

Corporation's Legal Name	Ontario Corporations Tax Account No.(MOF)	Taxation Year End
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- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

### Part 1 – Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital – balance at end of preceding taxation year (if negative, enter zero) . . . . . = +                      **A**

**Add:** Cost of eligible capital property acquired during the taxation year +                      **B**

Other adjustments . . . . . +                      **C**

**B + C** . . . . . =                      X  $\frac{3}{4}$  =                      **D**

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002 . . . . . X  $\frac{1}{2}$  = –                      **E**

**D minus E** (if negative, enter zero) . . . . . =                      ▶ +                      **F**

Amount transferred on amalgamation or wind-up of subsidiary . . . . . +                      **G**

**Subtotal A + F + G** . . . . . =                      **H**

**Deduct:** Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year . . . . . +                      **I**

The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the *Income Tax Act* (Canada). . . . . +                      **J**

Other adjustments . . . . . +                      **K**

**I + J + K** . . . . . =                      X  $\frac{3}{4}$  . . . . . = –                      **L**

**Ontario cumulative eligible capital balance H minus L** . . . . . =                      **M**

If **M** is negative, enter zero at line **Q** and proceed to **Part 2**, page 2.

Cumulative eligible capital for a property no longer owned after ceasing to carry on that business                      **N**

From **M**                     

From **N** –                     

**Current year deduction M minus N** . . . . . =                      X 7% = +                      **O**

**N + O** . . . . . =                      ▶ –                      **P**

**Note:** The maximum current year deduction is 7%. Any amount up to the maximum deduction of 7% may be claimed. For taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days. Enter amount in box 651 of the CT23

**Ontario cumulative eligible capital - closing balance M minus P** (if negative, enter zero) . . . . . =                      **Q**

See page 2 - Part 2

# Ontario Cumulative Eligible Capital Deduction

## Schedule 10    page 2 of 2

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### Part 2 – Amount to be included in income arising from disposition

**Complete this part only if the amount at line M is negative.**

Amount from line M above. <i>Show this as a positive amount; not negative.</i>	_____	<b>R</b>
Total cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988	+ _____	<b>1</b>
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) of the ITA	+ _____	<b>2</b>
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	+ _____	<b>3</b>
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	– _____	<b>4</b>
<b>Deduct line 4 from line 3 (if negative, enter zero)</b>	= _____ ▶ + _____	<b>5</b>
<b>Total lines 1 + 2 + 5</b>	= _____	<b>6</b>
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 1	_____	<b>7</b>
Amounts at <b>Line Z</b> from Ontario Schedule 10 of previous taxation years ending after February 27, 2000 (This will be <b>Line T</b> in earlier versions of this schedule.)	+ _____	<b>8</b>
<b>Total lines 7 + 8</b>	= _____ ▶ – _____	<b>9</b>
<b>Deduct line 9 from line 6 (if negative, enter zero)</b>	= _____ ▶ – _____	<b>S</b>
<b>R minus S (if negative, enter zero)</b>	= _____	<b>T</b>
From <b>Line 5</b> _____ X $\frac{1}{2}$	= – _____	<b>U</b>
<b>T minus U (if negative, enter zero)</b>	= _____	<b>V</b>
From <b>V</b> _____ X $\frac{2}{3}$	= _____	<b>W</b>
Lesser of <b>R</b> and <b>S</b>	= + _____	<b>Z</b>
<b>Amount to be included in income W + Z</b>	= _____	