Canada Revenue Agency | Agence du revenu du Canada

Clear Data

Protected B when completed

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
Business name		Business number	
Business address	City	Prov./Terr.	Postal code
Fiscal period From Date (YYYYMMDD) to Date (YYYYMMDD)		Was this your last year of business? ☐ Yes ☐ No	
Main product or service		Industry code (see Chapter 2 in Guide T4002)	
Accounting method (commission only) ☐ Cash ☐ Accrual	Tax shelter identification number	Partnership business number	Your percentage of the partnership %
Name and address of the person or firm preparing this form			

Part 2 – Internet business activities

If your web pages or websites generate business or professional income, fill in this part of the form.

From how many Internet web pages and websites (including third-party platform websites) does your business earn income?
Enter "0" if none . . . . . _____

Provide up to five main web page or website addresses:

http:// _____

http:// _____

http:// _____

http:// _____

http:// _____

Percentage of your gross income generated from the web pages and websites
(If no gross 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: You can **no longer** use the transitional rules which allowed you to include your work-in-progress (WIP) progressively in your income if you had made an election to exclude your WIP. For more information on the inclusion of WIP in your income, see Chapter 2 of Guide T4002.

Part 3A – Business income

Gross sales, commissions or fees (include GST/HST collected or collectible)			3A
GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 3A)			3B
Subtotal: Amount 3A **minus** amount 3B			3C
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	3D		
GST/HST remitted: (sales, commissions and fees eligible for the quick method **plus** GST/HST collected or collectible) **multiplied** by the applicable quick method remittance rate	3E		
Subtotal: Amount 3D **minus** amount 3E		▶	3F
Adjusted gross sales: Amount 3C **plus** amount 3F (enter on line 8000 of Part 3C)			3G

Part 3B – Professional income

Gross professional fees including work-in-progress (WIP) and GST/HST collected or collectible			3H
GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included in amount 3H)			3I
Subtotal: Amount 3H **minus** amount 3I			3J
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	3K		
GST/HST remitted: (professional fees eligible for the quick method **plus** GST/HST collected or collectible) **multiplied** by the applicable quick method remittance rate	3L		
Subtotal: Amount 3K **minus** amount 3L		▶	3M
Adjusted professional fees: Amount 3J **plus** amount 3M (enter on line 8000 of Part 3C)			3N

Part 3C – Gross business or professional income

Adjusted gross sales (amount 3G) or adjusted professional fees (amount 3N)		8000	
Reserves deducted last year	8290		
Other income (specify)*:	8230		
Subtotal: Line 8290 **plus** line 8230		▶	3O
Gross business or professional income: Line 8000 **plus** amount 3O		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:

- business income on line 13499
- professional income on line 13699
- commission income on line 13899

* You may have received assistance from COVID-related measures from the federal, provincial or territorial governments. For more information on how to report COVID-related assistance, go to **canada.ca/en/revenue-agency/services/wage-rent-subsidies/report-subsidy-tax-return.html**.

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). If you are using the quick method for GST/HST, include the GST/HST paid or payable 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)			3P
Opening inventory (include raw materials, goods in process and finished goods)	8300	3Q	
Purchases during the year (net of returns, allowances and discounts)	8320	3R	
Direct wage costs	8340	3S	
Subcontracts	8360	3T	
Other costs	8450	3U	
Subtotal: Add amounts 3Q to 3U		3V	
Closing inventory (include raw materials, goods in process and finished goods)	8500		
Cost of goods sold: Amount 3V **minus** line 8500	8518	▶	
Gross profit (or loss): Amount 3P **minus** line 8518		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)			4A
Expenses (enter only the business part)			
Advertising	8521	4B	
Meals and entertainment	8523	4C	
Bad debts	8590	4D	
Insurance	8690	4E	
Interest and bank charges	8710	4F	
Business taxes, licences and memberships	8760	4G	
Office expenses	8810	4H	
Office stationery and supplies	8811	4I	
Professional fees (includes legal and accounting fees)	8860	4J	
Management and administration fees	8871	4K	
Rent	8910	4L	
Repairs and maintenance	8960	4M	
Salaries, wages and benefits (including employer's contributions)	9060	4N	
Property taxes	9180	4O	
Travel expenses	9200	4P	
Utilities	9220	4Q	
Fuel costs (except for motor vehicles)	9224	4R	
Delivery, freight and express	9275	4S	
Motor vehicle expenses (not including CCA) (amount 16 of Chart A)	9281	4T	
Capital cost allowance (CCA). Enter amount ii of Area A **minus** any personal part and any CCA for business-use-of-home expenses	9936	4U	
Other expenses (specify): _____	9270	4V	
Total expenses: Total of amounts 4B to 4V	9368	▶	
Net income (loss) before adjustments: Amount 4A **minus** line 9368		9369	

Part 5 – Your net income (loss)

Your share of line 9369 or the amount from your T5013 slip, Statement of Partnership Income		5A	
Canadian journalism labour tax credit allocated to you in the year (box 236 of your T5013 slip)		5B	
GST/HST rebate for partners received in the year	9974		
Total: Amount 5A **plus** amount 5B **plus** line 9974		▶	5C
Other amounts deductible from your share of net partnership income (loss) (amount 6F)		9943	
Net income (loss) after adjustments: Amount 5C **minus** line 9943			5D
Business-use-of-home expenses (amount 7P)		9945	
Your net income (loss): Amount 5D **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 13500
- professional income on line 13700
- commission income on line 13900

Note: Do **not** report a loss resulting from the disposition of a flipped property on your income tax and benefit return. Any loss resulting from the disposition of a flipped property is deemed to be nil. For more information, read Chapter 1 of Guide T4002.

Part 6 – Other amounts deductible from your share of 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**	
		6A
		6B
		6C
		6D
		6E
Total other amounts deductible from your share of the net partnership income (loss): Add amounts 6A to 6E (enter this on line 9943 of Part 5)		6F

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

Heat		7A
Electricity		7B
Insurance		7C
Maintenance		7D
Mortgage interest		7E
Property taxes		7F
Other expenses (specify):		7G
Subtotal: Add amounts 7A to 7G		7H
Personal-use part of the business-use-of-home expenses		7I
Subtotal: Amount 7H **minus** amount 7I		7J
Capital cost allowance (business part only), which means amount ii of Area A **minus** any portion of capital cost allowance that is for personal use or entered on line 9936 of Part 4		7K
Amount carried forward from previous year		7L
Subtotal: Add amounts 7J to 7L		7M
Net income (loss) after adjustments (amount 5D) (if negative, enter "0")		7N
Business-use-of-home expenses available to carry forward: Amount 7M **minus** amount 7N (if negative, enter "0")		7O
Allowable claim: Amount 7M or 7N above, whichever is less (enter your share of this amount on line 9945 of Part 5)		7P

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 the current year	9932	
Capital contributions in the current year	9933	

Clear Data

Protected B when completed

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 in Part 3C on line 8230. If no property is left in the class and there is a positive amount in this 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 unless it is a DIEP. For more information, read Chapter 4 of Guide T4002.

*** For information on CCA for "Part 7 – Calculating business-use-of-home expenses," see "Special situations" in Chapter 4 of Guide T4002. 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 T4002.

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 T4002.

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 business (before any CCA deductions) in which the relevant DIEP is used for the tax year

For more information, see Guide T4002.

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 zero-emission vehicles, zero-emission passenger vehicles 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 T4002.

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, 13, 14 and 15) and 1/2 for the remaining AIIPs.

For more information on AIIPs, see Guide T4002 or go to **canada.ca/taxes-accelerated-investment-income**.

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

Note: If you disposed of property in the year, see Chapter 4 of Guide T4002 for information about your proceeds of disposition.

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

Note: If you disposed of property in the year, see Chapter 4 of Guide T4002 for information about your proceeds of disposition.

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.

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 your business) 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 T4002.

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 your business: Multiply 1.5 million by the percentage assigned to your business 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."

Clear Data

Protected B when completed

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 (use Chart B below)		4
Insurance		5
Licence and registration		6
Maintenance and repairs		7
Leasing (use Chart C below)		8
Electricity for zero-emission vehicles		9
Other expenses (specify):		10
		11
Total motor vehicle expenses: Add amounts 3 to 11		12

Business use part: amount 1: _____ ÷ amount 2: _____ × amount 12: _____ = _____ 13

Business parking fees		14
Supplementary business insurance		15
Allowable motor vehicle expenses: Add amounts 13 to 15 (enter this total on line 9281 of Part 4)		16

Note: You can claim capital cost allowance on motor vehicles in Area A.

Chart B – Available interest expense for passenger vehicles and zero-emission passenger vehicles

Total interest payable (accrual method) or paid (cash method) in the fiscal period		17
$10**** × the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method)	=	18
Available interest expense: Amount 17 or 18, whichever is less (include this in amount 4 of Chart A above)		19

**** For passenger vehicles bought after 2000.

Chart C – Eligible leasing cost for passenger vehicles*****

Total lease charges incurred in your current fiscal period for the vehicle		20
Total lease payments deducted before your current fiscal period for the vehicle		21
Total number of days the vehicle was leased in your current and previous fiscal periods		22
Manufacturer's list price		23

Use a GST rate of 5% or HST rate applicable to your province.

Amount 23 or ($42,353 + GST and PST, or HST on $42,353), whichever is more (see **note 9**) ▶ _____ × 85%	=	24
[($950 + GST and PST, or $950 + HST) × amount 22] ÷ 30 (see **note 10**)	=	25
Amount 25: _____ − amount 21: _____	=	26
[($36,000 + GST and PST, or $36,000 + HST) × amount 20] ÷ amount 24 (see **note 11**)	=	27
Eligible leasing cost: Amount 26 or 27, whichever is less (enter in amount 8 of Chart A above)		28

***** Includes a vehicle that would qualify as a zero-emission passenger vehicle if you owned it.

Note 9: For leases entered into in 2022, it's amount 23 or ($40,000 plus GST and PST, or HST on $40,000), whichever is more. For leases entered into before 2022, it's amount 23 or ($35,294 plus GST and PST, or HST on $35,294), whichever is more.

Note 10: For leases entered into in 2022, amount 25 is equal to [($900 plus GST and PST, or $900 plus HST) multiplied by amount 22], divided by 30. For leases entered into before 2022, amount 25 is equal to [($800 plus GST and PST, or $800 plus HST) multiplied by amount 22], divided by 30.

Note 11: For leases entered into in 2022, amount 27 is equal to [($34,000 plus GST and PST, or $34,000 plus HST) multiplied by amount 20], divided by amount 24. For leases entered into before 2022, amount 27 is equal to [($30,000 plus GST and PST, or $30,000 plus HST) multiplied by amount 20], divided by amount 24.

See the privacy notice on your return.