

3 Net rental income (or net rental loss) before capital cost allowance (continued)

Amount from line 23 or, in the case of property held in co-ownership, the portion of the amount corresponding to the trust's percentage interest

Recapture of capital cost allowance (see the instructions in section 5.6 of the trust guide (TP-646.G-V) concerning column 5 of the capital cost allowance table)

Add lines 24 and 25.

Terminal loss (see the instructions in section 5.6 of the trust guide (TP-646.G-V) concerning column 5 of the capital cost allowance table)

Subtract line 27 from line 26.

24		
+	25	.
=	26	.
-	27	.
=	30	.

Net rental income (or net rental loss) before capital cost allowance =

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

Before completing Part 4, complete the capital cost allowance table on page 3.

Total number of immovables

Total of the amounts on line 30 of all TP-128.F-V forms completed for the taxation year

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.

Add lines 60 and 61, or subtract line 61 from line 60 (as applicable). If the result is positive, continue the calculation. If it is negative, carry it to line 64.

Capital cost allowance (total of the amounts entered on line 50 of all TP-128.F-V forms completed for the taxation year). **Maximum:** amount from line 62.

Subtract line 63 from line 62 (if applicable), or enter the amount from line 62.

Carry the amount on line 64 to line 58 of the trust return.

60		
±	61	.
=	62	.
-	63	.
=	64	.

Net rental income (or net rental loss) from all the immovables =



Capital cost allowance

For assistance in completing this table, see "Instructions for completing the capital cost allowance table" in section 5.6 of the trust guide (TP-646-G-V). For instructions on how to deal with the special rules that apply in certain cases, such as when property is transferred to a trust or in the event of a deemed sale applicable to certain trusts, refer to page 4 of this form.

If you do not have enough space, enclose an additional copy of the table.

1	2	3	4	5	6	7	8	9	10
Class No. ¹	Undepreciated capital cost (UCC) at the beginning of the taxation year	Cost of acquisitions and additions during the taxation year ²	Amount respecting dispositions made during the taxation year ³	UCC before the new property reduction (col. 2 + col. 3 – col. 4)	Reduction: 50% x (col. 3 – col. 4) ⁴	UCC for the calculation of capital cost allowance (col. 5 – col. 6)	Rate ⁵ (%)	Capital cost allowance (maximum amount: col. 7 x col. 8)	UCC at the end of the taxation year (col. 5 – col. 9)
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									

Add the amounts in column 9.

Capital cost allowance⁶

50

1. Any immovable whose capital cost is greater than \$50,000 must be placed in a separate class.
2. In the case of an immovable held in co-ownership, enter the amount corresponding to the trust's percentage interest in the immovable.
3. See note 2.
4. If the result is negative, enter 0.
5. Use the rates prescribed by the *Regulation respecting the Taxation Act*.
6. Enter on line 50 the total of all the amounts from column 9 on all the copies of the capital cost allowance table that you completed.



Instructions

Transfer of property to a trust

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

In the case of an **inter vivos transfer** by the settlor 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 of the capital cost allowance table (see the note below). However, under federal legislation, the settlor may elect to have the property deemed to have been transferred at its FMV. This election applies automatically for the purposes of Québec legislation. We must be notified in writing of the election made with the Canada Revenue Agency (CRA), and provided proof thereof, either within 30 days after making the election, or by the deadline for filing the trust return, whichever is later.

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 below). 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 either the capital cost of the property or the cost amount of the property, for the settlor, immediately before his or her death, **whichever is less**. However, in the latter case, the following conditions must be met:

- The settlor must have been resident in Canada immediately before his or her death.
- The trust must have been resident in Canada immediately after the property was indefeasibly vested in the trust.
- The individual's legal representative must not have notified the CRA 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.

The rules concerning the transfer of property by a personal trust to its beneficiaries are set out in section 5.1.1, of the trust guide (TP-646.G-V).

Note: Do not enter in column 3 the amount in question 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.

Deemed sale applicable to certain trusts

If a **deemed sale** (see 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 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 the capital cost allowance table, 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 actual sale and, if applicable, the deemed 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 the capital cost allowance table 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 afterwards. Enter in column 4 the **lesser** of the following amounts:

- the proceeds of disposition of the property (after subtracting the expenses incurred for the sale);
- the amount entered in column 3 or the capital cost of the property determined immediately before the disposition, whichever is greater.

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 the capital cost allowance table the **lesser** of the following amounts:

- the proceeds of disposition of the property (after subtracting the expenses incurred for the sale);
- the capital cost of the property.

Then calculate the amount in column 5.

