

Election by a Mortgage Investment Corporation to Have a Dividend It Paid Deemed to Be a Capital Gains Dividend

Form CO-1113 is to be used by any mortgage investment corporation that paid a dividend during the period starting 91 days after the beginning of a taxation year and ending 90 days after the end of that year, and that wants to elect,¹ under section 1113 of the *Taxation Act*, to have that dividend deemed to be a capital gains dividend.²

- a certified copy of the resolution authorizing the election, where the directors of the corporation are legally authorized to administer the affairs of the corporation, **or** a certified copy of the authorization to make the election obtained from the persons legally authorized to administer the affairs of the corporation, where the directors of the corporation are not legally authorized to do so.

Important

You must complete **two separate copies** of form CO-1113 and enclose the following documents with **each** copy:

- a copy of the federal form T2012, *Election in Respect of a Capital Gains Dividend Under Subsection 130.1(4)*, as well as a copy of the schedule you sent to the Canada Revenue Agency showing the calculation of the capital gains dividend;
- a document signed by the corporation's directors confirming that the corporation made a similar election under subsection 130.1(4) of the *Income Tax Act* (federal statute) in respect of that dividend;

You must mail both copies of the form and all required documents to us at the address below, no later than the earlier of the following dates:

- the date the dividend is paid by the corporation;
- the date the first payment of any part of the dividend is made.

Revenu Québec
3800, rue de Marly
Québec (Québec) G1X 4A5

For more information, see section 1113 of the *Taxation Act*.

1 Information about the corporation

Québec enterprise number (NEQ) Identification number File

01a [REDACTED] 01b [REDACTED] IC 0001

Name of corporation

02 [REDACTED]

Address Postal code

03 [REDACTED] 03a [REDACTED]

Start date of fiscal period End date of fiscal period

04 [REDACTED] 05 [REDACTED]

Y Y Y Y M M D D Y Y Y Y M M D D

2 Information about the capital gains dividend

Enter the date the capital gains dividend was paid by the corporation. 06 [REDACTED]

Y Y Y Y M M D D

Where applicable, enter the date on which any part of the capital gains dividend was first paid. 07 [REDACTED]

Y Y Y Y M M D D

3 Dividend deemed to be a capital gains dividend

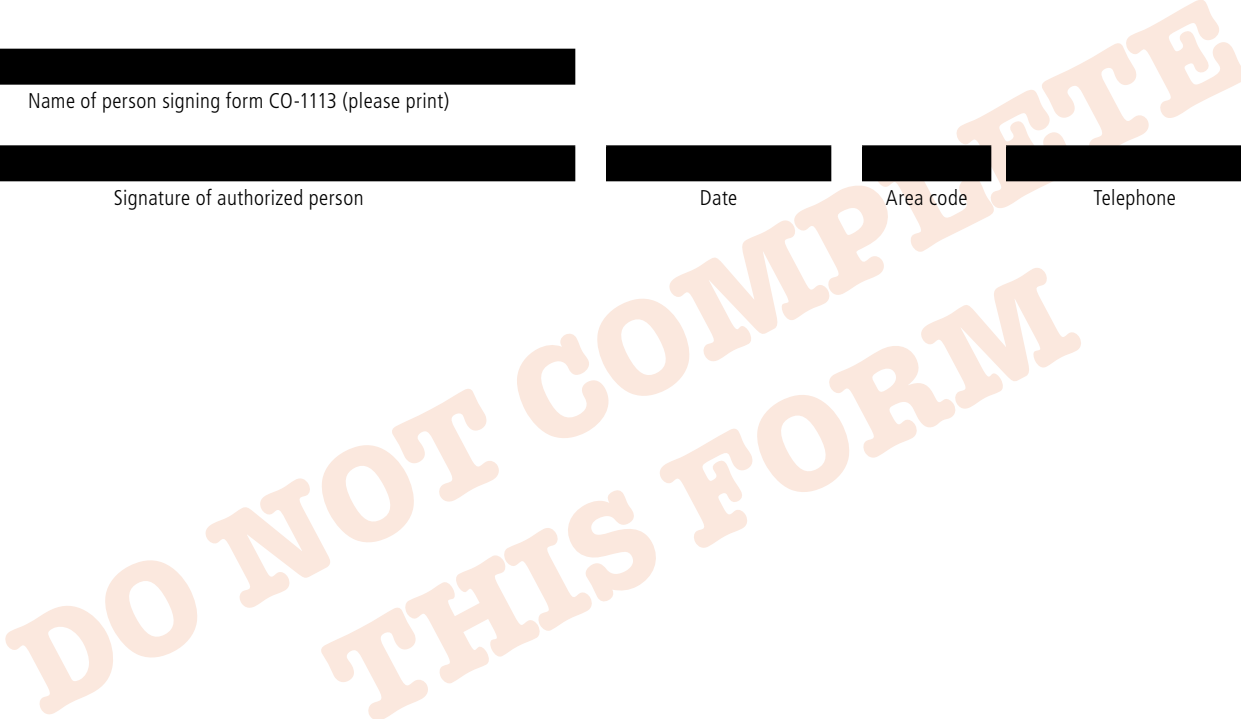
Total amount of the dividend to which the election applies		10	
Taxed capital gains ³ of the corporation for the year		11	
Multiplication factor	×	12	2
Multiply line 11 by line 12.	=	13	
Total dividends paid by the corporation for the same period and deemed to be capital gains dividends	-	14	
Subtract line 14 from line 13.	=	15	
Enter the amount from line 10 or line 15, whichever is less .		16	Dividend deemed to be a capital gains dividend

4 Election and certification

I am authorized to sign on behalf of the corporation, which hereby elects that the dividend entered on line 16 of form CO-1113 be deemed a capital gains dividend under section 1113 of the *Taxation Act*.

Name of person signing form CO-1113 (please print)

Signature of authorized person Date Area code Telephone Extension



- This election is valid only if it is made in the prescribed manner and form and for the full amount of the dividend.
- Where, at any particular time, a dividend is paid by a mortgage investment corporation, the following rules apply:
 - The dividend is deemed to be a capital gains dividend if it does not exceed the amount by which twice the taxed capital gains of the corporation for the year **exceeds** the aggregate of all dividends, and parts of dividends, paid by the corporation during the period.
 - Any amount paid to a taxpayer in respect of the dividend to which this election applies must be reported on the prescribed forms (box I of the RL-3 slip and box I of the RL-3 summary).
- Taxed capital gains correspond to the taxable capital gains of the corporation for a taxation year from the disposition of property, **minus** the total of the following amounts:
 - allowable capital losses for that year from the disposition of property;
 - the amount deducted in calculating taxable income for that year, pursuant to section 729 of the *Taxation Act*.