



Capital Gains Reserve Worksheet

This worksheet calculates the allowable capital gains reserve, where a portion of the proceeds from an asset disposition are not receivable until after the tax year.

Your client's situation:

- Tax year end Dec 31, 2015

- Sale of building
 - Proceeds 300,000
 - Adjusted cost base 55,000
 - Professional fees 5,000

- Collection of proceeds
 - Year 1 100,000
 - Year 2 100,000
 - Year 3 -
 - Year 4 -
 - Year 5 100,000

- Average tax rate 46.17%

Calculate the maximum reserve that can be claimed by your client for each year, and the estimated tax consequences of the asset disposition.

Prepared	Andrew	May 1, 2016
Reviewed		
Approved		

Tax year ended	December 31, 2015
----------------	-------------------

Transaction details

	Asset 1		Asset 2		Asset 3		Asset 4		Asset 5	
	Ref	Value	Ref	Value	Ref	Value	Ref	Value	Ref	Value
Date of disposition										
Total proceeds		300,000.00								
(Cost base)		(55,000.00)								
(Professional fees)		(5,000.00)								
(Custom 1)										
(Custom 2)										
(Custom 3)										
(Custom 4)										
Capital Gain		240,000.00		-		-		-		-

Notes and calcs										

Schedule of proceeds receivable by year

	Asset 1		Asset 2		Asset 3		Asset 4		Asset 5	
	Ref	Value	Ref	Value	Ref	Value	Ref	Value	Ref	Value
Existing mortgage assumed by purchaser										
December 31, 2015		100,000.00								
December 31, 2016		100,000.00								
December 31, 2017										
December 31, 2018										
December 31, 2019		100,000.00		-		-		-		-
Total		300,000.00		-		-		-		-

Notes and calcs										

Prepared	Andrew	May 1, 2016
Reviewed		
Approved		

Tax year ended	December 31, 2015
----------------	-------------------

Capital gains and capital gains reserve calculations											Total
Dec 31, 2015		Dec 31, 2016		Dec 31, 2017		Dec 31, 2018		Dec 31, 2019			Total

Asset 1											Total
Ref	Value	Ref	Value	Ref	Value	Ref	Value	Ref	Value		Total
Calculated capital gain	80,000.00		80,000.00		-		32,000.00		48,000.00		240,000.00
Calculated adjustment	-		-		-		-		-		-
Increase (decrease)											-
Reported capital gain	80,000.00		80,000.00		-		32,000.00		48,000.00		240,000.00
Capital gains reserve		160,000.00		80,000.00		80,000.00		48,000.00			-

Asset 2											Total
Ref	Value	Ref	Value	Ref	Value	Ref	Value	Ref	Value		Total
Calculated capital gain	-		-		-		-		-		-
Calculated adjustment	-		-		-		-		-		-
Increase (decrease)											-
Reported capital gain	-		-		-		-		-		-
Capital gains reserve		-		-		-		-			-

Asset 3											Total
Ref	Value	Ref	Value	Ref	Value	Ref	Value	Ref	Value		Total
Calculated capital gain	-		-		-		-		-		-
Calculated adjustment	-		-		-		-		-		-
Increase (decrease)											-
Reported capital gain	-		-		-		-		-		-
Capital gains reserve		-		-		-		-			-

Asset 4											Total
Ref	Value	Ref	Value	Ref	Value	Ref	Value	Ref	Value		Total
Calculated capital gain	-		-		-		-		-		-
Calculated adjustment	-		-		-		-		-		-
Increase (decrease)											-
Reported capital gain	-		-		-		-		-		-
Capital gains reserve		-		-		-		-			-

Asset 5											Total
Ref	Value	Ref	Value	Ref	Value	Ref	Value	Ref	Value		Total
Calculated capital gain	-		-		-		-		-		-
Calculated adjustment	-		-		-		-		-		-
Increase (decrease)											-
Reported capital gain	-		-		-		-		-		-
Capital gains reserve		-		-		-		-			-

Taxes payable											Total
Dec 31, 2015		Dec 31, 2016		Dec 31, 2017		Dec 31, 2018		Dec 31, 2019			Total
Ref	Value	Ref	Value	Ref	Value	Ref	Value	Ref	Value		Total

Taxable capital gain		40,000.00		40,000.00		-		16,000.00		24,000.00		120,000.00
Adjustment												-
Marginal taxable income		40,000.00		40,000.00		-		16,000.00		24,000.00		120,000.00
Marginal tax rate - %		46.17%		46.17%		46.17%		46.17%		46.17%		46.17%
Marginal taxes payable		18,468.00		18,468.00		-		7,387.20		11,080.80		55,404.00

Notes and calcs										

Prepared	Andrew	May 1, 2016
Reviewed		
Approved		

Asset 1				
Tax year	Reserve balance at beginning of tax year	Reserve claimed	(Gains applied)	Reserve balance at end of tax year
Dec 31, 2015	-	160,000.00	-	160,000.00
Dec 31, 2016	160,000.00	-	(80,000.00)	80,000.00
Dec 31, 2017	80,000.00	-	-	80,000.00
Dec 31, 2018	80,000.00	-	(32,000.00)	48,000.00
Dec 31, 2019	48,000.00	-	(48,000.00)	-

Asset 2				
Tax year	Reserve balance at beginning of tax year	Reserve claimed	(Gains applied)	Reserve balance at end of tax year
Dec 31, 2015	-	-	-	-
Dec 31, 2016	-	-	-	-
Dec 31, 2017	-	-	-	-
Dec 31, 2018	-	-	-	-
Dec 31, 2019	-	-	-	-

Asset 3				
Tax year	Reserve balance at beginning of tax year	Reserve claimed	(Gains applied)	Reserve balance at end of tax year
Dec 31, 2015	-	-	-	-
Dec 31, 2016	-	-	-	-
Dec 31, 2017	-	-	-	-
Dec 31, 2018	-	-	-	-
Dec 31, 2019	-	-	-	-

Asset 4				
Tax year	Reserve balance at beginning of tax year	Reserve claimed	(Gains applied)	Reserve balance at end of tax year
Dec 31, 2015	-	-	-	-
Dec 31, 2016	-	-	-	-
Dec 31, 2017	-	-	-	-
Dec 31, 2018	-	-	-	-
Dec 31, 2019	-	-	-	-

Asset 5				
Tax year	Reserve balance at beginning of tax year	Reserve claimed	(Gains applied)	Reserve balance at end of tax year
Dec 31, 2015	-	-	-	-
Dec 31, 2016	-	-	-	-
Dec 31, 2017	-	-	-	-
Dec 31, 2018	-	-	-	-
Dec 31, 2019	-	-	-	-

Notes and calcs				