



Statement of Business or Professional Activities

- This form is used to help calculate self-employed business and professional income.
- For each business or profession, fill out a **separate** Form T2125.
- Fill out this form and send it with your income tax and benefit return.
- For more information on how to fill out this form, see Guide T4002, *Business and Professional Income*.

| Identification | | | |
|--|---|---|--|
| Name | Social insurance number (SIN) | | |
| Business name | Business number (15 characters) | | |
| Business address | City and province or territory | Postal code | |
| Fiscal period From: Year Month Day | To: Year Month Day | Was 2016 your last year of business? Yes <input type="checkbox"/> No <input type="checkbox"/> | |
| Main product or service | | Industry code (see the appendix in Guide T4002) | |
| Tax shelter identification number | Partnership business number (9 digits) | Your percentage of the partnership | |
| Name and address of person or firm preparing this form | | | |

| Internet business activities |
|--|
| <p>How many Internet web pages does your business earn income from? _____</p> <p>List below the site addresses (URL addresses) of your main web pages.</p> <p>http:// _____</p> <p>http:// _____</p> <p>http:// _____</p> <p>http:// _____</p> <p>http:// _____</p> <p>What percentage of your gross income is generated from the above web pages? _____</p> |

Part 1 – Business income

Fill in Part 1 **only** if you have business income. If you have professional income, leave this part blank and fill in Part 2. If you have both business and professional income, you have to fill out a separate Form T2125 for each.

Part 2 – Professional income

Fill in Part 2 **only** if you have professional income. If you have business income, leave this part blank and fill in Part 1. If you have both business and professional income, you have to fill out a separate Form T2125 for each.

Part 1 – Business income

| | | |
|--|-------|----------|
| Gross sales, commissions, or fees (include GST/HST collected or collectible) | _____ | 1 |
| GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included on line 1) | _____ | 2 |
| Subtotal (line 1 minus line 2) | ===== | 3 |
| If you are using the quick method for GST/HST – Government assistance calculated as follows: | | |
| GST/HST collected or collectible on sales, commissions and fees eligible for the quick method | _____ | 4 |
| GST/HST remitted, calculated on (sales, commissions, and fees eligible for the quick method plus GST/HST collected or collectible) multiplied by the applicable quick method remittance rate | _____ | 5 |
| Subtotal (line 4 minus line 5) | ===== | 6 |
| Adjusted gross sales (line 3 plus line 6) – Enter this amount in Part 3 at line 16 | ===== | 7 |

Part 2 – Professional income

| | | |
|---|-------|-----------|
| Gross professional fees including work-in-progress (WIP) (include GST/HST collected or collectible) | _____ | 8 |
| GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included on line 8) and any WIP at the end of the year you elected to exclude | _____ | 9 |
| Subtotal (line 8 minus line 9) | ===== | 10 |
| If you are using the quick method for GST/HST – Government assistance calculated as follows: | | |
| GST/HST collected or collectible on professional fees eligible for the quick method | _____ | 11 |
| GST/HST remitted, calculated on (professional fees eligible for the quick method plus GST/HST collected or collectible) multiplied by the applicable quick method remittance rate | _____ | 12 |
| Subtotal (line 11 minus line 12) | ===== | 13 |
| Work-in-progress (WIP), start of the year, per election to exclude WIP (see Guide T4002, Chapter 2) | _____ | 14 |
| Adjusted professional fees (line 10 plus line 13 plus line 14) – Enter this amount in Part 3 at line 16 | ===== | 15 |

Part 3 – Gross business or professional income

| | | | |
|---|-------------|-------|-----------|
| Adjusted gross sales (Part 1 line 7) or adjusted professional fees (Part 2 line 15) | 8000 | _____ | 16 |
| Reserves deducted last year | 8290 | _____ | 17 |
| Other income | 8230 | _____ | 18 |
| Subtotal (line 17 plus line 18) | ===== | ▶ | 19 |
| Gross business or professional income (line 16 plus line 19) | 8299 | ===== | 20 |

Report the gross business or professional income from line 20 on the applicable line of your income tax and benefit return as indicated below:

- business income at line 162;
- professional income at line 164; or
- commission income at line 166.

For Parts 4, 5 and 6, 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).

Part 4 – Cost of goods sold and gross profit

If you have business income, fill out Part 4. Enter only the business part of the costs.

| | | | |
|---|---|-------------|-----------|
| Gross business income (from Part 3 line 20) | | | 21 |
| Opening inventory (include raw materials, goods in process, and finished goods) | 8300 | 22 | |
| Purchases during the year (net of returns, allowances, and discounts) | 8320 | 23 | |
| Direct wage costs | 8340 | 24 | |
| Subcontracts | 8360 | 25 | |
| Other costs | 8450 | 26 | |
| | Subtotal (add lines 22 to 26) | <u>27</u> | |
| Minus: | | | |
| Closing inventory (include raw materials, goods in process, and finished goods) | 8500 | 28 | |
| | Cost of goods sold (line 27 minus line 28) | <u>8518</u> | 29 |
| Gross profit (line 21 minus line 29) | | 8519 | <u>30</u> |

Part 5 – Net income (loss) before adjustments

| | | | |
|---|---|-------------|-----------|
| Gross business or professional income (from Part 3 line 20) or Gross profit (from Part 4 line 30) | | | 31 |
| Expenses (enter only the business part) | | | |
| Advertising | 8521 | 32 | |
| Meals and entertainment (allowable part only) | 8523 | 33 | |
| Bad debts | 8590 | 34 | |
| Insurance | 8690 | 35 | |
| Interest | 8710 | 36 | |
| Business tax, fees, licences, dues, memberships, and subscriptions | 8760 | 37 | |
| Office expenses | 8810 | 38 | |
| Supplies | 8811 | 39 | |
| Legal, accounting, and other professional fees | 8860 | 40 | |
| Management and administration fees | 8871 | 41 | |
| Rent | 8910 | 42 | |
| Maintenance and repairs | 8960 | 43 | |
| Salaries, wages, and benefits (including employer's contributions) | 9060 | 44 | |
| Property taxes | 9180 | 45 | |
| Travel (including transportation fees, accommodations, and allowable part of meals) | 9200 | 46 | |
| Telephone and utilities | 9220 | 47 | |
| Fuel costs (except for motor vehicles) | 9224 | 48 | |
| Delivery, freight, and express | 9275 | 49 | |
| Motor vehicle expenses (not including CCA) (Amount from Part 17 at line 15) | 9281 | 50 | |
| Allowance on eligible capital property | 9935 | 51 | |
| Capital cost allowance (CCA). Enter the amount from Part 11 line G minus any personal part and any CCA for business-use-of-home expenses | 9936 | 52 | |
| Other expenses (specify): | 9270 | 53 | |
| | Total business expenses (add lines 32 to 53) | <u>9368</u> | 54 |
| Net income (loss) before adjustments (line 31 minus line 54) | | 9369 | <u>55</u> |

Part 6 – Your net income (loss)

| | | | |
|--|--|-------------|----|
| Your share of net income (loss) before adjustments (from Part 5 line 55) or the amount from Form T5013, <i>Statement of Partnership Income</i> | | | 56 |
| GST/HST rebate for partners that was received in the year | 9974 | 57 | |
| | Subtotal (line 56 plus line 57) | <u>9943</u> | 58 |
| Other amounts deductible from your share of the net partnership income (loss) (amount from Part 7 at line F) | 9943 | 59 | |
| Net income (loss) after adjustments (line 58 minus line 59) | | <u>9945</u> | 60 |
| Business-use-of-home expenses (amount from Part 8 line 78) | 9945 | 61 | |
| Your net income (loss) (line 60 minus line 61) | 9946 | 62 | |

Report the net income amount from line 62 on the applicable line of your income tax and benefit return as indicated below:

- business income at line 135;
- professional income at line 137; or
- commission income at line 139.

Part 7 – Other amounts deductible from your share of the 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.

List details of expenses:

Expense amounts

| | | |
|---|-------|-------|
| _____ | _____ | A |
| _____ | _____ | B |
| _____ | _____ | C |
| _____ | _____ | D |
| _____ | _____ | E |
| Total other amounts deductible from your share of the net partnership income (loss) (add lines A to E) Enter this amount in Part 6 at line 59 | | _____ |
| | | F |

Part 8 – Calculation of business-use-of-home expenses

| | | |
|--|-------|-------|
| Heat | _____ | 63 |
| Electricity | _____ | 64 |
| Insurance | _____ | 65 |
| Maintenance | _____ | 66 |
| Mortgage interest | _____ | 67 |
| Property taxes | _____ | 68 |
| Other expenses (specify): _____ | _____ | 69 |
| Subtotal (add lines 63 to 69) | | _____ |
| | | 70 |
| Your personal use portion of the business-use-of-home expenses | _____ | 71 |
| Subtotal (line 70 minus line 71) | | _____ |
| | | 72 |
| Capital cost allowance (business part only), which means the amount from Part 11 line G minus any portion of CCA that is for personal use or entered in Part 5 at line 52) | _____ | 73 |
| Amount carried forward from previous year | _____ | 74 |
| Subtotal (line 72 plus line 73 plus line 74) | | _____ |
| | | 75 |
| Net income (loss) after adjustments (amount from Part 6 line 60 – if negative, enter "0") | _____ | 76 |
| Business-use-of-home expenses available to carry forward (line 75 minus line 76 – if negative, enter "0") | _____ | 77 |
| Allowable claim (enter the lesser amount of line 75 and 76 – Enter this amount in Part 6 at line 61) | _____ | 78 |

Part 9 – Details of other partners

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

Part 10 – Details of equity

| | |
|-------------------------------------|------------|
| Total business liabilities | 9931 _____ |
| Drawings in 2016 | 9932 _____ |
| Capital contributions in 2016 | 9933 _____ |

For more information see Guide T4002, Chapter 3.

Part 11 – 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 Part 12 and Part 13) | 4 Proceeds of dispositions in the year (see Part 14 and Part 15) | 5* UCC after additions and dispositions (col. 2 plus col. 3 minus col. 4) | 6 Adjustment for current-year additions (col. 3 minus col. 4) divided by 2. If negative, enter "0." | 7 Base amount for CCA (col. 5 minus col. 6) | 8 CCA 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) |
|---|---|---|---|---|--|---|--------------------|---|---|
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total CCA claim for the year. Total of column 9. (Enter in Part 5 at line 52, the amount from line G minus any personal part and any CCA for business-use-of-home expenses **) | | | | | | | | | G |

* If you have a negative amount in column 5, add it to income as a recapture in Part 3 at line 8230, "Other income." 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. Recapture and terminal loss do not apply to a class 10.1 property.

** For information on CCA for "Calculation of business-use-of-home expenses," see "Special situations" in Guide T4002, Chapter 4. To help you calculate the capital cost allowance claim see the calculation charts in Parts 12 to Part 17.

Part 12 – 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) |
|---|--------------------------|-----------------|---------------------------------------|--|
| | | | | |
| | | | | |
| Total equipment additions in the year. (Total of column 5) | | | | 9925 |

Part 13 – 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) |
|---|--------------------------|-----------------|---------------------------------------|--|
| | | | | |
| | | | | |
| Total of building additions in the year. (Total of column 5) | | | | 9927 |

Part 14 – 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) |
|--|--------------------------|---|---------------------------------------|--|
| | | | | |
| | | | | |
| Total equipment dispositions in the year. (Total of column 5) | | | | 9926 |

Part 15 – 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) |
|---|--------------------------|---|---------------------------------------|--|
| | | | | |
| | | | | |
| Total building dispositions in the year. (Total of column 5) | | | | 9928 |

Part 16 – Land additions and dispositions in the year

| | |
|---|-------------|
| Total cost of all land additions in the year | 9923 |
| Total proceeds from all land dispositions in the year | 9924 |
| Note: You cannot claim capital cost allowance on land. | |

Part 17 – 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 (see Part 18). | _____ | 4 |
| Insurance. | _____ | 5 |
| Licence and registration | _____ | 6 |
| Maintenance and repairs | _____ | 7 |
| Leasing (see Part 19) | _____ | 8 |
| Other expenses (specify): _____ | _____ | 9 |
| | _____ | 10 |
| Total motor vehicle expenses (Add lines 3 to 10) | ===== | 11 |

Business use part: $\left(\frac{\text{Kilometres you drove in the fiscal period that was part of earning business income (amount from line 1)}}{\text{Total kilometres you drove in the fiscal period (amount from line 2)}} \right) \times \text{Total motor vehicle expenses amount from line 11} \dots =$ _____ **12**

| | | |
|--|-------|-----------|
| Business parking fees | _____ | 13 |
| Supplementary business insurance | _____ | 14 |

Total allowable motor vehicle expenses (add lines 12, 13, and 14) – Enter this result in Part 5 at line 50 =_____ **15**

Note: You can claim CCA on motor vehicles in Part 11.

Part 18 – Available interest expense for passenger vehicles

Total interest payable (accrual method) or paid (cash method) in the fiscal period _____ **16**

_____ \$10* \times the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method) _____ = _____ **17**

Available interest expense (the amount at line 16 or 17, whichever is less) – Enter this amount in Part 17 at line 4. =_____ **18**

* For passenger vehicles bought after 2000.

Part 19 – Eligible leasing costs for passenger vehicles

| | | |
|--|-------|----------|
| Total lease charges incurred in your 2016 fiscal period for the vehicle | _____ | 1 |
| Total lease payments deducted before your 2016 fiscal period for the vehicle | _____ | 2 |
| Total number of days the vehicle was leased in your 2016 and previous fiscal periods | _____ | 3 |
| Manufacturer's list price | _____ | 4 |

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

Amount from line 4 or (\$35,294 plus GST and PST, or HST on \$35,294) whichever is more \blacktriangleright _____ \times 85% = _____ **5**

$\frac{(\$800 + \text{GST and PST, or HST on } \$800) \times \text{amount from line 3}}{30} - \text{amount from line 2} \dots =$ _____ **6**

$\frac{(\$30,000 + \text{GST and PST, or HST on } \$30,000) \times \text{amount from line 1}}{\text{Amount from line 5}} \dots =$ _____ **7**

Eligible leasing cost (the amount from line 6 or line 7, whichever is less) – Enter this amount in Part 17 at line 8. =_____ **8**