

## ELECTION ON DISPOSITION OF PROPERTY BY A PARTNERSHIP TO A TAXABLE CANADIAN CORPORATION

<ul> <li>For use by a taxable Canac subsection 85(2) where the as consideration shares of a</li> </ul>	partnership ha	s disposed of p	operty to	the corpo				r	Do not us	e this area
File one completed copy of	the election an	d related sched	ules (if an	y) as follo	ws:					
1 – by a partner designated	for the purpose	e by the partner	ship;							
2 – on or before the earlier the tax year in which the				as to file a	an income	tax retu	ırn for			
3 – at the tax centre serving	the area wher	e the transferee	is located	d; and						
4 – separately from any tax insert it in or attach it to		ay put it in the s	ame enve	elope with	a return, l	but do n	ot			
Sections and subsections re	eferred to on th	is form are from	the Incor	me Tax Ad	et.					
Name of partnership (transferor)	(print)								Partnersh	ip identification number
Address										Postal code
Tax year of partnership from	Year	Month Day	to	Yea	ar M	onth	Day 	Tax services office		
·										
Name of corporation (transferee)	(print)								Business	Number
Address										Postal code
Tax year of corporation from	Year	Month Day	to	Yea	ır M	onth	Day 	Tax services office		
Name of person to contact for me	ore information		l					Area code	Telephone no	umber
Danalty for late	filed and a	monded ele	otiono							
— Penalty for late										
An election that is filed after within 3 years after its due do can also be amended or filed the reason the election is am and an estimate of the application.	ate if an estima I after the 3-yea ended or late-f	te of the penalty ar period, but in iled must be att	is paid a these situached for	t the time lations, a considera	of filing. F written exp	orm T20 olanatio	058 n of		Oo not use t	his area
Calculation of late-filing pena	alty:									
Fair market value of property	transferred									
Less: agreed amount				···· —						
Difference				=			Α			
Amount A	x 1/4	x 1% x N*		=			В			
\$100 x N*				···= =			С			
* N represents the sum due date to the actual					d from the	•				
Late-filing penalty is the less	er of B and C a	bove					_			
Make cheque or money orde	r payable to the	e Receiver Gen	eral. <b>Spec</b>	ify "T205	8" on the	remittar	ice			
and, to ensure proper credit, Business Number if a corpor	indicate the na						-	Amount end	losed	
Unpaid amounts, including la	ite-filing penalti	es, are subject	to daily co	ompound i	nterest at	a presc	ribed	rate.		

— Information required ———				
On the following page, list, describe, and state the received has to be shown opposite the related pro calculation of the adjusted cost base. If space on the disposition of each depreciable property. With this documentation relating to the responses to the questransferred. However, you have to keep them as C	perty transferred. Where the ne form is insufficient, attach election, you do not have to estions below; and a brief sur	transferred property in schedules giving sime file the following mate mmary of the method	is a partnership interest, attach a s nilar details. You have to designate erials: schedules supporting this do of evaluating the fair market value	schedule of the the order of esignation;
1. Is there a written agreement relating to this tra	nsfer?			Yes No
Does a price adjustment clause apply to any o for details.)				Yes No
3. Do any persons other than the members of the class of the transferee?				Yes No
4. Does a non-arm's length rollover exist between				
a) Have all or substantially all (90% or more)		·		
the corporation?				Yes No
5. Are any partners non-residents of Canada? .				Yes No
6. Are any of the properties transferred capital pr	operties?			Yes No
If yes,				
a) have they been owned continuously sind	• , •,			
b) have they been acquired after V-Day in a				Yes No
<ul> <li>since V-Day, has the partnership or any received any subsection 83(1) dividends</li> </ul>				
and attach a schedule.)				Yes No
7. Is the agreed amount of any of the transferred	properties based on an estir	nate of fair market va	lue on V-Dav?	Yes No
a) If <b>yes</b> , does a formal documented V-Day v	• •		•	
8. Has an election under subsection 26(7) of the	·			
of the transferor?				Yes No
Where shares of the capital stock of a private corp				
Name of corporation	Business Nun	nber	Paid-up capital of shares transfe	erred
Description of above vectored				
— Description of shares received				
Number of shares Class of shares	Redemption value	Paid-up capita	l Voting or non-voting	Are shares
transferor received	per share		0 0	retractable?*
				Yes No
				Yes No
				Yes No
				Yes No
* Retractable means redeemable at the option of t	he holder.			
* Retractable means redeemable at the option of t	he holder.			Yes No
* Retractable means redeemable at the option of t	he holder.			Yes No

• Complete all the information areas and answer all questions. If this form is incomplete, the Canada Revenue Agency may consider the

• If the agreed amount exceeds the adjusted cost base of the property in the election, you must report the difference as a capital gain, as

Bulletins IT-169, IT-291, and IT-378.

income or a combination of both, whichever applies.

election invalid, and subsequent submissions may be subject to a late-filing penalty.

## Particulars of property disposed of and consideration received Date of sale or transfer of all properties listed below: Year Month Note: For properties sold or transferred on different dates, use separate Form T2058. Property disposed of Agreed Amount to be Consideration received reported B-A amount Description Elected amount limits\* Non-share Share Fair market (cannot be zero) (if greater than 0, value Fair market Description see note 4) Number and В value class (Brief legal) (see note 1) Capital property excluding depreciable property (Description and prescribed class) (see note 2) Depreciable property (Kind) (see note 3) Fligible capital property (cost amount) Inventory excluding real property (Brief legal) nil Resource property nil (Description) (cost amount) Security or debt obligation property (cost amount) Specified Debt Obligation (For financial institutions only)

## **Notes**

- 1. Adjusted cost base (subject to adjustment per section 53.)
- 2. The lesser of undepreciated capital cost of all property of the class and the cost of the property.
- 3. The lesser of 4/3 x cumulative eligible capital and the cost of the property. (Under proposed changes, new rules will apply on subsequent dispositions of eligible capital property occurring after December 20, 2002).
- 4. This amount is to be reported either as a capital gain or as income, whichever applies. Also, in the case of depreciable property and eligible capital property, a portion of the amount may have to be reported as a capital gain while another portion of the amount may have to be reported as income.
- \* See Interpretation Bulletin IT-291 for an explanation of the limits.

## **Election and certification**

The corporation and all members of the partnership hereby jointly elect under subsection 85(2) in respect of the property specified, and certify that the information given in this election, and in any documents attached, is true, correct and complete to the best of their knowledge.

Date	Signati	ure of authorized officer of corporation	Position or office	
Social insurance Business Number		Name of partner, authorized person or authorized officer	Partner's tax services office	
Signature of part person or author	•	Position of office of authorized person or authorized officer	Date	
Social insurance Business Number		Name of partner (print)	Partner's tax services office	
Signature of partner or authorized officer			Date	
Social insurance Business Number		Name of partner (print)	Partner's tax services office	
Signature of part authorized office		'	Date	

The election form must be signed by all partners, or by a person authorized in writing by all partners to sign for them, and by an authorized officer of the transferee. A person who is authorized to sign for all the partners should complete area 1 above, and attach a copy of the authorizing agreement. If space is insufficient, attach "Election and Certification" giving similar details. Attach a list containing the name, Social insurance number, or Business Number of each partner. If a member of the partnership is in itself a partnership, attach a list showing the name, Social insurance number, or Business Number of each member of that partnership. Also, indicate the fiscal period of the partnership.