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Statement of Real Estate Rentals

- Use this form if you own and rent real estate or other property. It relates mainly to renting real estate but also covers some other types of rental property such as farmland. This form will help you determine your gross rental income, the expenses you can deduct, and your net rental income or loss for the year.
- To determine whether your rental income is from property or a business, consider the number and types of services you provide for your tenants:
  - If you rent space and only provide basic services such as heating, lighting, parking, laundry facilities, you are earning an income from renting property.
  - If you provide additional services such as cleaning, security and meals, you may be conducting a business.
- For more information about how to determine if your rental income comes from property or a business, see Interpretation Bulletin IT-434, Rental of Real Property by Individual, and its Special Release.
- If you are a co-owner of a property, you have to determine if a partnership exists before filling in the Identification part below. To determine if you are in a partnership, see Income Tax Folio S4-F16-C1, What is a Partnership?
- For information on how to fill out this form, see Guide T4036, Rental Income.

Part 1 – Identification

Your name			Your social insurance number
Your address	City	Prov./Terr.	Postal code
Fiscal period from Date (YYYYMMDD) to Year Month Day 1 2 3 1	Was this the final year of your rental operation? Yes ☐ No ☐		
Your percentage of the partnership % Industry code 5 3 1 1 1 1	Tax shelter identification number (8 characters)		Partnership business number
Name of the person or firm preparing this form			Business number/Account number
Address of the person or firm preparing this form	City	Prov./Terr.	Postal code

Part 2 – Details of other co-owners and partners

Co-owner or partner's name and address	Share of net income (loss) $	Percentage of ownership %
Co-owner or partner's name and address	Share of net income (loss) $	Percentage of ownership %
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Part 3 – Income

In most cases, you calculate your rental income using the **accrual method**. If you have no amounts receivable and no expenses outstanding at the end of the year, you can use the **cash method**.

List the addresses of your rental properties	Number of units	Gross rents	
			1
			2
			3

Enter the total of your gross rents in the year you receive them (amount 1 **plus** amount 2 **plus** amount 3). **8141** ____________

Other income (for example, premiums and leases, sharecropping) . . . . **8230** ____________

Total gross rental income: Enter this amount on your income tax and benefit return on line 12599 (line 8141 **plus** line 8230) . . . . **8299** ____________

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Part 4 – Expenses

		Total expenses	Personal portion
Advertising	8521		
Insurance	8690		
Interest and bank charges	8710		
Office expenses	8810		
Professional fees (includes legal and accounting fees)	8860		
Management and administration fees	8871		
Repairs and maintenance	8960		
Salaries, wages and benefits (including employer's contributions)	9060		
Property taxes	9180		
Travel	9200		
Utilities	9220		
Motor vehicle expenses (not including capital cost allowance)	9281		
Other expenses	9270		

Total expenses (**add** the lines listed under "Total expenses") ______ A

Total for personal portion (**add** the lines listed under "Personal portion") 9949 ______

Deductible expenses (total expenses from amount A **minus** total personal portion from line 9949) ______ 4

Net income (loss) before adjustments (total gross rental income from line 8299 **minus** deductible expenses from amount 4) 9369 ______

Co-owners: calculate your share of net income from line 9369. Enter your result on amount 5 ______ 5

Other expenses of the co-owner: other deductible expenses you have as a co-owner which you did not deduct elsewhere 9945 ______

Subtotal (amount 5 **minus** line 9945) ______ 6

Recaptured capital cost allowance (co-owners: enter your share of the amount) 9947 ______

Subtotal (amount 6 **plus** line 9947) ______ 7

Terminal loss (co-owners: enter your share of the amount) 9948 ______

Subtotal (amount 7 **minus** line 9948) ______ 8

Total capital cost allowance claim for the year (amount ii from Area A) 9936 ______

Net income (loss) (amount 8 **minus** line 9936) ______ 9

If you are a sole proprietor or a co-owner, enter this amount on line 9946.

Partnerships

Partners: your share of amount 9, or the amount from your T5013 slip, Statement of Partnership Income ______ 10

Partners: GST/HST rebate for partners received in the year 9974 ______

Partners: other expenses of the partner 9943 ______

Your net income (loss): For sole proprietors or co-owners, the result of amount 9. For partnerships, the result of amount 10 **plus** line 9974 **minus** line 9943. Enter this amount on line 12600 of your income tax and benefit return 9946 ______

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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 Areas B and C below)	4 Cost of additions from column 3 that are DIEPs (property must be available for use in the year) Note 1	5 Proceeds of dispositions in the year (see Areas D and E below) Note 2	6 Proceeds of dispositions of DIEP (enter amount from col. 5 that relates to DIEP from col. 4)	7[*] UCC after additions and dispositions (col. 2 **plus** col. 3 **minus** col. 5)	8 UCC of DIEP (col. 4 **minus** col. 6) Note 3	9 Immediate expensing amount for DIEPs Note 4	10 Cost of remaining additions after immediate expensing (col. 3 **minus** col. 9)

Total immediate expensing claim for the year: Total of column 9 ▶ ______ i

11 Cost of remaining additions from column 10 that are AIIPs or ZEVs Note 5	12 Remaining UCC after immediate expensing (col. 7 **minus** col. 9)	13 Proceeds of dispositions available to reduce additions of AIIPs and ZEVs (col. 5 **minus** col. 10 **plus** col. 11). If negative, enter "0"	14 UCC adjustment for current-year additions of AIIPs and ZEVs (col. 11 **minus** col. 13) **multiplied** by the relevant factor. If negative, enter "0" Note 6	15 Adjustment for current-year additions subject to the half-year rule. 1/2 **multiplied** by (col. 10 **minus** col. 11 **minus** col. 5). If negative, enter "0"	16 Base amount for CCA (col. 12 **plus** col. 14 **minus** col. 15)	17 CCA rate %	18 CCA for the year (col. 16 **multiplied** by col. 17 or a lower amount, **plus** col. 9)	19 UCC at the end of the year (col. 7 **minus** col. 18)

Total CCA claim for the year[**]: Total of column 18 (enter on line 9936 of Part 4 amount ii **minus** any personal part and any CCA for business-use-of-home expenses[***]) ▶ ______ ii

[*] If you have a negative amount in column 7, add it to income as a recapture under "Recaptured capital cost allowance" on line 9947. If no property is left in the class and there is a positive amount in this column, deduct the amount from your income as a terminal loss under "Terminal loss" on line 9948. Recapture and terminal loss do not apply to a Class 10.1 property unless it is a DIEP. For more information, read Chapter 3 of Guide T4036.

[**] Sole proprietors and partnerships: Enter the total CCA claim for the year from amount ii on line 9936.
Co-owners: Enter only your share of the total CCA claim for the year from amount ii on line 9936.

[***] For information on CCA for calculating business-use-of-home expenses, see "Special situations" in Chapter 4 of Guide T4002, Self-employed Business, Professional, Commission, Farming, and Fishing Income. To help you calculate the CCA, see the calculation charts in Areas B to G.

See next page for notes 1 to 6.

Note 1: Columns 4, 6, 8 and 9 apply only to designated immediate expensing properties (DIEPs). See subsection 1104(3.1) of the federal Income Tax Regulations for definitions. A DIEP is a property that you acquired after December 31, 2021, and that became available for use in the current year. For more information, see Guide T4036.

Note 2: The proceeds of disposition of a zero-emission passenger vehicle (ZEPV) that has been included in Class 54, or a passenger vehicle bought after April 18, 2021, that has been included in Class 10.1, and whose cost is more than the prescribed amount will be adjusted based on a factor equal to its prescribed amount as a proportion of the actual cost of the vehicle. For dispositions after July 29, 2019, you will have to adjust the actual cost of the vehicle for any payments or repayments of government assistance that you may have received or repaid for the vehicle. If the passenger vehicle in Class 10.1 is not designated for immediate expensing treatment, this special rule does not apply. For more information on proceeds of disposition and prescribed amounts, read "Class 10.1 (30%)" and "Class 54 (30%)" in Guide T4036.

Note 3: The amount you enter in column 8 must not be more than the amount in column 7. If the amount in column 7 is negative, enter "0."

Note 4: The immediate expensing applies to DIEPs included in column 8. The total immediate expensing amount for the tax year (total of column 9) is limited to the lesser of:

- the immediate expensing limit, which is equal to one of the following, whichever is applicable:
  - $1.5 million, if you are not associated with any other eligible person or partnership (EPOP) in the tax year
  - amount iii of Area G, if you are associated with one or more EPOPs in the tax year
  - zero, if you are associated with one or more EPOPs and an agreement that assigns a percentage to one or more of the associated EPOPs was not filed with the minister in a prescribed form
  - any amount allocated by the minister under subsection 1104(3.4) of the Regulations
- the UCC of DIEPs in column 8
- the amount of income, if any, earned from the source of income that is a property (before any CCA deductions) in which the relevant DIEP is used for the tax year

For more information, see Guide T4036.

Note 5: Columns 11, 13 and 14 apply only to accelerated investment incentive properties (AIIPs) (see subsection 1104(4) of the federal Income Tax Regulations for the definition), zero-emission vehicles (ZEVs), ZEPVs and other eligible zero-emission automotive equipment and vehicles that become available for use in the year. In this chart, ZEVs represent ZEVs, ZEPVs and other eligible zero-emission automotive equipment and vehicles. An AIIP is a property (other than a ZEV) that you acquired after November 20, 2018, and that became available for use before 2028. A ZEV is a motor vehicle included in Class 54 or 55 that you acquired after March 18, 2019, and that became available for use before 2028, or eligible zero-emission automotive equipment and vehicles included in Class 56 acquired after March 1, 2020, and that became available for use before 2028. For more information, see Guide T4036.

Note 6: The relevant factors for properties available for use before 2024 are 2 1/3 (Classes 43.1, 54 and 56), 1 1/2 (Class 55), 1 (Classes 43.2 and 53), 0 (Classes 12 and 13) and 1/2 for the remaining AIIPs.

For more information on AIIPs, CCA, ZEVs and ZEPVs, see Guide T4036 or go to **canada.ca/taxes-accelerated-investment-income**.

Area B – Equipment additions in the year

1 Class number	**2** Property details	**3** Total cost	**4** Personal portion (if applicable)	**5** Rental portion (col. 3 **minus** col. 4)

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

Area C – Building additions in the year

1 Class number	**2** Property details	**3** Total cost	**4** Personal portion (if applicable)	**5** Rental portion (col. 3 **minus** col. 4)

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

Area D – 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 portion (if applicable)	**5** Rental portion (col. 3 **minus** col. 4)

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

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Area E – 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 portion (if applicable)	5 Rental portion (col. 3 **minus** col. 4)

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 4 of Guide T4036.

Area G – Agreement between associated eligible persons or partnerships (EPOPs)

Are you associated in the fiscal period with one or more EPOPs that you have entered into an agreement with under subsection 1104(3.3) of the Regulations? . . . . Yes ☐ No ☐

If you answered **yes**, fill in the table below.

Enter the percentage assigned to each associated EPOP (including yourself) as determined in the agreement.

This percentage will be used to allocate the immediate expensing limit. The total of all percentages assigned under the agreement should not be more than 100%. If the total is more than 100%, then the associated group has an immediate expensing limit of zero. For more information about the immediate expensing limit, see Guide T4036.

1 Name of the EPOP	2 Identification number Note 7	3 Percentage assigned under the agreement
	Total of percentage assigned: Total of column 3 ▶	

Immediate expensing limit allocated to you: Multiply 1.5 million by the percentage assigned to you in column 3 (see note 8) . . . . ____________ iii

Note 7: The identification number is the EPOP's social insurance number, business number or partnership account number.

Note 8: If the total of column 3 is more than 100%, enter "0."

See the privacy notice on your return.