

Net Income (Loss) for Income Tax Purposes
(2023 and later tax years)

Corporation's name	Business number	Tax year-end		
		Year	Month	Day

- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see Guide T4012, T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.
- If you need more space, attach additional schedules.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 A

Add:

Provision for income taxes – current	101
Provision for income taxes – deferred	102
Interest and penalties on taxes	103
Amortization of tangible assets	104
Amortization of natural resource assets	105
Amortization of intangible assets	106
Recapture of capital cost allowance from Schedule 8	107
Loss in equity of subsidiaries and affiliates	110
Loss on disposal of assets	111
Charitable donations and gifts from Schedule 2	112
Taxable capital gains from Schedule 6	113
Political contributions	114
Holdbacks	115
Deferred and prepaid expenses	116
Depreciation in inventory – end of year	117
Scientific research expenditures deducted per financial statements	118
Capitalized interest	119
Non-deductible club dues and fees	120
Non-deductible meals and entertainment expenses	121
Non-deductible automobile expenses	122
Non-deductible life insurance premiums	123
Non-deductible company pension plans	124
Other reserves on lines 270 and 275 from Schedule 13	125
Reserves from financial statements – balance at the end of the year	126
Soft costs on construction and renovation of buildings	127
Non-deductible fines and penalties under section 67.6	128
Income or loss for tax purposes – partnerships	129
Amounts calculated under section 34.2 from Schedule 73	130
Income shortfall adjustment and additional amount from Schedule 73	131
Income or loss for tax purposes – joint ventures	132
Amount D on page 3	199

Total (lines 101 to 199) **500** ▶

Amount A **plus** line 500 B

Deduct:

Gain on disposal of assets per financial statements **401** _____

Non-taxable dividends under section 83 from Schedule 3 **402** _____

Capital cost allowance from Schedule 8 **403** _____

Terminal loss from Schedule 8 **404** _____

Allowable business investment loss from Schedule 6 **406** _____

Foreign non-business tax deduction under subsection 20(12) **407** _____

Holdbacks **408** _____

Deferred and prepaid expenses **409** _____

Depreciation in inventory – end of prior year **410** _____

SR&ED expenditures claimed in the year on line 460 from Form T661 **411** _____

Other reserves on line 280 from Schedule 13 **413** _____

Reserves from financial statements – balance at the beginning of the year **414** _____

Patronage dividend deduction from Schedule 16 **416** _____

Contributions to deferred income plans from Schedule 15 **417** _____

Incorporation expenses under paragraph 20(1)(b) **418** _____

Amount E on page 4 **499** _____

Total (lines 401 to 499) 510 _____ ► _____

Net income (loss) for income tax purposes (amount B **minus** line 510) C

Enter amount C on line 300 on page 3 of the T2 return.

Add:

Accounts payable and accruals for cash basis – closing	201	
Accounts receivable and prepaid for cash basis – opening	202	
Accrual inventory – opening	203	
Accrued dividends – prior year	204	
Capital items expensed	206	
Debt issue expense	208	
Deemed dividend income	209	
Deemed interest on loans to non-residents	210	
Deemed interest received	211	
Development expenses claimed in current year	212	
Dividend stop-loss adjustment	213	
Dividends credited to the investment account	214	
Exploration expenses claimed in current year	215	
Financing fees deducted in books	216	
Foreign accrual property income	217	
Foreign affiliate property income	218	
Foreign exchange included in retained earnings	219	
Gain on settlement of debt	220	
Interest paid on income debentures	221	
Limited partnership losses from Schedule 4	222	
Mandatory inventory adjustment – included in current year	224	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Optional value of inventory – included in current year	229	
Other expenses from financial statements	230	
Recapture of SR&ED expenditures from Form T661	231	
Resource amounts deducted	232	
Restricted farm losses – current year from Schedule 4	233	
Sales tax assessments	234	
Share issue expense	235	
Write-down of capital property	236	
Amounts received in respect of qualifying environmental trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	
Contractors' completion method adjustment: revenue net of costs on contracts under two years – previous year	238	
Taxable/non-deductible other comprehensive income items	239	
Book loss of joint ventures	248	
Book loss of partnerships	249	
Hybrid mismatch amount under subsection 18.4(4) or 12.7(3)	250	
Excess IFE under subsection 18.2(2) from Schedule 130	251	
Partnership IFE add-back under paragraph 12(1)(l.2) from Schedule 130	252	
Non-deductible interest under subsection 18(4)	253	
Partnership interest deduction add-back under paragraph 12(1)(l.1)	254	

Other additions:

Description	Amount
605	295
Total of column 2	296

Total of lines 201 to 254 and line 296 **D**

Enter amount D on line 199 on page 1.

Deduct:

Accounts payable and accruals for cash basis – opening	300	_____
Accounts receivable and prepaid for cash basis – closing	301	_____
Accrual inventory – closing	302	_____
Accrued dividends – current year	303	_____
Bad debt	304	_____
Equity in income from subsidiaries or affiliates	306	_____
Exempt income under section 81	307	_____
Mandatory inventory adjustment – included in prior year	309	_____
Contributions to a qualifying environmental trust	310	_____
Non-Canadian advertising expenses – broadcasting	311	_____
Non-Canadian advertising expenses – printed materials	312	_____
Optional value of inventory – included in prior year	313	_____
Other income from financial statements	314	_____
Payments made for allocations in proportion to borrowing and bonus interest payments from Schedule 17	315	_____
Contractors' completion method adjustment: revenue net of costs on contracts under two years – current year	316	_____
Non-taxable/deductible other comprehensive income items	347	_____
Book income of joint venture	348	_____
Book income of partnership	349	_____
Adjustment for hybrid mismatch amount under paragraph 20(1)(yy)	350	_____

Resource deductions:

Canadian development expenses from Schedule 12	340	_____
Canadian exploration expenses from Schedule 12	341	_____
Canadian oil and gas property expenses from Schedule 12	342	_____
Depletion from Schedule 12	344	_____
Foreign exploration and development expenses from Schedule 12	345	_____

Other deductions:

Description	Amount
705	395
Total of column 2	396

Total of lines 300 to 350 and line 396 **E**

Enter amount E at line 499 on page 2.