



## 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	Date (YYYYMMDD)		Date (YYYYMMDD)		Was this your last year of business?		
From			to		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Main product or service				Industry code (see the appendix in Guide T4002)			
Accounting method (commission only)		<input type="checkbox"/> Cash <input type="checkbox"/> 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.	
How many Internet web pages and websites does your business earn income from? Enter "0" if none .....	
Provide up to five main web page or website addresses, also known as uniform resource locator (URL):	
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:** New 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 20% of the lesser of the cost and the fair market value of WIP. The inclusion rate increases to 40% in the second tax year that starts after March 21, 2017, 60% in the third year, 80% in the fourth year, and 100% in the fifth and all subsequent tax years. For more information, see Chapter 2 of Guide T4002.

<b>Part 3A – Business income</b>		
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
<b>Subtotal:</b> Amount 3A minus amount 3B		3C
<b>If you are using the quick method for GST/HST</b> – 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 <b>plus</b>		
GST/HST collected or collectible) <b>multiplied</b> by the applicable quick method remittance rate . . . . .		3E
<b>Subtotal:</b> Amount 3D minus amount 3E		3F
<b>Adjusted gross sales:</b> Amount 3C <b>plus</b> amount 3F (enter on line 8000 of Part 3C) . . . . .		3G

<b>Part 3B – Professional income</b>		
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) and any WIP at the end of the year you elected to exclude . . . . .		3I
<b>Subtotal:</b> Amount 3H minus amount 3I		3J
<b>If you are using the quick method for GST/HST</b> – 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 <b>plus</b> GST/HST collected or collectible) <b>multiplied</b> by the applicable quick method remittance rate . . . . .		3L
<b>Subtotal:</b> Amount 3K minus amount 3L		3M
Work-in-progress (WIP), start of the year, per election to exclude WIP (see Guide T4002, Chapter 2) . . . . .		3N
<b>Adjusted professional fees:</b> Amount 3J <b>plus</b> amount 3M <b>plus</b> amount 3N (enter on line 8000 of Part 3C) . . . . .		3O

<b>Part 3C – Gross business or professional income</b>		
Adjusted gross sales (amount 3G) or adjusted professional fees (amount 3O) . . . . .	<b>8000</b>	
Reserves deducted last year . . . . .	<b>8290</b>	
Other income (specify)*: . . . . .	<b>8230</b>	
<b>Subtotal:</b> Line 8290 <b>plus</b> line 8230		3P
<b>Gross business or professional income:</b> Line 8000 <b>plus</b> amount 3P	<b>8299</b>	
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"> <li>• business income on line 13499</li> <li>• professional income on line 13699</li> <li>• commission income on line 13899</li> </ul>		
* You may have received assistance from COVID-related measures from the federal, provincial or territorial governments. For more information, go to <a href="https://canada.ca/cra-coronavirus">canada.ca/cra-coronavirus</a> .		

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) . . . . .				3Q
Opening inventory (include raw materials, goods in process, and finished goods) . . . . .	8300			3R
Purchases during the year (net of returns, allowances, and discounts) . . . . .	8320			3S
Direct wage costs . . . . .	8340			3T
Subcontracts . . . . .	8360			3U
Other costs . . . . .	8450			3V
				3W
<b>Subtotal:</b> Add amounts 3R to 3V				
Closing inventory (include raw materials, goods in process, and finished goods) . . . . .	8500			
<b>Cost of goods sold:</b> Amount 3W minus line 8500	8518			
<b>Gross profit (or loss):</b> Amount 3Q minus line 8518 . . . . .			8519	

**Part 4 – Net income (loss) before adjustments**

<b>Gross business or professional income</b> (line 8299 of Part 3C) or <b>Gross profit</b> (line 8519 of Part 3D) . . . . .				4A
<b>Expenses</b> (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 i of Area A minus any personal part and any CCA for business-use-of-home expenses . . . . .	9936			4U
Other expenses (specify): . . . . .	9270			4V
<b>Total expenses:</b> Total of amounts 4B to 4V	9368			
<b>Net income (loss) before adjustments:</b> 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
GST/HST rebate for partners received in the year . . . . .	9974			
<b>Total:</b> Amount 5A plus line 9974				5B
Other amounts deductible from your share of net partnership income (loss) (amount 6F) . . . . .			9943	
<b>Net income (loss) after adjustments:</b> Amount 5B minus line 9943 . . . . .				5C
Business-use-of-home expenses (amount 7P) . . . . .			9945	
<b>Your net income (loss):</b> Amount 5C 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

**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
<b>Total other amounts deductible from your share of the net partnership income (loss):</b> 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
<b>Subtotal:</b> Add amounts 7A to 7G	7H
Personal-use part of the business-use-of-home expenses .....	7I
<b>Subtotal:</b> Amount 7H minus amount 7I	7J
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 .....	7K
Amount carried forward from previous year .....	7L
<b>Subtotal:</b> Add amounts 7J to 7L	7M
Net income (loss) after adjustments (amount 5C) (if negative, enter "0") .....	7N
<b>Business-use-of-home expenses available to carry forward:</b> Amount 7M minus amount 7N (if negative, enter "0") .....	7O
<b>Allowable claim:</b> 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	_____

[illegible]

\* If you have a negative amount in column 6, 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 "Calculating business-use-of-home expenses," see "Special situations" in Chapter 4 of Guide T4002. To help you calculate the capital cost allowance claim, see the calculation charts in Areas B to F.

**Note 1:** Columns 4, 7, and 8 apply only to accelerated investment incentive properties (AIPs) (see Regulation 1104(4) of the Income Tax Regulations for the definition), zero-emission vehicles, zero-emission passenger vehicles and, under proposed legislation, other eligible zero-emission automotive equipment and vehicles that become available for use in the year. In this chart, ZEV represents zero-emission vehicles, zero-emission passenger vehicles and other eligible zero-emission automotive equipment and vehicles. An AIP is a property (other than ZEV) that you acquired after November 20, 2018, and 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 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 2:** The proceeds of disposition of a zero-emission passenger vehicle (ZEPV) that has been included in Class 54 and that is subject to the \$55,000 capital cost limit will be adjusted based on a factor equal to the capital cost limit of \$55,000 as a proportion of the actual cost of the vehicle. For dispositions after July 29, 2019, the government proposes that the actual cost of the vehicle be adjusted for any payments or repayments of government assistance that you may have received or repaid in respect of the vehicle. For more information on proceeds of disposition, read "Class 54 (30%)" in Guide T4002.

**Note 3:** 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, 15), and 1/2 for the remaining accelerated investment incentive properties.

For more information on accelerated investment incentive properties, see Guide T4002 or go to [canada.ca/taxes-accelerated-investment-income](http://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 3 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 3 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.

**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
<b>Total motor vehicle expenses:</b> Add amounts 3 to 11	12
Business use part: $\left( \frac{\text{amount 1:}}{\text{amount 2:}} \right) \times \text{amount 12:}$	= 13
Business parking fees	14
Supplementary business insurance	15
<b>Allowable motor vehicle expenses:</b> Add amounts 13, 14, and 15 (enter this total on line 9281 of Part 4)	16

**Note:** You can claim CCA 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
$\$10^* \times \text{the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method)}$	= 18
<b>Available interest expense:</b> 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 (\$35,294 + GST and PST, or HST on \$35,294), whichever is more	► _____ × 85% = _____	24
$\frac{[(\$800 + \text{GST and PST, or } \$800 + \text{HST}) \times \text{amount 22}]}{30}$	► _____ – amount 21: _____ = _____	25
$\frac{[(\$30,000 + \text{GST and PST, or } \$30,000 + \text{HST}) \times \text{amount 20}]}{\text{amount 24}}$	= _____	26
<b>Eligible leasing cost:</b> Amount 25 or 26, whichever is less (enter in amount 8 of Chart A above). . . . .	=====	27
** Includes a vehicle that would qualify as a zero-emission passenger vehicle if you owned it.		

See the privacy notice on your return.

Sample