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Statement of Real Estate Rentals

- Use this form if you own and rent out real estate or other property including residential property that is a short-term rental. It relates mainly to renting real estate but also covers some other types of rental property such as farmland. This form will help you determine your gross rental income, the expenses you can deduct, and your net rental income or loss for the year.
- To determine whether your rental income is from property or a business, consider the number and types of services you provide for your tenants:
  - If you rent space and only provide basic services such as heating, lighting, parking, and laundry facilities, you are earning an income from renting property.
  - If you provide additional services such as cleaning, security, and meals, you may be conducting a business.
- For more information about how to determine if your rental income comes from property or a business, see Interpretation Bulletin IT-434, Rental of Real Property by Individual, and its Special Release.
- If you are a co-owner of a property, you have to determine if a partnership exists before filling in Part 1 below. To determine if you are in a partnership, see Income Tax Folio S4-F16-C1, What is a Partnership?
- For information on how to fill out this form, see Guide T4036, Rental Income.

Part 1 – Identification

Your name			Your social insurance number	
Your address		City	Prov./Terr.	Postal code
Fiscal period from	Date (YYYYMMDD) to	Year / Month / Day: 1 2 3 1	Was this the final year of your rental operation? Yes ☐ No ☐	
Your percentage of the partnership %	Industry code: 5 3 1 1 1 1	Tax shelter identification number (8 characters)	Partnership business number	
Name of the person or firm preparing this form			Business number / Account number	
Address of the person or firm preparing this form		City	Prov./Terr.	Postal code

Part 2 – Details of other co-owners and partners

Co-owner or partner's name and address	Share of net income (loss) $	Percentage of ownership %
Co-owner or partner's name and address	Share of net income (loss) $	Percentage of ownership %
Co-owner or partner's name and address	Share of net income (loss) $	Percentage of ownership %

Part 3 – Income

In most cases, you calculate your rental income using the **accrual method**. If you have no amounts receivable and no expenses outstanding at the end of the year, you can use the **cash method**.

List the addresses of your rental properties.	Number of units	Gross rents for short-term rentals	Gross rents for all units

Total of your gross rents for short-term rentals in the year you receive them (**add** amounts listed under "Gross rents for short-term rentals")	8140	
Total of all your gross rents in the year you receive them (**add** amounts listed under "Gross rents for all units")	8141	
Other income (for example, premiums and leases, sharecropping)	8230	
Total gross rental income: Enter this amount on your income tax and benefit return on line 12599 (line 8141 **plus** line 8230)	8299	

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Part 4 – Expenses

		Total expenses	Personal portion of total expenses	Short-term rental portion of total expenses
Advertising	8521			
Insurance	8690			
Interest and bank charges	8710			
Office expenses	8810			
Professional fees (including legal and accounting fees)	8860			
Management and administration fees	8871			
Repairs and maintenance	8960			
Salaries, wages, and benefits (including employer's contributions)	9060			
Property taxes	9180			
Travel	9200			
Utilities	9220			
Motor vehicle expenses (not including capital cost allowance)	9281			
Other expenses	9270			

Total expenses (**add** amounts listed under "Total expenses") _____ A

Total for personal portion (**add** amounts listed under "Personal portion of total expenses") 9949 _____

Total for short-term rental portion (**add** amounts listed under "Short-term rental portion of total expenses") 9365 _____

Non-compliant amount for short-term rentals (amount B from Chart A) 9366 _____

Deductible expenses (amount A **minus** line 9949 **minus** line 9366) _____ 1

Net income (loss) before adjustments (total gross rental income from line 8299 **minus** deductible expenses from amount 1) 9369 _____

Co-owners: calculate your share of net income from line 9369. Enter your result on amount 2 _____ 2

Other expenses of the co-owner: other deductible expenses you have as a co-owner which you did not deduct elsewhere 9945 _____

Subtotal (amount 2 **minus** line 9945) _____ 3

Recaptured capital cost allowance (co-owners: enter your share of the amount) 9947 _____

Subtotal (amount 3 **plus** line 9947) _____ 4

Terminal loss (co-owners: enter your share of the amount) 9948 _____

Subtotal (amount 4 **minus** line 9948) _____ 5

Non-compliant amount of capital cost allowance (CCA) for short-term rentals (amount C from Chart B) 9367 _____

Total CCA claim for the year (amount ii from Area A **minus** any personal part of CCA, and any CCA for business-use-of-home expenses) 9936 _____

Net income (loss) (amount 5 **minus** line 9936) _____ 6

If you are a sole proprietor or a co-owner, enter this amount on line 9946.

Partnerships

Partners: your share of amount 6, or the amount from your T5013 slip, Statement of Partnership Income _____ 7

Partners: GST/HST rebate for partners received in the year 9974 _____

Partners: other expenses of the partner 9943 _____

Your net income (loss): For sole proprietors or co-owners, enter the result from amount 6. For partnerships, enter the result from amount 7 **plus** line 9974 **minus** line 9943. Enter this amount on line 12600 of your income tax and benefit return 9946 _____

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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 before 2025) 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) Note 3	8 UCC of DIEP (col. 4 **minus** col. 6) Note 4	9 Immediate expensing amount for DIEPs Note 5

Total immediate expensing claim for the year: Total of column 9 ▶ | i

10 Cost of remaining additions after immediate expensing (col. 3 **minus** col. 9)	11 Cost of remaining additions from column 10 that are AIIPs or ZEVs acquired before 2025 Note 6	12 Cost of remaining additions from column 10 that are RIIPs or ZEVs acquired after 2024 Note 6	13 Remaining UCC after immediate expensing (col. 7 **minus** col. 9)	14 Proceeds of dispositions available to reduce additions of AIIPs, RIIPs, and ZEVs (col. 5 **minus** col. 10 **plus** col. 11 **plus** col. 12). If negative, enter "0"	15 UCC adjustment for current-year additions of AIIPs and ZEVs acquired before 2025 (col. 11 **minus** col. 14) **multiplied** by the relevant factor. If negative, enter "0" Note 7	16 Proceeds of dispositions available to reduce additions of RIIPs and ZEVs acquired after 2024 (col. 14 **minus** col. 11). If negative, enter "0"	17 UCC adjustment for current-year additions of RIIPs and ZEVs acquired after 2024 (col. 12 **minus** col. 16) **multiplied** by the relevant factor. If negative, enter "0" Note 8

18 Adjustment for current-year additions subject to the half-year rule. 1/2 **multiplied** by (col. 10 **minus** col. 11 **minus** col. 12 **minus** col. 5). If negative, enter "0"	19 Base amount for CCA (col. 13 **plus** col. 15 **plus** col. 17 **minus** col. 18)	20 CCA rate %	21 Available CCA for the year (col. 19 **multiplied** by col. 20, or a lower amount, **plus** col. 9)	22 Non-compliant amount of CCA (see Chart B below)	23 CCA claim for the year (col. 21 **minus** col. 22)	24 UCC at the end of the year (col. 7 **minus** col. 23) Note 9

Total CCA claim for the year*: Total of column 23 (enter on line 9936 of Part 4 amount ii **minus** any personal part and any CCA for business-use-of-home expenses**) ▶ | ii

* Sole proprietors and partnerships: Enter the total CCA claim for the year from amount ii on line 9936.
Co-owners: Enter only your share of the total CCA claim for the year from amount ii on line 9936.

** For information on CCA for calculating business-use-of-home expenses, see "Special situations" in Chapter 4 of Guide T4002, Self-employed Business, Professional, Commission, Farming, and Fishing Income. To help you calculate the CCA, see the calculation charts in Areas B to G.

See next page for notes 1 to 9.

Note 1: Columns 4, 6, 8, and 9 apply only to designated immediate expensing properties (DIEPs). See subsection 1104(3.1) of the Income Tax Regulations for definitions. A DIEP is a property that you acquired after December 31, 2021, and that became available for use before 2025. For more information, see Guide T4036.

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 the prescribed amounts, read "Class 10.1 (30%)" and "Class 54 (30%)" in Guide T4036.

Note 3: If you have a negative amount in column 7, add it to income as a recapture under "Recaptured capital cost allowance" on line 9947. If no property is left in the class and there is a positive amount in this column, deduct the amount from your income as a terminal loss under "Terminal loss" on line 9948. Recapture and terminal loss do not apply to a Class 10.1 property unless it is a DIEP. For more information, read Chapter 3 of Guide T4036.

Note 4: The amount you enter in column 8 must not be more than the amount from column 7. If the amount from column 7 is negative, enter "0."

Note 5: 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 property (before any CCA deductions) in which the relevant DIEP is used for the tax year

For more information, see Guide T4036.

Note 6: Columns 11, 12, 14, 15, 16, and 17 apply only to accelerated investment incentive properties (AIIPs) (see Guide T4036 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. Under proposed changes, these columns may also apply to reaccelerated investment incentive properties (RIIPs) (see Guide T4036 for the proposed definition). In this chart, ZEVs represent ZEVs, ZEPVs, 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, under proposed changes, before 2025) 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, under proposed changes, before 2034), 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 (or, under proposed changes, before 2034). Under proposed changes, a RIIP is a property (other than a ZEV) that you acquired after 2024, and that became available for use before 2034. For more information, see Guide T4036.

Note 7: For ZEVs (under proposed changes, acquired before 2025) and AIIPs that became available for use in 2025, the relevant factors are 1 1/2 (Classes 43.1, 54, and 56), 7/8 (Class 55), and 1/2 (Classes 43.2 and 53). Under proposed changes, for properties included in Class 44, 46, or 50 acquired after April 15, 2024, and that became available for use in 2025, the relevant factors are 3 (Class 44), 2 1/3 (Class 46), and 9/11 (Class 50). The factor is 0 for any remaining AIIPs not listed in this note.

Note 8: Under proposed changes, for ZEVs acquired after 2024 and RIIPs that became available for use in 2025, the relevant factors are 3 (Class 44), 2 1/3 (Classes 43.1, 46, 54, and 56), 1 1/2 (Class 55), 1 (Class 53), 9/11 (Class 50), and 0 (Classes 12, 13, 14, 15, and 59). The factor is 1/2 for any remaining RIIPs not listed in this note.

Note 9: If, in the year, you disposed of a property that you used for both personal and rental use, and your rental use of that property changed from year to year, you must subtract any remaining personal part of this property's cost from the UCC at the end of the year. For more information, see "Special situations" in Chapter 4 of Guide T4002.

For more information on AIIPs, RIIPs, CCA, ZEVs, and ZEPVs, see Guide T4036 or go to **canada.ca/taxes-accelerated-investment-income**.

Area B – Equipment additions in the year

1 Class number	2 Property details	3 Total cost	4 Personal portion (if applicable)	5 Rental portion (col. 3 **minus** col. 4)
	Total equipment additions in the year: Total of column 5 **9925**			

Area C – Building additions in the year

1 Class number	2 Property details	3 Total cost	4 Personal portion (if applicable)	5 Rental portion (col. 3 **minus** col. 4)
	Total building additions in the year: Total of column 5 **9927**			

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Area D – Equipment dispositions in the year

1 Class number	2 Property details	3 Proceeds of disposition (should not be more than the capital cost)	4 Personal portion (if applicable)	5 Rental portion (col. 3 **minus** col. 4)

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

Area E – Building dispositions in the year

1 Class number	2 Property details	3 Proceeds of disposition (should not be more than the capital cost)	4 Personal portion (if applicable)	5 Rental portion (col. 3 **minus** col. 4)

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

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 4 of Guide T4036.

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 yourself) 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 T4036.

1 Name of the EPOP	2 Identification number Note 10	3 Percentage assigned under the agreement

Total of percentage assigned: Total of column 3 ▶

Immediate expensing limit allocated to you: Multiply $1.5 million by the percentage assigned to you in column 3 (see note 11) iii

Note 10: The identification number is the EPOP's social insurance number, business number, or partnership account number.

Note 11: If the total of column 3 is more than 100%, enter "0."

Chart A – Non-compliant amount of expenses for short-term rentals

If you incurred an expense to earn rental income from a rental property with multiple rental units, where some rental units were used for short-term rentals, long-term rentals, or both short-term and long-term rentals (mixed rentals), exclude the portion of the expense which is related to long-term rentals. You must divide expenses, on a reasonable basis, between each short-term rental or mixed rental.

Enter each short-term rental or mixed rental property on a separate row. If your rental property has several units which include long-term, short-term, and mixed rentals, enter each short-term rental or mixed rental on a separate row instead of the rental property they are part of.

For more information on short-term rentals, see Guide T4036.

1 Rental property address	**2** Unit number	**3** Related portion of the total from line 9365 of Part 4	**4** Number of days the residential property was a non-compliant short-term rental	**5** Number of days the residential property was a short-term rental	**6** Non-compliant amount (col. 3 **multiplied** by col. 4 **divided** by col. 5)

Total non-compliant amount of expenses for short-term rentals: Total of column 6 (enter on line 9366 of Part 4) **B**

Chart B – Non-compliant amount of CCA for short-term rentals

If you used a depreciable property to earn rental income from a rental property with multiple rental units, where some rental units were used for short-term rentals, long-term rentals, or both short-term and long-term rentals (mixed rentals), exclude the portion of the CCA which is related to long-term rentals. You must divide CCA, on a reasonable basis, between each short-term rental or mixed rental.

Enter each short-term rental or mixed rental property on a separate row. If your rental property has several units which include long-term, short-term, and mixed rentals, enter each short-term rental or mixed rental on a separate row instead of the rental property they are part of.

For more information on short-term rentals, see Guide T4036.

1 Class number	**2** Rental property address	**3** Unit number	**4** Related portion of the available CCA from column 21 in Area A	5 Number of days the residential property was a non-compliant short-term rental	**6** Number of days the residential property was a short-term rental	**7***** Non-compliant amount (col. 4 **multiplied** by col. 5 **divided** by col. 6)

Total non-compliant amount of CCA for short-term rentals: Total of column 7 (enter on line 9367 of Part 4) **C**

*** For each class, add the amounts from column 7 of Chart B and enter each total in column 22 of Area A, in the respective row.

See the privacy notice on your return.