

# Designation of a Property as a Principal Residence by the Legal Representative of a Deceased Individual

	Tax year			
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Use this form to designate a property as a principal residence. You must also complete the "Principal residence designation" section of Schedule 3 of the deceased person for the year if one of the following applies to the deceased person:

- the person disposed of, or was considered to have disposed of, their principal residence, or any part of it
- the person granted someone an option to buy their principal residence, or any part of it

#### Note

If the deceased person was not a resident of Canada for the entire time they 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.

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.

You can only designate one property as the deceased's principal residence for any specific year. However, where the principal residence is sold and another one bought (or where the deceased moved to another of their properties) in the same year, the "plus one" rule in calculating the principal residence exemption amount will allow you to claim the principal residence exemption for both properties for that year even though you can only designate one property as the deceased's principal residence. For dispositions that occurred after October 2, 2016, if the deceased was a non-resident throughout the taxation year in which the property was purchased or acquired, the "plus 1" rule does **not** apply.

If you ticked box 1 at line 17900 of Schedule 3, you only need to complete the first page of this form. You do not need to report any gain amount on Schedule 3 for this property.

If you are filing your return electronically, keep this form in case we ask to see it later. If you are filing a paper return, you **must** complete, **sign**, and attach this form to your return.

## **Description of property**

Provide the information requested below for the property disposed of in the tax year. Complete a separate form for each disposition.

	Address				
Street number, Street name, and unit number if applicable		Year of acquisition	Proceeds of dis	sposition	
Prov./Terr Postal code	City	Country	9955	9954	
Designation					
l,	, the lega	I representative for the Esta	ate of the Late		, hereby
(print your name) (Deceased's name)					
designate the property descri tax years ending after the a			idence of the deceased pers	son for the follow	ing
After 1981					1
After 1971 and before 1982				+	2
Total number of years design	ated (line 1 plu	us line 2)		9956 =	3
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For those years after 1981, I also confirm that neither the deceased person, nor their spouse or common-law partner (who was not separated and living apart from the deceased person throughout the year under a judicial separation or written separation agreement), nor any of the deceased person's 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 the deceased person designated the property and throughout which they were under 18 and unmarried or not in a common-law partnership, I also confirm that neither the deceased person's mother, father, nor any of their 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.

For those years before 1982, I confirm that the deceased person has not designated any other property as their principal residence.

#### Note

If the property was designated as a principal residence for the purpose of filing Form T664 or T664(Seniors), the legal representative has to include those previously designated tax years as part of the deceased person's principal residence designation.

Legal Representative's Signature	Deceased's social insurance number	Date (YYYYMMDD)		

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

The term **spouse** used throughout this form applies to a person to whom the deceased person was 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 the deceased person made an election to have their same-sex partner considered their common-law partner for 1998, 1999, and/or 2000, then, for those years, the deceased person's common-law partner also can not designate a different housing unit as their principal residence.

## Information needed to calculate the capital gain

If you ticked either box 2 or 3 at line 17900 of Schedule 3, you must complete the remainder of this form that is applicable to the deceased person's situation.

If the deceased person disposed of, or was considered to have disposed of, a property for which the deceased person or the deceased person's 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 the deceased person's principal residence for 1994; or
- you are designating the property in this form as the deceased person's principal residence for any tax year.

The deceased person 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 <a href="mailto:canada.ca/cra-forms-publications">canada.ca/cra-forms-publications</a> or call **1-800-959-8281**.

Number of tax years for which the property is designated as a princip (from line 3 of first page)	al residence			4
Number of tax years ending after the <b>acquisition date</b> in which the d property (jointly with another person or otherwise):	eceased person owned the	_		
After 1981				5
After 1971 and before 1982			+	6
Total number of years owned (line 5 plus line 6)		_	=	<del></del> 7
Proceeds of disposition or deemed disposition		_		8
Outlays and expenses made or incurred related to the disposition		_		9
Adjusted cost base at the time of disposition (If the deceased perso common-law partner filed Form T664 or T664(Seniors) for this proper consideration any increase to the adjusted cost base as a result of the	rty, do not take into	_		10
Adjusted cost base on December 31, 1981		_		11
Fair market value on December 31, 1981				12
Adjustments to the cost base made after 1981 (for example, capital e	xpenditures)	_		13
Calculation of the capital gain				
Part 1				
Proceeds of disposition or deemed disposition (line 8)				14
Adjusted cost base at the time of disposition (line 10)		_ 15		
Outlays and expenses made or incurred (line 9)	+	16		
Line 15 plus line 16	=	<b>-</b> ▶	_	17
Line 14 minus line 17 Capital gain before pri	incipal residence exemptio	n n	=	18
Amount from line 18		_ 19		<del></del>
Line 4 plus 1 (see <b>note</b> on page 3)	×	20		
Multiply line 19 by line 20	=	_ 21		
Total number of years from line 7	÷	_ 22		
Divide line 21 by line 22	=	- ▶	_	23
Line 18 minus line 23; if negative, enter "0"	Net capital gai	n	=	24

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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 24 above on line 54 in Part 3 on the next page.

### A. Pre-1982 gain

If you designated the property as a principal residence for all the years the deceased person owned it before 1982, do not complete lines 25 to 32 and enter "0" on line 33.

Fair market value on December 31, 1981 (line 12)				25
Adjusted cost base on December 31, 1981 (line 11)				26
Line 25 minus line 26 Pre-1982 gain before prin	cipal residence exemption		=	27
Amount from line 27		28		
Line 2 plus 1 (see <b>note</b> below)	×	29		
Multiply line 28 by line 29	=	30		
Number of years from line 6	<u>÷</u>	31		
Divide line 30 by line 31		•	_	32
Line 27 minus line 32; if negative, enter "0"	Pre-1982 gain			33
B. Post-1981 gain				
If you designated the property as a principal residence for all the years line 45 and complete area D.	the deceased person owned	it af	ter 1981, e	nter "0" on
Proceeds of disposition or deemed disposition (line 8)				34
Fair market value on December 31, 1981 (line 12). If the fair market value of the property on December 31, 1981, is more than the amount on line 34, enter "0" on line 45 and complete areas C and D.	lue	35		<u> </u>
Adjustments made to the cost base after 1981 (line 13)	+	36		
Outlays and expenses (line 9)	+	37		
Add lines 35 to 37	=	<b>•</b>	_	38
Line 34 minus line 38 Post-1981 gain before prin	cipal residence exemption		=	39
Amount from line 39		40		
Number of years from line 1	×	41		
Multiply line 40 by line 41	=	42		
Number of years from line 5	÷	43		
Divide line 42 by line 43	=	<b>•</b>		44
Line 39 minus line 44; if negative, enter "0")	Post-1981 gain		=	45
C. Post-1981 loss				
Fair market value on December 31, 1981 (line 12)				46
Proceeds of disposition or deemed disposition (line 8)			_	47
Line 46 minus line 47; if negative, enter "0")	Post-1981 loss		=	48
D. Net capital gain				
Pre-1982 gain, if any (line 33)				49
Post-1981 gain, if any (line 45)			+	50
Line 49 plus line 50			=	51
Post-1981 loss, if any (line 48)			_	52
Line 51 minus line 52; if negative, enter "0"	Net capital gain		=	53
				<del></del>

## Note

One year is granted by law. If the deceased person disposed of their principal residence after October 2, 2016, and was a non-resident throughout the year of acquisition of the property, you are not eligible to use the "plus 1" in this calculation.

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Enter the amount from line 57 on line 15800 of Schedule 3, Capital Gains (or Losses), for dispositions or deemed dispositions.

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

Line 55 minus line 56; if negative, enter "0"

See the privacy notice on your return.

Capital gain

56

57

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