

This form is to be completed by trusts that earned income from the rental of immovable property, as the sole owner or a co-owner of the property, or as a member of a partnership that owned the property. A separate form must be completed for each immovable. However, to report **all** the income from the rental of immovable property (including the rental income allocated by a partnership), complete Part 4 only once.

1 General information

Name of trust		Taxation year	
Address of the immovable owned or held in co-ownership by the trust			Postal code
Check here if the immovable was acquired during the year. <input type="checkbox"/>	Check here if the immovable was disposed of during the year. <input type="checkbox"/>	Number of units	Trust's percentage interest . %
			Percentage of the immovable used by a beneficiary . %

Names and addresses of the **other co-owners** (attach another sheet if the space provided is insufficient)

	Percentage interest	. %
	Percentage interest	. %

2 Net rental income before capital cost allowance (or net rental loss) respecting the above-mentioned immovable

Income (gross rent and related income)		1
Expenses		
Advertising	2	
Insurance premiums	+ 3	
Interest	+ 4	
Maintenance and repairs (see the section of the trust guide pertaining to line 58)	+ 5	
Management and administration fees	+ 6	
Legal, accounting and other professional fees	+ 7	
Property taxes	+ 8	
Salaries, wages, benefits and employer contributions	+ 9	
Electricity, heating, etc.	+ 10	
Other expenses. Specify:	+ 11	
Add lines 2 through 11.	=	12
Subtract line 12 from line 1.	=	13
Amount from line 13 or, in the case of property held in co-ownership, the portion of the amount corresponding to the trust's percentage interest		14
Recapture of capital cost allowance (see the instructions concerning column 5 on page 2)	+	15
Add lines 14 and 15.	=	16
Terminal loss (see the instructions concerning column 5 on page 2)	-	17
Subtract line 17 from line 16.	=	18
Net rental income before capital cost allowance (or net rental loss)		

3 Capital cost allowance (see the [instructions](#) on page 2)

In the case of property held in co-ownership, enter in columns 3 and 4 only the portion of the amounts corresponding to the trust's percentage interest.

1 Class No. ¹	2 Undepreciated capital cost at the beginning of the taxation year	3 Cost of acquisitions and additions during the taxation year	4 Amount respecting dispositions made during the taxation year	5 Column 2 plus column 3 minus column 4	6 Enter half the amount by which col. 3 exceeds col. 4. If col. 4 is greater than col. 3, enter 0.	7 Column 5 minus column 6	8 Rate ² (%)	9 Capital cost allowance for the taxation year (maximum: col. 7 multiplied by col. 8)	10 Undepreciated capital cost at the end of the taxation year (col. 5 minus col. 9)

1. Rental immovables whose capital cost is over \$50,000 must be placed in a separate class.

2. Use the rates prescribed by the *Regulation respecting the Taxation Act*.

Capital cost allowance 20

4 Net rental income (or net rental loss) respecting all the immovables concerned

Total of the amounts on line 18 of all TP-128.F-V forms completed for the taxation year	30
If the trust was a member of a partnership, enter the trust's share of the net rental income (or net rental loss), as shown in box 3 of the trust's RL-15 slip or in the partnership's financial statements.	± 31
Add lines 30 and 31, or subtract line 31 from line 30 (as applicable). If the result is positive, continue the calculation. If it is negative, enter it in brackets on line 32 and carry it to line 34.	= 32
Capital cost allowance (total of the amounts entered on line 20 of all TP-128.F-V forms completed). Maximum: amount from line 32.	- 33
Subtract line 33 from line 32 (if applicable).	=
Carry the amount on line 34 to line 58 of the trust return.	Net rental income (or net rental loss) = 34

Instructions for completing the capital cost allowance table

Definitions

Undepreciated capital cost (UCC) of property of a prescribed class: As a rule, the amount by which the capital cost of all the property in the class (the cost of acquisitions and additions) **exceeds** the total of the following two amounts:

- for each property disposed of, the proceeds of disposition of the property (after subtraction of the expenses incurred with respect to the disposition) or the capital cost of the property, whichever is lower; and
- the total of the amounts deducted as capital cost allowance (CCA) for previous years.

Where there is more than one property in a prescribed class, the UCC of each property corresponds to the UCC of all the property in the class, multiplied by the fraction represented by the ratio between the fair market value (FMV) of the particular property and the FMV of all the property in the class.

Cost amount of depreciable property of a prescribed class: Amount equal to the UCC of all the property in the class, multiplied by the fraction represented by the ratio between the capital cost of the particular property and the capital cost of all the property in the class.

Column 3

Enter the cost of acquisitions and additions during the taxation year. If property was transferred to the trust as a gift *inter vivos*, enter the FMV of the property at the time of the transfer.

Special cases

Follow the rules below to determine the capital cost of the property transferred to the trust.

In the case of an **inter vivos transfer** by the settlor (the transferor) to a spousal trust, an alter ego trust or a joint spousal trust, where the trust and the settlor were both resident in Canada at the time of the transfer, the property is deemed to have been disposed of by the settlor and acquired by the trust for an amount corresponding to the UCC of the property immediately before the transfer. Enter the UCC of the property in column 3 (see the note opposite). However, under federal legislation, the settlor may elect to have the transfer deemed to have been made at the FMV. This election applies automatically for the purposes of Québec legislation.

If the property was **transferred subsequent to the death of the transferor**, the cost of acquisition of the property transferred is deemed to correspond to the FMV of the property immediately before the transferor's death (see the note opposite). However, if the transfer was made by the settlor to a spousal trust created under a will, the cost of acquisition of the property is deemed to be equal to the capital cost of the property or the cost amount of the property (see the definition above) for the settlor immediately before his or her death, whichever is lower. However, the following conditions must be met:

- The settlor was resident in Canada immediately before his or her death.
- The trust was resident in Canada immediately after the property was indefeasibly vested in the trust.
- The individual's legal representative did not notify the Canada Revenue Agency that he or she was electing not to take advantage of the rollover rule, an election whereby the proceeds of disposition of the property would be deemed to be equal to the FMV of the property immediately before the individual's death.

Column 4

For each property in a prescribed class disposed of during the taxation year, determine the **lower** of the following amounts:

- the proceeds of disposition of the property (after subtraction of the expenses incurred with respect to the disposition);
- the capital cost of the property (the note opposite may apply).

Do this for all the property in a prescribed class that was disposed of, and enter the result in column 4.

The rules concerning the transfer of property by a personal trust to its beneficiaries are set out in section 5.1.1, "Distribution of property by a personal trust," of the *Guide to Filing the Trust Income Tax Return* (TP-646.G-V).

Column 5

A negative result entered in this column corresponds to a recapture of CCA that must be entered on line 15. If there is any property left in the class at the end of the taxation year, enter 0 in column 10.

A positive result corresponds to a terminal loss that must be entered on line 17 if there is no property left in the class at the end of the taxation year.

Column 6

No adjustment should be made in this column for property acquired from a person with whom the trust was not dealing at arm's length if it is depreciable property owned by the person for an uninterrupted period of at least 364 days immediately before the trust's acquisition of the property.

Column 9

Enter in this column the amount deducted as CCA by the trust (the amount must not exceed the result obtained by multiplying column 7 by column 8).

Deemed sale applicable to certain trusts

If a **deemed sale**, as described in form TP-653-V, *Deemed Sale Applicable to Certain Trusts*, occurred during the year, the trust is deemed to have sold each of its properties (other than any tax-exempt property) for an amount equal to the **FMV of the property at the time of the deemed sale** and to have reacquired the property immediately thereafter for the same amount. You must complete form TP-653-V to report the deemed sale and any recapture of CCA resulting from the deemed sale. In column 2 of Part 3 of this form (TP-128.F-V), enter the FMV of the property at the time of the deemed sale.

If the property was **actually sold** later in the same taxation year, you must report the deemed sale and the actual sale as indicated below.

For a spousal trust, a joint spousal trust, an alter ego trust or a self-benefit trust

Complete form TP-653-V to report the deemed sale.

Complete Schedule A of the *Trust Income Tax Return* (form TP-646-V) to report the actual sale.

Enter in column 3 of this form (TP-128.F-V) the amount that corresponds to the total of the FMV of the property at the time of the deemed sale and any additions made to the property subsequent to the deemed sale. Enter in column 4 the lower of the following two amounts:

- the proceeds of disposition of the property (after subtraction of the expenses incurred with respect to the sale);
- the amount entered in column 3 or the capital cost of the property determined immediately before the disposition, whichever is higher.

Then calculate the amount in column 5.

For any other trust

Do not report the deemed sale of any property that was actually sold during the taxation year. Complete Schedule A of the *Trust Income Tax Return* (form TP-646-V) to report the actual sale.

Enter in column 4 of this form (TP-128.F-V) the lower of the following amounts:

- the proceeds of disposition of the property (after subtraction of the expenses incurred with respect to the sale);
- the capital cost of the property.

Then calculate the amount in column 5.

Note: Do not enter in column 3 the amount mentioned if it is less than the capital cost of the property for the transferor. Instead, enter the amount in column 2, as if it constituted the UCC of the property at the beginning of the year of the transfer. When the property is subsequently disposed of, the trust must determine the amount to enter in column 4 as if the capital cost of the property for the trust were equal to the capital cost of the property for the transferor.