

Recovery Tax Qualified Disability Trust

This form must be completed by any trust that was a qualified disability trust (QDT) in a preceding taxation year and that is subject to recovery tax in the taxation year covered.

Read the general information on page 2 before completing the form.

Enclose this form with the *Trust Income Tax Return* (form TP-646-V).

1 Information about the trust (please print)

Identification number 1a	Trust account number 1a1 T - -	
Taxation year covered: from 5a 2 0		to 5b 2 0
Name of trust 1b		

2 Adjusted taxable income

Enter on lines 800 through 802 the amounts from the income tax returns for each of the preceding taxation years in which the trust was deemed to be a QDT. Do not include amounts that have already been taken into account in the calculation of recovery tax for another taxation year.

Taxable income (amount from line 99)		800	
Income tax paid (amount from line 150)	801		
Amount paid to an electing beneficiary during the taxation year covered. This amount must not exceed the difference between line 800 and line 801. If no amount was allocated after the payment of income tax, enter 0.		802	
Multiply line 801 by the amount entered on line 802 (divide line 802 by the result of the following calculation: subtract lines 801, 804 and 805 from line 800).		803	
Federal income tax paid on the amount entered on line 802 for the taxation year covered		804	
Income tax paid in a province other than Québec where the trust is resident on the amount entered on line 802 for the taxation year covered		805	
Subtract lines 802 through 805 from line 800.	Adjusted taxable income	806	

3 Adjusted income tax

Adjusted taxable income (amount from line 806)		807	
Tax rate	×	25.75%	
Multiply line 807 by 25.75%.	Adjusted income tax	808	

4 Recovery tax

Adjusted income tax (amount from line 808)		809	
Subtract line 803 from line 801.	-	810	
Subtract line 810 from line 809.	-	811	
Enter the result on line 150.1 of the income tax return.	Recovery tax	811	



General Information

Qualified disability trust

A qualified disability trust (QDT) is a trust that, for a given taxation year (the "trust year"), meets the following conditions:

- It is a testamentary trust that arose on and as a consequence of an individual's death.
- It is resident in Canada throughout the trust year.
- It makes a joint election (using the prescribed form), with one or more electing beneficiaries (see the definition in Part 6 of the *Guide to Filing the Trust Income Tax Return* [TP-646.G-V]), to be considered a QDT.
- It provides the social insurance number of each of the electing beneficiaries in its income tax return.
- Each electing beneficiary meets the following conditions:
 - The beneficiary is an individual designated as a beneficiary in the instrument that established the trust.
 - The beneficiary did not make a joint election with another trust, for a taxation year of a trust ending during the beneficiary's taxation year, to designate that trust as a QDT.
- The trust did not pay or distribute any amount in the form of capital to a beneficiary who is not an electing beneficiary.

Recovery tax

A QDT that is, for the year, a graduated rate estate is subject to the recovery tax if one of the following conditions is met:

- The trust ceases, during the year, to have as beneficiaries individuals who were its electing beneficiaries during one or more previous taxation years. This can be caused, for example, by the death of the electing beneficiary or, where the trust had more than one electing beneficiary, by the death of the last electing beneficiary.
- The trust is no longer resident in Canada.
- The trust distributed an amount in the form of capital to a beneficiary who was not an electing beneficiary during the previous taxation year. However, certain payments made by the trust do not result in the recovery tax, such as payments made to a beneficiary as the debtor of the trust.

If the trust does not meet one of these conditions, it must calculate the recovery tax for each of the preceding taxation years for which it was not deemed to be a QDT. Complete a copy of this form for each taxation year for which you must calculate recovery tax.

You must take the recovery tax into account when calculating the trust's instalment payments, if applicable.

