

Part 4 - Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business **485** A

Minus the deductible farm loss:

(amount A above _____ - \$2,500) divided by 2 = _____ a

Amount a or \$15,000 (note 10), whichever is less **2,500** b

Subtotal (amount b plus amount c) **2,500** c **2,500** B

Current-year restricted farm loss (amount A minus amount B) C

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year d

Deduct: Restricted farm loss expired (note 11) **400** e

Restricted farm losses at the beginning of the tax year (amount d minus amount e) **402** D

Add:

Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation **405** f

Current-year restricted farm loss (from amount C) **410** g

Enter amount g on line 233 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*.

Subtotal (amount f plus amount g) E

Subtotal (amount D plus amount E) F

Deduct:

Restricted farm losses from previous tax years applied against current farming income
Enter amount h on line 333 of the T2 return. **430** h

Section 80 - Adjustments for forgiven amounts **440** i

Other adjustments **450** j

Subtotal (total of amounts h to j) G

Restricted farm losses before any request for a carryback (amount F minus amount G) H

Deduct - Request to carry back restricted farm loss to:

First previous tax year to reduce farming income **941** k

Second previous tax year to reduce farming income **942** l

Third previous tax year to reduce farming income **943** m

Subtotal (total of amounts k to m) I

Closing balance of restricted farm losses to be carried forward to future tax years (amount H minus amount I) **480** J

Note

The total losses for the year from all farming businesses are calculated without including scientific research expenses.

Note 10: For tax years that end before March 21, 2013, use \$6,250 instead of \$15,000.

Note 11: A restricted farm loss expires as follows:

- after 10 tax years if it arose in a tax year ending before 2006; and
- after 20 tax years if it arose in a tax year ending after 2005.