



**Part 3A – Business income**

Fill in this part **only** if you have business income. If you have professional income, leave this part blank and fill in Part 3B.  
If you have both business and professional income, you have to fill out a separate Form T2125 for each.

**Part 3B – Professional income**

Fill in this part **only** if you have professional income. If you have business income, leave this part blank and fill in Part 3A.  
If you have both business and professional income, you have to fill out a separate Form T2125 for each.

**Note:** New rules allow you to include your work-in-progress (WIP) progressively if you elected to use billed-basis accounting for the last tax year that started before March 22, 2017. Generally, for the first tax year that starts after March 21, 2017, you must include 20% of the lesser of the cost and the fair market value of WIP. The inclusion rate increases to 40% in the second tax year that starts after March 21, 2017, 60% in the third year, 80% in the fourth year and 100% in the fifth and all subsequent tax years. For more information, see Chapter 2 of Guide T4002.

<b>Part 3A – Business income</b>		
Gross sales, commissions or fees (include GST/HST collected or collectible) . . . . .	_____	3A
GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 3A) . . . . .	_____	3B
<b>Subtotal: Amount 3A minus amount 3B</b> . . . . .	_____	3C
<b>If you are using the quick method for GST/HST – Government assistance calculated as follows:</b>		
GST/HST collected or collectible on sales, commissions and fees eligible for the quick method . . . . .	_____	3D
GST/HST remitted, (sales, commissions and fees eligible for the quick method <b>plus</b> GST/HST collected or collectible) <b>multiplied</b> by the applicable quick method remittance rate . . . . .	_____	3E
<b>Subtotal: Amount 3D minus amount 3E</b> . . . . .	_____	3F
<b>Adjusted gross sales: Amount 3C plus amount 3F (enter on line 8000 of Part 3C)</b> . . . . .	_____	3G

<b>Part 3B – Professional income</b>		
Gross professional fees including work-in-progress (WIP) and GST/HST collected or collectible . . . . .	_____	3H
GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 3H) and any WIP at the end of the year you elected to exclude . . . . .	_____	3I
<b>Subtotal: Amount 3H minus amount 3I</b> . . . . .	_____	3J
<b>If you are using the quick method for GST/HST – Government assistance calculated as follows:</b>		
GST/HST collected or collectible on professional fees eligible for the quick method . . . . .	_____	3K
GST/HST remitted, (professional fees eligible for the quick method <b>plus</b> GST/HST collected or collectible) <b>multiplied</b> by the applicable quick method remittance rate . . . . .	_____	3L
<b>Subtotal: Amount 3K minus amount 3L</b> . . . . .	_____	3M
WIP at the start of the year, per your election to exclude WIP at the end of last year (see Guide T4002, Chapter 2) . . . . .	_____	3N
<b>Adjusted professional fees: Amount 3J plus amount 3M plus amount 3N (enter on line 8000 of Part 3C)</b> . . . . .	_____	3O

<b>Part 3C – Gross business or professional income</b>		
Adjusted gross sales (amount 3G) or adjusted professional fees (amount 3O) . . . . .	_____ <b>8000</b>	
Reserves deducted last year . . . . .	_____ <b>8290</b>	
Other income (specify)*: _____	_____ <b>8230</b>	
<b>Subtotal: Line 8290 plus line 8230</b> . . . . .	_____ <b>▶</b>	3P
<b>Gross business or professional income: Line 8000 plus amount 3P</b> . . . . .	_____ <b>8299</b>	
Report the gross business or professional income from line 8299 on the applicable line of your income tax and benefit return as indicated below:		
<ul style="list-style-type: none"> <li>• business income on line 13499</li> <li>• professional income on line 13699</li> <li>• commission income on line 13899</li> </ul>		
* You may have received assistance from COVID-related measures from the federal, provincial or territorial governments. For more information, go to <a href="https://canada.ca/cra-coronavirus">canada.ca/cra-coronavirus</a> .		

For Parts 3D, 4 and 5, if GST/HST has been remitted or an input tax credit has been claimed, do not include GST/HST when you calculate the cost of goods sold, expenses or net income (loss). If you are using the quick method for GST/HST, include the GST/HST paid or payable when you calculate the cost of goods sold, expenses or net income (loss).

**Part 3D – Cost of goods sold and gross profit**

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

Gross business income (line 8299 of Part 3C) . . . . .				3Q
Opening inventory (include raw materials, goods in process and finished goods) . . . . .	8300		3R	
Purchases during the year (net of returns, allowances and discounts) . . . . .	8320		3S	
Direct wage costs . . . . .	8340		3T	
Subcontracts . . . . .	8360		3U	
Other costs . . . . .	8450		3V	
<b>Subtotal: Add amounts 3R to 3V</b>			<b>3W</b>	
Closing inventory (include raw materials, goods in process and finished goods) . . . . .	8500			
<b>Cost of goods sold: Amount 3W minus line 8500</b>	<b>8518</b>			
<b>Gross profit (or loss): Amount 3Q minus line 8518.</b> . . . . .			<b>8519</b>	

**Part 4 – Net income (loss) before adjustments**

Gross business or professional income (line 8299 of Part 3C) or Gross profit (line 8519 of Part 3D) . . . . . 4A

<b>Expenses</b> (enter only the business part)				
Advertising . . . . .	8521		4B	
Meals and entertainment . . . . .	8523		4C	
Bad debts . . . . .	8590		4D	
Insurance . . . . .	8690		4E	
Interest and bank charges . . . . .	8710		4F	
Business taxes, licences and memberships . . . . .	8760		4G	
Office expenses . . . . .	8810		4H	
Office stationery and supplies . . . . .	8811		4I	
Professional fees (includes legal and accounting fees) . . . . .	8860		4J	
Management and administration fees . . . . .	8871		4K	
Rent . . . . .	8910		4L	
Repairs and maintenance . . . . .	8960		4M	
Salaries, wages and benefits (including employer's contributions) . . . . .	9060		4N	
Property taxes . . . . .	9180		4O	
Travel expenses . . . . .	9200		4P	
Utilities . . . . .	9220		4Q	
Fuel costs (except for motor vehicles) . . . . .	9224		4R	
Delivery, freight and express . . . . .	9275		4S	
Motor vehicle expenses (not including CCA) (amount 16 of Chart A) . . . . .	9281		4T	
Capital cost allowance (CCA). Enter amount i of Area A minus any personal part and any CCA for business-use-of-home expenses . . . . .	9936		4U	
Other expenses (specify): . . . . .	9270		4V	
<b>Total expenses: Total of amounts 4B to 4V</b>	<b>9368</b>			
<b>Net income (loss) before adjustments: Amount 4A minus line 9368</b> . . . . .			<b>9369</b>	

**Part 5 – Your net income (loss)**

Your share of line 9369 or the amount from your T5013 slip, Statement of Partnership Income . . . . .			5A	
Canadian journalism labour tax credit allocated to you in the year (box 236 of your T5013 slip) . . . . .			5B	
GST/HST rebate for partners received in the year . . . . .	9974			
<b>Total: Amount 5A plus amount 5B plus line 9974</b>				5C
Other amounts deductible from your share of net partnership income (loss) (amount 6F) . . . . .			<b>9943</b>	
<b>Net income (loss) after adjustments: Amount 5C minus line 9943</b> . . . . .				5D
Business-use-of-home expenses (amount 7P) . . . . .			<b>9945</b>	
<b>Your net income (loss): Amount 5D minus line 9945</b> . . . . .			<b>9946</b>	

Report the net income amount from line 9946 on the applicable line of your income tax and benefit return as indicated below:

- business income on line 13500
- professional income on line 13700
- commission income on line 13900

**Part 6 – 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. These claims must not be included in the claims already calculated for the partnership.

List details of expenses:

Expense amounts

_____	_____	6A
_____	_____	6B
_____	_____	6C
_____	_____	6D
_____	_____	6E
<b>Total other amounts deductible from your share of the net partnership income (loss):</b> Add amounts 6A to 6E (enter this on line 9943 of Part 5)		6F

**Part 7 – Calculating business-use-of-home expenses**

Heat	_____	7A
Electricity	_____	7B
Insurance	_____	7C
Maintenance	_____	7D
Mortgage interest	_____	7E
Property taxes	_____	7F
Other expenses (specify): _____	_____	7G
<b>Subtotal:</b> Add amounts 7A to 7G		7H
Personal-use part of the business-use-of-home expenses	_____	7I
<b>Subtotal:</b> Amount 7H minus amount 7I		7J
Capital cost allowance (business part only), which means amount i of Area A minus any portion of capital cost allowance that is for personal use or entered on line 9936 of Part 4	_____	7K
Amount carried forward from previous year	_____	7L
<b>Subtotal:</b> Add amounts 7J to 7L		7M
Net income (loss) after adjustments (amount 5D) (if negative, enter "0")	_____	7N
<b>Business-use-of-home expenses available to carry forward:</b> Amount 7M minus amount 7N (if negative, enter "0")		7O
<b>Allowable claim:</b> Amount 7M or 7N above, whichever is less (enter your share of this amount on line 9945 of Part 5)		7P

**Part 8 – Details of other partners**

Do not fill in this chart if you must file a partnership information return.

Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) \$	Percentage of partnership %
Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) \$	Percentage of partnership %
Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) \$	Percentage of partnership %
Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) \$	Percentage of partnership %

**Part 9 – Details of equity**

Total business liabilities	9931	_____
Drawings in the current year	9932	_____
Capital contributions in the current year	9933	_____



**Area D – Equipment dispositions in the year**

1 Class number	2 Property description	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: Total of column 5</b>				<b>9926</b>

**Note:** If you disposed of property in the year, see Chapter 3 of Guide T4002 for information about your proceeds of disposition.

**Area E – Building dispositions in the year**

1 Class number	2 Property description	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: Total of column 5</b>				<b>9928</b>

**Note:** If you disposed of property in the year, see Chapter 3 of Guide T4002 for information about your proceeds of disposition.

**Area F – 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. For more information, see Chapter 3 of Guide T4002.

**Chart A – Motor vehicle expenses**

Kilometres you drove in the fiscal period that was part of earning business income . . . . .	_____	1
Total kilometres you drove in the fiscal period . . . . .	_____	2
Fuel and oil . . . . .	_____	3
Interest (use Chart B below) . . . . .	_____	4
Insurance . . . . .	_____	5
Licence and registration . . . . .	_____	6
Maintenance and repairs . . . . .	_____	7
Leasing (use Chart C below) . . . . .	_____	8
Electricity for zero-emission vehicles . . . . .	_____	9
Other expenses (specify): _____	_____	10
_____	_____	11
<b>Total motor vehicle expenses: Add amounts 3 to 11</b>	_____	12
Business use part: Amount 1: _____ ÷ amount 2: _____ × amount 12: _____ = _____	_____	13
Business parking fees . . . . .	_____	14
Supplementary business insurance . . . . .	_____	15
<b>Allowable motor vehicle expenses:</b> Add amounts 13, 14 and 15 (enter this total on line 9281 of Part 4) . . . . .	_____	16

**Note:** You can claim capital cost allowance on motor vehicles in Area A.

**Chart B – Available interest expense for passenger vehicles and zero-emission passenger vehicles**

Total interest payable (accrual method) or paid (cash method) in the fiscal period . . . . .	_____	17
_____ \$10* × the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method) . . . . .	_____	18
<b>Available interest expense:</b> Amount 17 or 18, whichever is less (include this in amount 4 of Chart A above) . . . . .	_____	19

\* For passenger vehicles bought after 2000.

**Chart C – Eligible leasing cost for passenger vehicles\*\***

Total lease charges incurred in your current fiscal period for the vehicle . . . . .	_____		20
Total lease payments deducted before your current fiscal period for the vehicle . . . . .	_____		21
Total number of days the vehicle was leased in your current and previous fiscal periods . . . . .	_____		22
Manufacturer's list price . . . . .	_____		23
Use a GST rate of 5% or HST rate applicable to your province.			
Amount 23 or (\$35,294 + GST and PST, or HST on \$35,294), whichever is more	▶ _____	×	_____   24
[\$800 + GST and PST, or \$800 + HST] × amount 22] ÷	_____	÷	_____   25
Amount 25: _____	–	amount 21: _____	_____   26
[\$30,000 + GST and PST, or \$30,000 + HST] × amount 20] ÷ amount 24	_____	÷	_____   27
<b>Eligible leasing cost:</b> Amount 26 or 27, whichever is less (enter in amount 8 of Chart A above).	_____		_____   28

\*\* Includes a vehicle that would qualify as a zero-emission passenger vehicle if you owned it.

See the privacy notice on your return.