



Statement of Business or Professional Activities

- Use this form to calculate your self-employment business and professional income.
- For each business or profession, fill in a **separate** Form T2125.
- Fill in this form and send it with your income tax and benefit return.
- For more information on how to fill in this form, see Guide T4002, *Self-employed Business, Professional, Commission, Farming, and Fishing Income*.

| | |
|--|--|
| Part 1 – Identification | |
| Your name | |
| Your social insurance number (SIN) | |
| Business name | |
| Business number | |
| Business address | |
| City | |
| Prov./Terr. | |
| Postal code | |
| Fiscal period | |
| Date (YYYYMMDD) | |
| Date (YYYYMMDD) | |
| Was 2017 your last year of business? | |
| <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| Main product or service | |
| Industry code (see the appendix in Guide T4002) | |
| Tax shelter identification number | |
| Partnership business number | |
| Your percentage of the partnership | |
| Name and address of person or firm preparing this form | |

| |
|--|
| Part 2 – Internet business activities |
| If your webpages or websites generate business or professional income, fill in this part of the form. |
| How many Internet webpages and websites does your business earn income from? Enter "0" if none. |
| Provide up to five main webpage or website addresses, also known as uniform resource locator (URL): |
| http:// |
| http:// |
| http:// |
| http:// |
| http:// |
| Percentage of your gross income generated from the webpages and websites. (If no income was generated from the Internet, enter "0".) |
| % |

Part 3A – Business income

Fill in this part **only** if you have business income. If you have professional income, leave this part blank and fill in Part 3B.
If you have both business and professional income, you have to fill out a separate Form T2125 for each.

Part 3B – Professional income

Fill in this part **only** if you have professional income. If you have business income, leave this part blank and fill in Part 3A.
If you have both business and professional income, you have to fill out a separate Form T2125 for each.

Note: New proposed rules allow you to include your work in progress (WIP) progressively if you elected to use billed basis accounting for the last tax year that started before March 22, 2017. Generally, for the first tax year that starts after March 21, 2017, you must include 50% of the lesser of the cost and the fair market value of WIP. For more information, see chapter 2 of guide T4002.

Part 3A – Business income

| | | |
|--|-------|---|
| Gross sales, commissions, or fees (include GST/HST collected or collectible) | _____ | 1 |
| GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 1) | _____ | 2 |
| Subtotal: Amount 1 minus amount 2 | _____ | 3 |
| If you are using the quick method for GST/HST – Government assistance calculated as follows: | | |
| GST/HST collected or collectible on sales, commissions and fees eligible for the quick method | _____ | 4 |
| GST/HST remitted, calculated on (sales, commissions, and fees eligible for the quick method plus GST/HST collected or collectible) multiplied by the applicable quick method remittance rate | _____ | 5 |
| Subtotal: Amount 4 minus amount 5 | _____ | 6 |
| Adjusted gross sales: Amount 3 plus amount 6 (enter on line 8000 of Part 3C). | _____ | 7 |

Part 3B – Professional income

| | | |
|---|-------|----|
| Gross professional fees including work-in-progress (WIP) (include GST/HST collected or collectible) | _____ | 8 |
| GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 8) and any WIP at the end of the year you elected to exclude | _____ | 9 |
| Subtotal: Amount 8 minus amount 9 | _____ | 10 |
| If you are using the quick method for GST/HST – Government assistance calculated as follows: | | |
| GST/HST collected or collectible on professional fees eligible for the quick method | _____ | 11 |
| GST/HST remitted, calculated on (professional fees eligible for the quick method plus GST/HST collected or collectible) multiplied by the applicable quick method remittance rate | _____ | 12 |
| Subtotal: Amount 11 minus amount 12 | _____ | 13 |
| Work-in-progress (WIP), start of the year, per election to exclude WIP (see Guide T4002, Chapter 2) | _____ | 14 |
| Adjusted professional fees: Amount 10 plus amount 13 plus amount 14 (enter on line 8000 of Part 3C). | _____ | 15 |

Part 3C – Gross business or professional income

| | | | |
|---|------|-------|------|
| Adjusted gross sales (amount 7 of Part 3A) or adjusted professional fees (amount 15 of Part 3B) | 8000 | _____ | |
| Reserves deducted last year | 8290 | _____ | |
| Other income | 8230 | _____ | |
| Subtotal: Line 8290 plus line 8230 | | _____ | ▶ 16 |
| Gross business or professional income: Line 8000 plus amount 16 | 8299 | _____ | |
| Report the gross business or professional income from line 8299 on the applicable line of your income tax and benefit return as indicated below: | | | |
| <ul style="list-style-type: none"> • business income on line 162 • professional income on line 164 • commission income on line 166 | | | |

For Parts 3D, 4, and 5, if GST/HST has been remitted or an input tax credit has been claimed, do not include GST/HST when you calculate the cost of goods sold, expenses, or net income (loss).

Part 3D – Cost of goods sold and gross profit

If you have business income, fill in this part. Enter only the business part of the costs.

| | | |
|---|-------|-------|
| Gross business income (line 8299 of Part 3C) | _____ | 17 |
| Opening inventory (include raw materials, goods in process, and finished goods) | 8300 | _____ |
| Purchases during the year (net of returns, allowances, and discounts) | 8320 | _____ |
| Direct wage costs | 8340 | _____ |
| Subcontracts | 8360 | _____ |
| Other costs | 8450 | _____ |
| Subtotal: Add the amounts above | | 18 |
| Minus: Closing inventory (include raw materials, goods in process, and finished goods) | 8500 | _____ |
| Cost of goods sold: Amount 18 minus line 8500 | 8518 | _____ |
| Gross profit (or loss): Amount 17 minus amount 19. | 8519 | _____ |

Part 4 – Net income (loss) before adjustments**Gross business or professional income** (line 8299 of Part 3C) or **Gross profit** (line 8519 of Part 3D) a**Expenses** (enter only the business part)

| | | |
|---|------|--|
| Advertising | 8521 | |
| Meals and entertainment | 8523 | |
| Bad debts | 8590 | |
| Insurance | 8690 | |
| Interest and bank charges | 8710 | |
| Business taxes, licences, and memberships | 8760 | |
| Office expenses | 8810 | |
| Office stationery and supplies | 8811 | |
| Professional fees (includes legal and accounting fees) | 8860 | |
| Management and administration fees | 8871 | |
| Rent | 8910 | |
| Repairs and maintenance | 8960 | |
| Salaries, wages, and benefits (including employer's contributions) | 9060 | |
| Property taxes | 9180 | |
| Travel expenses | 9200 | |
| Utilities | 9220 | |
| Fuel costs (except for motor vehicles) | 9224 | |
| Delivery, freight, and express | 9275 | |
| Motor vehicle expenses (not including CCA) (amount 15 of Chart A) | 9281 | |
| Capital cost allowance (CCA). Enter amount i of Area A minus any personal part and any CCA for business-use-of-home expenses. | 9936 | |
| Other expenses (specify): | 9270 | |
| Total expenses: Total of the above amounts | 9368 | |

**Net income (loss) before adjustments:** Amount a **minus** amount b **9369** b**Part 5 – Your net income (loss)**Your share of line 9369 or the amount from your T5013 slip, *Statement of Partnership Income* **9974** c**Plus:** GST/HST rebate for partners that was received in the year **9974****Total:** Amount c **plus** line 9974**Minus:** Other amounts deductible from your share of the net partnership income (loss) (amount 6 of Part 6) **9943** d**Net income (loss) after adjustments:** Amount d **minus** line 9943 **9945** e**Minus:** Business-use-of-home expenses (amount 16 of Part 7) **9946****Your net income (loss):** Amount e **minus** line 9945 **9946**

Report the net income amount from line 9946 on the applicable line of your income tax and benefit return as indicated below:

- business income on line 135
- professional income on line 137
- commission income on line 139

Part 6 – Other amounts deductible from your share of the net partnership income (loss)

Claim expenses you incurred that were not included in the partnership statement of income and expenses, and for which the partnership did not reimburse you. These claims must not be included in the claims already calculated for the partnership.

List details of expenses:

Expense amounts

| | | |
|---|--|---|
| | | 1 |
| | | 2 |
| | | 3 |
| | | 4 |
| | | 5 |
| Total other amounts deductible from your share of the net partnership income (loss): Add amounts 1 to 5 (enter this on line 9943 of Part 5) | | 6 |

Part 7 – Calculation of business-use-of-home expenses

| | | |
|--|--|----|
| Heat | | 1 |
| Electricity | | 2 |
| Insurance | | 3 |
| Maintenance | | 4 |
| Mortgage interest | | 5 |
| Property taxes | | 6 |
| Other expenses (specify): | | 7 |
| Subtotal: Add amounts 1 to 7 | | 8 |
| Minus: Personal-use part of the business-use-of-home expenses | | 9 |
| Subtotal: Amount 8 minus amount 9 | | 10 |
| Plus: Capital cost allowance (business part only), which means amount i of Area A minus any portion of CCA that is for personal use or entered on line 9936 of Part 4. | | 11 |
| Amount carried forward from previous year | | 12 |
| Subtotal: Add amounts 10 to 12 | | 13 |
| Minus: Net income (loss) after adjustments (amount e of Part 5) (if negative, enter "0"). | | 14 |
| Business-use-of-home expenses available to carry forward: Amount 13 minus amount 14 (if negative, enter "0") | | 15 |
| Allowable claim: The lesser of amount 13 and 14 above (enter your share of this amount on line 9945 of Part 5) | | 16 |

Part 8 – Details of other partners

Do not fill in this chart if you must file a partnership information return.

| | | | | |
|-----------------|-------------|-------------|-------------------------------|---------------------------|
| Name of partner | | | | |
| Address | Prov./Terr. | Postal code | Share of net income or (loss) | Percentage of partnership |
| | | | \$ | % |
| Name of partner | | | | |
| Address | Prov./Terr. | Postal code | Share of net income or (loss) | Percentage of partnership |
| | | | \$ | % |
| Name of partner | | | | |
| Address | Prov./Terr. | Postal code | Share of net income or (loss) | Percentage of partnership |
| | | | \$ | % |
| Name of partner | | | | |
| Address | Prov./Terr. | Postal code | Share of net income or (loss) | Percentage of partnership |
| | | | \$ | % |

Part 9 – Details of equity

| | | |
|---|------|--|
| Total business liabilities | 9931 | |
| Drawings in 2017 | 9932 | |
| Capital contributions in 2017 | 9933 | |

Area A – Calculation of capital cost allowance (CCA) claim

| 1 Class number | 2 Undepreciated capital cost (UCC) at the start of the year | 3 Cost of additions in the year (see Area B and C below) | 4 Proceeds of dispositions in the year (see Area D and E below) | 5* UCC after additions and dispositions (col. 2 plus col. 3 minus col. 4) | 6 Adjustment for current-year additions $1/2 \times (\text{col. 3} \text{ minus col. 4})$ If negative, enter "0." | 7 Base amount for CCA (col. 5 minus col. 6) | 8 CCA Rate % | 9 CCA for the year (col. 7 multiplied by col. 8 or an adjusted amount) | 10 UCC at the end of the year (col. 5 minus col. 9) |
|----------------------|--|--|---|---|---|---|-----------------------|---|---|
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

Total CCA claim for the year: Total of column 9 (enter the amount on line 9936 of Part 4, amount **i minus** any personal part and any CCA for business-use-of-home expenses ******) i

* If you have a negative amount in column 5, add it to income as a recapture in Part 3C on line 8230. If no property is left in the class and there is a positive amount in the column, deduct the amount from income as a terminal loss in Part 4 on line 9270. Recapture and terminal loss do not apply to a class 10.1 property. For more information, read Chapter 3 of Guide T4002.

** For information on CCA for "Calculation of business-use-of-home expenses," see "Special situations" in Guide T4002, Chapter 4.
To help you calculate the capital cost allowance claim, see the calculation charts in Areas B to F.

Area B – Equipment additions in the year

| 1 Class number | 2 Property description | 3 Total cost | 4 Personal part (if applicable) | 5 Business part (column 3 minus column 4) |
|----------------------|------------------------------|-----------------|---------------------------------------|---|
| | | | | |
| | | | | |
| | | | | |

Total equipment additions in the year: Total of column 5 9925

Area C – Building additions in the year

| 1 Class number | 2 Property description | 3 Total cost | 4 Personal part (if applicable) | 5 Business part (column 3 minus column 4) |
|----------------------|------------------------------|-----------------|---------------------------------------|---|
| | | | | |
| | | | | |

Total of building additions in the year: Total of column 5 9927

Area D – Equipment dispositions in the year

| 1 Class number | 2 Property description | 3 Proceeds of disposition (should not be more than the capital cost) | 4 Personal part (if applicable) | 5 Business part (column 3 minus column 4) |
|----------------------|------------------------------|---|---------------------------------------|---|
| | | | | |
| | | | | |

Note: If you disposed of property from your farming business in the year, see Chapter 3 of Guide T4002 for information about your proceeds of disposition.

Total equipment dispositions in the year: Total of column 5 9926

Area E – Building dispositions in the year

| 1 Class number | 2 Property description | 3 Proceeds of disposition (should not be more than the capital cost) | 4 Personal part (if applicable) | 5 Business part (column 3 minus column 4) |
|----------------------|------------------------------|---|---------------------------------------|---|
| | | | | |
| | | | | |

Note: If you disposed of property from your farming business in the year, see Chapter 3 of Guide T4002 for information about your proceeds of disposition.

Total building dispositions in the year: Total of column 5 9928

Area F – Land additions and dispositions in the year

| | | |
|---|---|--|
| Total cost of all land additions in the year | 9923 | |
| Total proceeds from all land dispositions in the year | 9924 | |

Note: You cannot claim capital cost allowance on land. For more information, see Chapter 3 of Guide T4002.

Chart A – Motor vehicle expenses

| | | |
|--|-------|----|
| Kilometres you drove in the fiscal period that was part of earning business income | _____ | 1 |
| Total kilometres you drove in the fiscal period | _____ | 2 |
| Fuel and oil | _____ | 3 |
| Interest (see Chart B) | _____ | 4 |
| Insurance | _____ | 5 |
| Licence and registration | _____ | 6 |
| Maintenance and repairs | _____ | 7 |
| Leasing (see Chart C) | _____ | 8 |
| Other expenses (specify): | _____ | 9 |
| _____ | _____ | 10 |
| Total motor vehicle expenses: Add amounts 3 to 10 | _____ | 11 |

| | | | | | | |
|---|----------------------|----|-------------------|---|-------|----|
| Business use part: | (amount 1 : _____) | × | amount 11 : _____ | = | _____ | 12 |
| | (amount 2 : _____) | | | | | |
| Business parking fees | _____ | 13 | | | | |
| Supplementary business insurance | _____ | 14 | | | | |
| Allowable motor vehicle expenses: Add amounts 12, 13, and 14 (enter this total on line 9281 of Part 4) | _____ | 15 | | | | |

Note: You can claim CCA on motor vehicles in Area A.

Chart B – Available interest expense for passenger vehicles

| | | |
|---|-------|----|
| Total interest payable (accrual method) or paid (cash method) in the fiscal period | _____ | 16 |
| \$10* × the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method) | _____ | 17 |
| Available interest expense: The lesser of amount 16 and 17 (enter this in amount 4 of Chart A) | _____ | 18 |

* For passenger vehicles bought after 2000.

Chart C – Eligible leasing cost for passenger vehicles

| | | |
|---|-------|----------------------------------|
| Total lease charges incurred in your 2017 fiscal period for the vehicle | _____ | 19 |
| Total lease payments deducted before your 2017 fiscal period for the vehicle | _____ | 20 |
| Total number of days the vehicle was leased in your 2017 and previous fiscal periods | _____ | 21 |
| Manufacturer's list price | _____ | 22 |
| Use a GST rate of 5% or HST rate applicable to your province. | | |
| Amount 22 or (\$35,294 + GST and PST, or HST on \$35,294), whichever is more | ▶ | _____ × 85% = _____ |
| [((\$800 + GST and PST, or \$800 + HST) × amount 21] / 30 | ▶ | _____ - amount 20: _____ = _____ |
| _____ | | 24 |
| [((\$30,000 + GST and PST, or \$30,000 + HST) × amount 19) / amount 23] | | _____ = _____ |
| _____ | | 25 |
| Eligible leasing cost: Whichever is less of amount 24 or 25 (enter in amount 8 of Chart A above) | _____ | 26 |

See the privacy notice on your return.

Part 1 – Fiscal periods that do not end on December 31

Fill in parts 1A, 1B, and 1C **only** if you are electing or you have already elected to have a fiscal period that does not end on December 31. We refer to this as the alternative method. If you are cancelling your previous election so that your fiscal period ends on December 31, fill in Part 2 on page 6.

Part 1A – Identification

| | |
|---------------|-------------------------------------|
| Your name | Social insurance number (SIN) |
| Business name | Business number (if applicable) |

Part 1B – Alternative method – fiscal periods that do not end on December 31**Notes**

- Part 1B will help you calculate your additional business income to report on your 2017 income tax and benefit return (T1 General).
- Once you have made an election to have a fiscal period that does not end on December 31, you do not have to make it again for that business.
- For a final tax return in case of death of a partner or a proprietor, see "Part 1 – Detailed Information" on page 3.
- For more information on amount A or if you are a partner in a partnership, see "Part 1 – Detailed Information" on page 3.

Net income (loss) for your fiscal period ending in 2017 (if applicable) | A

Additional business income based on your fiscal year-end period. Use **only one** of the formulas below.

Enter the result at amount D (if the amount you calculate with the formula is negative, we consider it to be nil)

Additional business income if your fiscal period ends in 2017

$$\left(\text{Amount A} - \begin{array}{l} \text{Lesser of the total of} \\ \text{amount A considered to be a} \\ \text{taxable capital gain for the purpose} \\ \text{of the capital gains deduction, and} \\ \text{your total capital gains deduction} \\ \text{deducted for 2017} \end{array} \right) \times \frac{\begin{array}{l} \text{Number of days you carry on the} \\ \text{business after your fiscal period ending} \\ \text{in 2017 up to December 31, 2017} \end{array}}{\begin{array}{l} \text{Number of days you carry on the} \\ \text{business that are in the fiscal period} \\ \text{ending in 2017} \end{array}} = \text{ | B}$$

Additional business income if your business started in 2017 and your fiscal period ends in 2018

Enter at amount C the lesser of any amount you designate as your additional business income or the result of the following formula.

If the net income for the fiscal period ending in 2018 is unknown, use reasonable estimated amounts.

$$\left(\begin{array}{l} \text{Net income for} \\ \text{the fiscal year} \\ \text{ending in 2018} \end{array} - \begin{array}{l} \text{Lesser of the total of the net} \\ \text{income considered to be a taxable} \\ \text{capital gain for the purpose of the} \\ \text{capital gains deduction, and the capital} \\ \text{gains deduction deducted for 2018} \end{array} \right) \times \frac{\begin{array}{l} \text{Number of days you carry on the} \\ \text{business in 2017 that are in the} \\ \text{fiscal period ending in 2018} \end{array}}{\begin{array}{l} \text{Number of days you carry on the} \\ \text{business that are in the fiscal} \\ \text{period ending in 2018} \end{array}} = \text{ | C}$$

Additional business income: Enter either amount B or C based on the formula that was used above. | D

Subtotal: Amount A plus amount D | E

Last year's additional business income: Enter amount G from last year's Form T1139 | F

Net income (loss) of the business: Amount E minus amount F – Report this amount on the appropriate line of your T1 General . . . | G

Report amount G as self-employment income on your T1 General:

- For business income, enter it at line 135.
- For professional income, enter it at line 137.
- For commission income, enter it at line 139.
- For farming income, enter it at line 141.
- For fishing income, enter it at line 143.

Part 1C – Certification

Indicate your choice by ticking the box that applies to you:

☐ I choose to have a fiscal period that does not end on December 31.

☐ I have already elected to have a fiscal period that does not end on December 31 and I am using the form to calculate my additional business income to declare on my 2017 T1 General.

First name

Last name

Title

Telephone number

I certify that the information given on this form is correct and complete.

Signature

Date (YYYYMMDD)



Part 2 – Changing to a fiscal period ending on December 31

Fill in parts 2A, 2B, and 2C **only** if you are cancelling your previous election so that your fiscal period now ends on December 31. If you are electing or you have already elected to have a fiscal period that does not end on December 31, fill in Part 1 on page 4.

Part 2A – Identification

| | |
|---------------|-------------------------------------|
| Your name | Social insurance number (SIN) |
| Business name | Business number (if applicable) |

Part 2B – Changing to a fiscal period ending on December 31**Notes**

- Part 2B applies only to businesses that started before 2017 and that sent Form T1139 with their income tax and benefit return (T1 General) last year.
- If you cancel your previous election so that your fiscal period now ends on December 31, you have to report your business income on a calendar-year basis in later years. Once you have changed your fiscal period end to December 31, you cannot change it back.
- For more information on amount H and I or if you are a partner in a partnership, see "Part 2 – Detailed Information" on page 5.

Net income (loss) for your **first** fiscal period that ends between January 1, 2017, and December 30, 2017 | H
 Net income (loss) for the period that starts after the end of your first fiscal period in 2017, and up to December 31, 2017 | I
Subtotal: Amount H plus amount I | J
 Last year's additional business income: Enter amount G from last year's Form T1139 | K
Net income (loss) of the business: Amount J minus amount K – Report this amount on the appropriate line of your T1 General | L

Report amount L as self-employment income on your T1 General:

- For business income, enter it at line 135.
- For professional income, enter it at line 137.
- For commission income, enter it at line 139.
- For farming income, enter it at line 141.
- For fishing income, enter it at line 143.

Part 2C – Certification

I am cancelling my previous election to have a fiscal period that does not end on December 31 in order to have a fiscal period ending on December 31.

| | |
|--|---------------------|
| First name | Last name |
| Title | Telephone number |
| I certify that the information given on this form is correct and complete. | |
| Signature ▶ | Date (YYYYMMDD) |

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the Act such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source at cra.gc.ca/cra-info-source, Personal Information Bank CRA PPU 005.

Calculation of capital cost allowance (CCA) claim

[illegible]**Total CCA claim for the year**

Details of equipment additions in the year

| 1 Class number | 2 Property details | 3 Total cost | 4 Personal part (if applicable) | 5 Business part (column 3 minus column 4) |
|---------------------------------------|-----------------------|-----------------|------------------------------------|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total equipment additions in the year | | | | 9925 |

Details of building additions in the year

| 1 Class number | 2 Property details | 3 Total cost | 4 Personal part (if applicable) | 5 Business part (column 3 minus column 4) |
|--------------------------------------|-----------------------|-----------------|------------------------------------|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total building additions in the year | | | | 9927 |

Details of equipment dispositions in the year

| 1 Class number | 2 Property details | 3 Proceeds of disposition (should not be more than the capital cost) | 4 Personal part (if applicable) | 5 Business part (column 3 minus column 4) |
|--|-----------------------|---|------------------------------------|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total equipment dispositions in the year | | | | 9926 |

Details of building dispositions in the year

| 1 Class number | 2 Property details | 3 Proceeds of disposition (should not be more than the capital cost) | 4 Personal part (if applicable) | 5 Business part (column 3 minus column 4) |
|---|-----------------------|---|------------------------------------|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total building dispositions in the year | | | | 9928 |