



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

Tax year

--	--	--	--

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:

- they disposed of, or was considered to have disposed of, their principal residence, or any part of it
- they 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 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				Year of acquisition	Proceeds of disposition	
Street number, Street name, and unit number if applicable						
Prov./Terr	Postal code	City	Country	9955	9954	

**Designation**

I, \_\_\_\_\_, the legal representative for the Estate of the Late \_\_\_\_\_, hereby  
(print your name) (Deceased's name)

designate the property described above to have been the principal residence of the deceased person for the following **tax years ending after the acquisition date:**

- After 1981 \_\_\_\_\_ 1
- After 1971 and before 1982 \_\_\_\_\_ + \_\_\_\_\_ 2
- Total number of years designated (line 1 plus line 2)** **9956** = \_\_\_\_\_ 3

**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.

Signature	Deceased's social insurance number	Date (YYYYMMDD)

**Definitions**

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 [canada.ca/cra-forms-publications](http://canada.ca/cra-forms-publications) or call **1-800-959-8281**.

Number of tax years for which the property is designated as a principal residence (from line 3 of first page)		=	3
Number of tax years ending after the <b>acquisition date</b> in which the deceased person owned the property (jointly with another person or otherwise):			
• After 1981			4
• After 1971 and before 1982		+	5
Total number of years owned (line 4 <b>plus</b> 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 the deceased person or their 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 <b>plus</b> line 15	=		▶	16
<b>Capital gain before principal residence exemption</b> (line 13 <b>minus</b> line 16)	=			17
Amount from line 17			18	
Line 3 <b>plus</b> 1 (one year is granted by law *)	x		19	
<b>Multiply</b> line 18 by line 19	=			20
Line 6	÷			21
<b>Divide</b> line 20 by line 21	=		▶	22
<b>Net capital gain from Part 1</b> (line 17 <b>minus</b> 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 the deceased person 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
<b>Pre-1982 gain before principal residence exemption</b> (line 24 minus line 25)	=		26
Amount from line 26			27
Line 2 <b>plus</b> 1 (one year is granted by law *)	x		28
<b>Multiply</b> line 27 by line 28	=		29
Line 5	÷		30
<b>Divide</b> line 29 by line 30	=		▶ 31
<b>Pre-1982 gain</b> (line 26 minus line 31; if negative, enter "0")	=		32

- \* 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.

- b) Post-1981 gain** – If you designated the property as a principal residence for all the years the deceased person 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
<b>Add</b> lines 34 to 36	=		▶ 37
<b>Post-1981 gain before principal residence exemption</b> (line 33 minus line 37)	=		38
Amount from line 38			39
Line 1	x		40
<b>Multiply</b> line 39 by line 40	=		41
Line 4	÷		42
<b>Divide</b> line 41 by line 42	=		▶ 43
<b>Post-1981 gain</b> (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
<b>Post-1981 loss</b> (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 <b>plus</b> line 49	=		50
Post-1981 loss, if any (line 47)	–		51
<b>Net capital gain from Part 2</b> (line 50 minus line 51; if negative, enter "0")	=		▶ 52

