

Chart 6 – How to claim an allowable business investment loss

Step 1	Business investment loss in 2019 (enter this amount on line 21699 of your income tax and benefit return)	\$ _____	A
Step 2	If you claimed a capital gains deduction in a previous year, you have to reduce your business investment loss. To determine the reduction, complete the calculation below and enter the result from line 15. Otherwise, enter "0"	-	B
	Line A minus line B	= \$ _____	C
Step 3	Allowable business investment loss..... Amount from line C	\$ _____ × 1/2	= \$ _____
	Enter the amount from line D on line 21700 of your income tax and benefit return.		

- Step 4** Attach a note to your income tax and benefit return that states the:
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| <ul style="list-style-type: none"> ■ name of the small business corporation ■ number and class of shares, or the type of debt you disposed of ■ insolvency, bankruptcy, or wind-up date ■ date you bought the shares, or the date you acquired the debt | <ul style="list-style-type: none"> ■ amount of the proceeds of disposition ■ adjusted cost base of the shares or debt ■ outlays and expenses on the disposition ■ amount of the loss |
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Calculation of the business investment loss reduction

The reduction calculated below is considered to be a capital loss for the year.

Total of all capital gains deductions claimed from 1985 to 2018

1. For 1985 to 1987, total of the amounts from line 254 of your income tax and benefit returns for these years	\$ _____	× 2	\$ _____	1
2. For 1988 and 1989 (other than for eligible capital property gains), total of the amounts from line 254 of your income tax and benefit returns minus any amounts reported on lines 543 and 544 on Schedule 3; if negative enter "0"	\$ _____	(a) × 3/2	+	2
3. For 1988 and 1989 for eligible capital property gains, total of the amounts from line 254 of your income tax and benefit returns minus the amount calculated at line (a) above; not to exceed lines 543 and 544 on Schedule 3	\$ _____	× 4/3	+	3
4. For 1990 to 1999, total of the amounts from line 254 of your income tax and benefit returns for these years	\$ _____	× 4/3	+	4
5. For 2000, amount from line 254 of your income tax and benefit return	\$ _____	× 1/IR*	+	5
6. For 2001 to 2018, total of the amounts from line 254 of your income tax and benefit returns for these years	\$ _____	× 2	+	6
7. Total of lines 1 to 6			= \$ _____	7

Total of all other business investment loss reductions for 1986 to 2018

8. Total of amounts reported on line 535 of Schedule 3 of your 1986 to 1994 income tax and benefit returns.....	\$ _____		8	
9. Total of amounts reported on line 034 of Schedule 3 of your 1994 to 1996 income tax and benefit returns.....	+		9	
10. Total of amounts reported on line 178 of Schedule 3 of your 1997 to 1999 income tax and benefit returns.....	+		10	
11. Total of amounts reported on lines 293, 178, and 5668 of Schedule 3 of your 2000 income tax and benefit return	+		11	
12. Total of amounts reported on line 178 of Schedule 3 of your 2001 to 2018 income tax and benefit returns.....	+		12	
13. Total of lines 8 to 12	= \$ _____	▶	-	13
14. Line 7 minus line 13.....			= \$ _____	14

Business investment loss reduction

15. Line 14 or line A from Step 1 above, whichever is less . Enter this amount on line B in Step 2 above and on line 17800 of Schedule 3	\$ _____		15
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* This rate (IR) is from line 16 in Part 4 of Schedule 3 for 2000, or from your notice of assessment or latest notice of reassessment for 2000.