/> line 11: _____ <input type="checkbox"/> _____ 12			
line 2: _____			
Business parking fees .....	_____	_____	13
Supplementary business insurance .....	_____	_____	14
<b>Allowable motor vehicle expenses</b> (add lines 12, 13, and 14) (enter this amount on line 9281 in Part 5 on page 2) .....	_____	_____	

**Note:** You can claim CCA on motor vehicles in Area A on page 4.

**Chart B – Available interest expense for passenger vehicles**

Total interest payable (accrual method) or paid (cash method) in the fiscal period .....	_____	_____	A
_____ \$10* <input type="checkbox"/> the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method) _____	_____	_____	B
<b>Available interest expense</b> (amount A or B, whichever is less) (enter this amount on line 4 of Chart A above) .....	_____	_____	

\* For passenger vehicles bought from 2001 to 2010.

**Chart C – Eligible leasing costs for passenger vehicles**

Total lease charges incurred in your 2010 fiscal period for the vehicle .....	_____	_____	1
Total lease payments deducted before your 2010 fiscal period for the vehicle .....	_____	_____	2
Total number of days the vehicle was leased in your 2010 and previous fiscal periods .....	_____	_____	3
Manufacturer's list price .....	_____	_____	4
The amount on line 4 or (\$35,294 <input type="checkbox"/> GST* and PST, or HST* on \$35,294), whichever is more	_____	_____ <input type="checkbox"/> 85%	5
$\frac{[(\$800 + \text{GST}^* \text{ and PST, or HST}^* \text{ on } \$800) \text{ line 3}]}{30}$	_____	_____ <input type="checkbox"/> line 2: _____	6
$\frac{[(\$30,000 + \text{GST}^* \text{ and PST, or HST}^* \text{ on } \$30,000) \text{ line 1}]}{\text{line 5}}$	_____	_____	7
<b>Eligible leasing cost</b> (line 6 or 7, whichever is less) (enter this amount on line 8 of Chart A above) .....	_____	_____	

\* Use a GST rate of 5% or HST rate applicable to your province.