

Income-Averaging for Forest Producers 2009

You must complete this form to request the averaging of your income from the sale of timber. Please read page 2 for further information.

1 Information about you and your business (or the partnership)

Name of the business or partnership End date of fiscal period

1 _____ 2 Y | M | D |

Social insurance number Identification number (if you are the sole proprietor) File

3 _____ 4 _____ T | Q |

Identification number (in the case of a partnership) File Your share of the partnership income Location of the woodlot

5 _____ S | P | 6 _____ % 7 _____

2 Income-averaging

2.1 Amount included in 2009

| | | | | |
|---|---|----|--|--|
| Amount related to 2006 (line 30 of column C in form TP-726.30-V for 2008) | | 10 | | |
| Amount related to 2007 (line 31 of column C in form TP-726.30-V for 2008) | + | 11 | | |
| Amount related to 2008 (line 32 of column C in form TP-726.30-V for 2008) | + | 12 | | |
| Add lines 10 through 12. | = | 13 | | |

Amount or portion of the amount on line 13 that you are including on **line 276** of your income tax return. If you complete more than one TP-726.30-V form, carry to line 276 the total of the amounts shown on line 16 of all of your TP-726.30-V forms.

Amount included in 2009

| | | |
|----|--|--|
| 16 | | |
|----|--|--|

2.2 Amount deducted in 2009

Net income earned from the sale of timber related to the operation of a private woodlot, for the period during which you (or the partnership) were a certified forest producer. The income to be reported on this line includes income earned through timber producers' syndicates or marketing boards.

Portion of the amount on line 20 that represents income from the sale of timber to purchasers with an establishment outside Québec and from retail sales (for example, the sale of firewood to individuals)

Subtract line 21 from line 20.

| | | |
|------|--|--|
| 20 | | |
| - 21 | | |
| = 22 | | |

Amount on line 22, or your share of this amount as a member of the partnership

| | | |
|----|---|------------|
| 23 | | |
| | x | 80% |

Multiply line 23 by 80%.

| | | |
|------|--|--|
| = 24 | | |
|------|--|--|

Amount or portion of the amount on line 24 that you are deducting on **line 297** of your income tax return. If you complete more than one TP-726.30-V form, carry to line 297 the total of the amounts shown on line 25 of all of your TP-726.30-V forms.

Amount deducted in 2009

| | | |
|----|--|--|
| 25 | | |
|----|--|--|

2.3 Amount to be included in subsequent years

| | | A | | | B | | | C |
|----|---|--|--|---|--|--|---|---|
| | | Amounts from lines 10, 11, 12 and 25 above | | | Amount or portion of the amount from column A included in 2009 | | | Amount to be included in subsequent years (subtract col. B from col. A) |
| 30 | Amount related to 2006 | (10) | | | | | | |
| 31 | Amount related to 2007 | (11) | | + | | | + | |
| 32 | Amount related to 2008 | (12) | | + | | | + | |
| 33 | Amount related to 2009 | (25) | | + | 0 00 | | + | |
| 34 | Total (the amount in column B must equal the amount on line 16) | | | = | | | = | |

Information about income-averaging

Is this form for you?

You may use this form if, at the end of the year,

- you were a forest producer certified by the Ministère des Ressources naturelles et de la Faune (MRNF) with respect to the operation of a private woodlot; or
- you were a member of a partnership that, at the end of its fiscal period ending in the year in question, was a certified forest producer.

What is income-averaging?

A portion of your net income from the sale of timber from the private woodlot, to a purchaser with an establishment in Québec, may be averaged **over a maximum of four years**. Income from retail sales (the sale of firewood to individuals, for example) cannot be averaged.

More specifically, income-averaging allows you to deduct, when calculating your taxable income for the year, a maximum of 80% of your net income earned from the sale of timber related to the operation of a private woodlot. The income must be earned in a period during which you were a certified forest producer. The amount deducted for the year must then be included, in whole or in part, in the calculation of your taxable income for one or more of the following four years. The total amount must be included in the calculation of your taxable income by the fourth year following your income-averaging request.

If you are a member of a partnership that is a certified forest producer, your net income earned from the sale of timber includes your share of the partnership's net income earned from the sale of timber.

In calculating your taxable income for the year in which you disposed of the private woodlot (or the year that includes the end date of the fiscal period in which the partnership disposed of the private woodlot) or for the year in which you ceased to be a member of the partnership, you must include any portion of the deduction that has not yet been included.

Income-averaging does not affect the logging tax. Total income from the sale of timber related to a private woodlot continues to be included in the calculation of income for the year in which the forest operations are carried out.

In order to qualify for income-averaging, the income must have been earned in a taxation year or in a partnership's fiscal period that ended after March 23, 2006, and no later than December 31, 2009.

Documents to be enclosed with your income tax return

File a copy of this form **for each woodlot**. Attach all the completed forms to your income tax return, along with a copy of the valid **forest producer's certificates** issued by the MRNF.