



SPECIAL PRINCIPAL RESIDENCE
SALE/DEEMED SALE DECLARATION

THIS FORM SHOULD ACCOMPANY YOUR INCOME TAX PAPERWORK IF YOU SOLD OR WERE DEEMED TO HAVE SOLD YOUR PRINCIPAL RESIDENCE IN THE TAX YEAR BEING PREPARED.

Principal residence

Complete this form if you disposed of a property (or properties) in the tax year for which you are claiming a principal residence exemption. Generally, you can only designate one property as your principal residence for any specific year, except where you sell a principal residence and buy another in the same year. For information about designating a principal residence and what qualifies as a principal residence, go to cra.gc.ca/capitalgains/ and select "Principal residence and other real estate", or see Chapter 6 of Guide T4037, *Capital Gains*, or Income Tax Folio S1-F3-C2, *Principal Residence*.

For information on how to report the gain or loss on a part of your principal residence you used to produce income, see the section "Real estate, depreciable property and other properties" in Chapter 2 of Guide 4037, *Capital Gains*, and Income Tax Folio S1-F3-C2, *Principal Residence*.

If you were not a resident of Canada for the entire time you owned the designated property, your period of non-residence may reduce the amount of the principal residence exemption or eliminate it.

Tick the box that applies, complete the chart below and enter the full amount of the proceeds of disposition for the property.

- ☐ I designate the property described below to have been my principal residence for all years owned.
- ☐ I designate the property described below to have been my principal residence for some, but not all, years owned (see note below).
- ☐ I designate the properties described below to have been my principal residences for some or all of the years owned (see note below).

Note: To calculate your capital gain for the years that a property was not designated to be your principal residence, complete Form T2091(IND) (ATTACHED), Designation of a property as a principal residence by an individual.

ADDRESS INFORMATION			Year of acquisition	Proceeds of disposition	
Street No Street name		City			
Prov./Terr.	Postal code	Country			

IF MORE THAN ONE PROPERTY APPLIES ATTACH ADDITIONAL INFORMATION

CLIENT NAME:

CLIENT SIGNATURE:

DATE:

TAX YEAR:

***** IMPORTANT *****

FAILURE TO REPORT MAY CAUSE A PENALTY TO BE ASSESSED OF THE LESSER OF \$8,000 OR \$100 PER MONTH IN WHICH THE DECLARATION IS LATE FILED.



DESIGNATION OF A PROPERTY AS A PRINCIPAL RESIDENCE BY AN INDIVIDUAL (OTHER THAN A PERSONAL TRUST)

Use this form to designate a property as a principal residence and to calculate the capital gain for the year you:

- disposed of, or were considered to have disposed of, your principal residence, or any part of it; or
- granted someone an option to buy your principal residence, or any part of it.

Attach a copy of this form to your return to designate the property as your principal residence for some but not all of the years you owned it and to calculate the capital gain that has to be reported. If the property is designated as your principal residence on Schedule 3, *Capital Gains (or Losses)*, for all the years in which you owned it, you do **not** complete this form. However, in all cases, report the sale of your principal residence on page 2 of Schedule 3. If you file your return electronically, send a paper copy of this form to your **tax centre**.

Note

If you were not a resident of Canada for the entire time you owned the designated property, call **1-800-959-8281**. Your period of non-residence may reduce or eliminate the availability of the principal residence exemption.

The term **spouse** used throughout this form applies to a person to whom you are legally married. For 1993 to 2000, a spouse included a common-law spouse. For 2001 and future years, the reference to spouse is replaced with **spouse** or **common-law partner** as defined in the "Definitions" section in Guide T4037, *Capital Gains*.

Note

If you made an election to have your same-sex partner considered your common-law partner for 1998, 1999, and/or 2000, then, for those years, your common-law partner also could not designate a different housing unit as his or her principal residence.

If you disposed of, or were considered to have disposed of, a property for which you or your spouse or common-law partner filed Form T664 or T664(Seniors), *Election to Report a Capital Gain on Property Owned at the End of February 22, 1994*, use this form to calculate the capital gain for the year if:

- the property was your principal residence for 1994; or
- you are designating the property in this form as your principal residence for any tax year.

You may be entitled to a reduction as a result of the capital gains election. To calculate this reduction, use Form T2091(IND)-WS, *Principal Residence Worksheet*. To get this form, go to **cra.gc.ca/forms** or call **1-800-959-8281**.

For more information about designating a principal residence and what qualifies as a principal residence, see Income Tax Folio S1-F3-C2, *Principal Residence*, or the "Principal residence" chapter in Guide T4037, *Capital Gains*.

Designation

For the purpose of this form, the **acquisition date** is the date on which you acquired or last reacquired the property, or December 31, 1971, whichever is later. However, if you or your spouse or common-law partner filed Form T664 or T664(Seniors), you or your spouse or common-law partner are not considered to have disposed of and immediately reacquired the property as a result of that election.

Note

If the property was designated as a principal residence for the purpose of filing Form T664 or T664(Seniors), you have to include those previously designated tax years as part of this principal residence designation.

Description of property designated: _____

I, _____, hereby designate the property described above to have been my principal residence for the
(print your name)

following tax years ending after the **acquisition date**:

a) _____
(specify which tax years after 1971 and before 1982)

b) _____
(specify which tax years after 1981)

For those years before 1982, I confirm that I have not designated any other property as my principal residence.

For those years after 1981, I also confirm that neither I, nor my spouse or common-law partner (who was not separated and living apart from me throughout the year under a judicial separation or written separation agreement), nor any of my children (who were under 18 and unmarried or not in a common-law partnership throughout the year) designated any other property as a principal residence. For any tax year after 1981 for which I am designating the property and throughout which I was under 18 and unmarried or not in a common-law partnership, I also confirm that neither my mother, father, nor any of my brothers and sisters (who were under 18 and unmarried or not in a common-law partnership throughout the year) designated any other property as a principal residence.

Signature

Social insurance number

Date

Information needed to calculate the capital gain

Number of tax years for which the property is designated as a principal residence:

• Before 1982 (as per designation on the previous page)	_____	1
• After 1981 (as per designation on the previous page)	+	2
Total number of years designated (line 1 plus line 2)	=	3

Number of tax years ending after the **acquisition date** in which you owned the property (jointly with another person or otherwise):

• Before 1982	_____	4
• After 1981	+	5
Total number of years owned (line 4 plus line 5)	=	6

Proceeds of disposition or deemed disposition	_____	7
Outlays and expenses related to the disposition	_____	8
Adjusted cost base at the time of disposition (If you or your spouse or common-law partner filed Form T664 or T664(Seniors) for this property, do not take into consideration any increase to the adjusted cost base as a result of that election.)	_____	9
Adjusted cost base on December 31, 1981	_____	10
Fair market value on December 31, 1981	_____	11
Adjustments to the cost base made after 1981 (for example, capital expenditures)	_____	12

Calculation of the capital gain**Part 1**

Proceeds of disposition or deemed disposition (line 7)	_____	13
Adjusted cost base at the time of disposition (line 9)	_____	14
Outlays and expenses (line 8)	+	15
Line 14 plus line 15	=	16
Capital gain before principal residence exemption (line 13 minus line 16)	=	17
Amount from line 17	_____	18
Line 3 plus 1 (one year is granted by law *)	x	19
Multiply line 18 by line 19	=	20
Line 6	+	21
Divide line 20 by line 21	=	22
Net capital gain from Part 1 (line 17 minus line 22; if negative, enter "0")	=	23

Part 2

Complete Part 2 **only** if the property disposed of is one of two or more properties that qualify as principal residences a family member owned on December 31, 1981, and continuously thereafter until its disposition. You will find a definition of **family** in the "Principal residence" chapter in Guide T4037, *Capital Gains*. **In all other cases**, do not complete Part 2 and enter the amount from line 23 above on line 53 in Part 3 on the next page.

a) Pre-1982 gain – If you designated the property as a principal residence for all the years you owned it before 1982, do not complete lines 24 to 31 and enter "0" on line 32.

Fair market value on December 31, 1981 (line 11)	_____	24
Adjusted cost base on December 31, 1981 (line 10)	-	25
Pre-1982 gain before principal residence exemption (line 24 minus line 25)	=	26
Amount from line 26	_____	27
Line 1 plus 1 (one year is granted by law *)	x	28
Multiply line 27 by line 28	=	29
Line 4	+	30
Divide line 29 by line 30	=	31
Pre-1982 gain (line 26 minus line 31; if negative, enter "0")	=	32

* Under proposed changes, if you disposed of your principal residence after October 2, 2016, and were a non-resident throughout the year of acquisition of the property, you are not eligible to use the "plus 1" in this calculation.

Part 2 (Continued)

b) Post-1981 gain – If you designated the property as a principal residence for all the years you owned it after 1981, enter "0" on line 44 and complete area d) below.

Proceeds of disposition or deemed disposition (line 7) 33

Fair market value on December 31, 1981 (line 11). If the fair market value of the property on December 31, 1981, is more than the amount on line 33, enter "0" on line 44 and complete areas c) and d) below. 34

Adjustments made to the cost base after 1981 (line 12) + 35

Outlays and expenses (line 8) + 36

Add lines 34 to 36 = 37

Post-1981 gain before principal residence exemption (line 33 minus line 37) = 38

Amount from line 38 39

Line 2 x 40

Multiply line 39 by line 40 = 41

Line 5 ÷ 42

Divide line 41 by line 42 = 43

Post-1981 gain (line 38 minus line 43; if negative, enter "0") = 44

c) Post-1981 loss

Fair market value on December 31, 1981 (line 11) 45

Proceeds of disposition or deemed disposition (line 7) - 46

Post-1981 loss (line 45 minus line 46; if negative, enter "0") = 47

d) Net capital gain from Part 2

Pre-1982 gain, if any (line 32) 48

Post-1981 gain, if any (line 44) + 49

Line 48 **plus** line 49 = 50

Post-1981 loss, if any (line 47) - 51

Net capital gain from Part 2 (line 50 minus line 51; if negative, enter "0") = 52

Part 3

Total capital gain – If you completed Part 2, enter the amount from line 23 of Part 1 or line 52, **whichever is less**. Otherwise, enter the amount from line 23. 53

Complete Part 4 **only** if you or your spouse or common-law partner filed Form T664 or T664(Seniors) for this property. In all other cases, enter the amount from line 53 on line 158 of Schedule 3, *Capital Gains (or Losses)*, for dispositions or deemed dispositions.

Part 4

Total capital gain before reduction (line 53) 54

Reduction as a result of the capital gains election (line 66 of Form T2091(IND)-WS) - 55

Capital gain (line 54 minus line 55; if negative, enter "0") = 56

Enter the amount from line 56 on line 158 of Schedule 3, *Capital Gains (or Losses)*, for dispositions or deemed dispositions.



PRINCIPAL RESIDENCE WORKSHEET

Complete this worksheet together with Form T2091(IND), *Designation of a Property as a Principal Residence by an Individual (Other than a Personal Trust)*, or Form T1255, *Designation of a Property as a Principal Residence by the Legal Representative of a Deceased Individual*, to calculate the reduction as a result of the capital gains election. To calculate the reduction, you will need amounts reported on Form T664 or T664(Seniors), *Election to Report a Capital Gain on Property Owned at the End of February 22, 1994*, that you (for the purposes of this form, if you are the legal representative for a deceased person, "you" refers to the deceased person) filed for the 1994 tax year. Keep a copy of this worksheet for your records and attach another to Form T2091(IND) or Form T1255.

Note

If you were not a resident of Canada for the entire time you owned the designated property, call **1-800-959-8281**.
The period of non-residence may reduce or eliminate the availability of the principal residence exemption.

Information you need to calculate the reduction

The **acquisition date** is the date on which you last acquired or reacquired the property, or December 31, 1971, whichever is later. For the purpose of the calculation below, you are not considered to have disposed of and immediately reacquired the property as a result of the capital gains election.

Number of tax years ending after the **acquisition date** and before 1995 for which the property is designated as a principal residence:

• Before 1982 (line 1 of Form T2091(IND) or Form T1255)	_____	1
• After 1981 and before 1995 (see line b) in the designation area of Form T2091(IND) or Form T1255)	<u>+</u> _____	2
Total number of years designated before 1995 (line 1 plus line 2)	<u>=</u> _____	3

Number of tax years ending after the **acquisition date** and before 1995 in which you owned the property (jointly with another person or otherwise):

• Before 1982 (line 4 of Form T2091(IND) or Form T1255)	_____	4
• After 1981 and before 1995	<u>+</u> _____	5
Total number of years owned before 1995 (line 4 plus line 5)	<u>=</u> _____	6

Designated proceeds of disposition (column 2, Chart B of Form T664, or column 2, Step 2 of Form T664(Seniors))	_____	7
Adjusted cost base at the end of February 22, 1994 (column 1, Chart B of Form T664, or column 1, Step 2 of Form T664(Seniors))	_____	8
Adjusted cost base on December 31, 1981 (line 10 of Form T2091(IND) or Form T1255)	_____	9
Fair market value at the end of February 22, 1994 (Step 1 of Form T664 or T664(Seniors))	_____	10
Fair market value on December 31, 1981 (line 11 of Form T2091(IND) or Form T1255)	_____	11
Adjustments made to the cost base after 1981 and before February 23, 1994 (e.g., capital expenditures)	_____	12
Elected capital gain (column 5, Chart B of Form T664, or column 5, Step 2 of Form T664(Seniors))	_____	13

Chart 1

Complete this chart **only** if the amount on line 7 is **more** than the amount on line 10.
Otherwise, enter the amount from line 10 on line 19.

Fair market value at the end of February 22, 1994 (line 10)	_____	14
Designated proceeds of disposition (line 7)	_____	15
Multiply line 14 by 1.1	<u>=</u> _____	16
Line 15 minus line 16 (if negative, enter "0")	<u>=</u> _____	17
Line 14 minus line 17	<u>=</u> _____	18

Part 1

Enter the amount from line 18 if you completed Chart 1. Otherwise, enter the amount from line 10.	_____	19
Adjusted cost base at the end of February 22, 1994 (line 8)	<u>=</u> _____	20
Adjusted gain before principal residence exemption (line 19 minus line 20)	<u>=</u> _____	21
Amount from line 21	_____	22
Line 3 plus 1 (one year is granted by law)	<u>x</u> _____	23
Multiply line 22 by line 23	<u>=</u> _____	24
Line 6	<u>÷</u> _____	25
Divide line 24 by line 25	<u>=</u> _____	26
Net adjusted gain from Part 1 (line 21 minus line 26)	<u>=</u> _____	27

Part 2

Complete this part **only** if you completed Part 2 of Form T2091(IND) or Form T1255. In all other cases, enter the amount from line 27 in Part 1 on line 59 in Part 3 below.

a) Adjusted pre-1982 gain – If you designated the property as a principal residence for all the years you owned it before 1982, do not complete lines 28 to 35 and enter "0" on line 36.

Fair market value on December 31, 1981 (line 11)		28
Adjusted cost base on December 31, 1981 (line 9)	=	29
Adjusted pre-1982 gain before principal residence exemption (line 28 minus line 29)	=	30
Amount from line 30		31
Line 1 plus 1 (one year is granted by law)	x	32
Multiply line 31 by line 32	=	33
Line 4	÷	34
Divide line 33 by line 34	=	35
Adjusted pre-1982 gain (line 30 minus line 35; if negative, enter "0")	=	36

b) Adjusted post-1981 gain – If you designated the property as a principal residence for all the years you owned it after 1981, enter "0" on line 47 and complete areas d) and e) below.

Amount from line 19		37
Fair market value on December 31, 1981 (line 11). If the fair market value of the property on December 31, 1981, is more than the amount on line 37, enter "0" on line 47 and complete areas c), d), and e) below.		38
Adjustments made after 1981 and before February 23, 1994 (line 12)	+	39
Line 38 plus line 39	=	40
Adjusted post-1981 gain before principal residence exemption (line 37 minus line 40)	=	41
Amount from line 41		42
Line 2	x	43
Multiply line 42 by line 43	=	44
Line 5	÷	45
Divide line 44 by line 45	=	46
Adjusted post-1981 gain (line 41 minus line 46; if negative, enter "0")	=	47

c) Adjusted post-1981 loss

Fair market value on December 31, 1981 (line 11)		48
Amount from line 19	=	49
Adjusted post-1981 loss (line 48 minus line 49; if negative, enter "0")	=	50

d) Net adjusted gain from Part 2

Adjusted pre-1982 gain, if any (line 36)		51
Adjusted post-1981 gain, if any (line 47)	+	52
Line 51 plus line 52	=	53
Adjusted post-1981 loss, if any (line 50)	=	54
Net adjusted gain from Part 2 (line 53 minus line 54; if negative, enter "0")	=	55

e) Total adjusted gain before reduction for non-qualifying real property

Net adjusted gain from Part 1 (line 27)		56
Net adjusted gain from Part 2 (line 55)		57

Total adjusted gain before reduction for non-qualifying real property
(line 56 or line 57, whichever is less)

58

Part 3

Total adjusted gain before reduction for non-qualifying real property. If you completed Part 2 above, enter the amount from line 58. Otherwise, enter the amount from line 27.

Number of months you owned the property after February 1992 and before March 1994 (do not include any months you or your spouse or common-law partner designated the property as a principal residence)	x	60
Multiply line 59 by line 60	=	61

Number of months you owned the property after 1971 and before March 1994 (do not include any months you or your spouse or common-law partner designated the property as a principal residence)	+	62
Divide line 61 by line 62	=	63

Total adjusted gain (line 59 minus line 63)	=	64
Elected capital gain (line 13)		65
Reduction as a result of the capital gains election (line 64 or line 65, whichever is less)	=	66

Enter the amount from line 66 above on line 55 of Form T2091(IND) or Form T1255.