



Principal Residence Worksheet

To calculate a reduction as a result of the capital gains election, complete this worksheet and Form T1079, Designation of a Property as a Principal Residence by a Personal Trust. Keep one copy of this worksheet for your records and attach one copy to Form T1079.

Note: If the trust was not a resident of Canada for the entire period it owned the designated property, call us the Canada Revenue Agency at **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 a reduction

The acquisition date is either the date on which the trust last acquired or reacquired the property, or December 31, 1971, whichever is later. For the purpose of the calculation below, the trust is 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** February 22, 1995, for which the trust designated the property as a principal residence:

• Before 1982 (line 3 of Form T1079)	_____	_____	1
• After 1981 and before February 22, 1995	_____	+	2
Total number of years designated before February 22, 1995 (line 1 plus line 2)	_____	=	3

Number of tax years ending after the **acquisition date** and before February 22, 1995 in which the trust owned the property (jointly with another person or otherwise):

• Before 1982 (line 7 of Form T1079)	_____	_____	4
• After 1981 and before February 22, 1995	_____	+	5
Total number of years owned before February 22, 1995 (line 4 plus line 5)	_____	=	6

Designated proceeds of disposition (column 2, Step 2, Part B of Form 94-115)	_____	_____	7
Adjusted cost base at the end of February 22, 1994 (column 1, Step 2, Part B of Form 94-115)	_____	_____	8
Adjusted cost base on December 31, 1981 (line 12 of Form T1079)	_____	_____	9
Fair market value at the end of February 22, 1994 (Step 1 of Form 94-115)	_____	_____	10
Fair market value on December 31, 1981 (line 13 of Form T1079)	_____	_____	11
Adjustments made to the cost base after 1981 and before February 23, 1994 (for example, capital expenditures)	_____	_____	12
Elected capital gain (column 5, Step 2, Part B of Form 94-115)	_____	_____	13

Chart 1

If the designated proceeds of disposition (line 7) are **more** than the fair market value of the property at the end of February 22, 1994 (line 10), complete this chart. 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	_____	16	
Line 15 minus line 16 (if negative, enter "0")	_____	17	
Line 14 minus line 17	_____	18	

Part 1

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)	_____	-	20
Adjusted gain before principal residence exemption (line 19 minus line 20)	_____	=	21
Amount from line 21	_____	22	
Amount from line 3 plus 1 (one additional year is granted by law *)	_____	x	23
Multiply line 22 by line 23	_____	=	24
Amount from line 6	_____	÷	25
Divide line 24 by line 25	_____	=	26
Net adjusted gain from Part 1 (line 21 minus line 26)	_____	=	27

* If the trust disposed of the principal residence after October 2, 2016, and was not resident in Canada during the year of acquisition of the property, the trust is not eligible to use the "plus 1" in this calculation.

Part 2

Complete this part **only** if you completed Part 3 of Form T1079. In all other cases, enter the amount from line 27 on line 59 in Part 3 below.

A. Adjusted pre-1982 gain

Note: If the trust designated the property as a principal residence for all the years the trust owned it before 1982, 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
Amount from line 1 plus 1 (one additional year is granted by law *)	x		32
Multiply line 31 by line 32		=	33
Amount from 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

Note: If the trust designated the property as a principal residence for all the years the trust owned it after 1981, enter "0" on line 47, and complete D and E below. If the fair market value of the property on December 31, 1981, exceeds the amount on line 19, enter "0" on line 47, and complete C, D, and E below.

Amount from line 19			37
Fair market value on December 31, 1981 (line 11)		38	
Adjustments made to the cost base 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
Amount from line 2	x		43
Multiply line 42 by line 43		=	44
Amount from 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.)			59
Number of months the trust owned the property after February 1992 and before March 1994 (Do not include any months the trust designated the property as a principal residence.)	x		60
Multiply line 59 by line 60		=	61
Number of months the trust owned the property after 1971 and before March 1994 (Do not include any months the trust designated the property as a principal residence.)			62
Divide line 61 by line 62		=	63
Total adjusted gain (line 59 minus line 63)		=	64
Amount from line 64			65
Elected capital gain (line 13)			66
Reduction as a result of the capital gains election (line 65 or line 66, whichever is less)		=	67
Enter the amount from line 67 above on line 107 of Form T1079.			