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Statement of Farming Activities

- Use this form to calculate your self-employment farming income.
- For each farming business, fill in a **separate** Form T2042.
- Fill in this form and send it with your income tax and benefit return.
- For more information on how to fill in this form, see Guide T4002, Self-employed Business, Professional, Commission, Farming, and Fishing Income.

Part 1 – Identification

Your name			Your social insurance number
Farm name			Business number
Farm address	City	Prov./Terr.	Postal code
Fiscal period From Date (YYYYMMDD) to Date (YYYYMMDD)	Was this your last year of farming? ☐ Yes ☐ No		
Main product or service			Industry code (see Chapter 2 in Guide T4002)
Accounting method ☐ Cash ☐ Accrual	Tax shelter identification number	Partnership business number	Your percentage of the partnership %
Name and address of the person or firm preparing this form			

Part 2 – Internet business activities

If your web pages or websites generate farming income, fill in this part of the form.

From how many Internet web pages and websites (including third-party platform websites) does your business earn income?
Enter "0" if none . . . . . _____

Provide up to five main web page or website addresses:

http:// _____

http:// _____

http:// _____

http:// _____

http:// _____

Percentage of your gross income generated from the web pages and websites
(if no gross income was generated from the Internet, enter "0") . . . . . _____ %

Canada

Part 3 – Income

Wheat	9371	
Oats	9372	
Barley	9373	
Mixed grains	9374	
Corn	9375	
Canola	9376	
Flaxseed	9377	
Soybeans	9378	
Grains and oilseeds	9370	
Fruit	9421	
Potatoes	9422	
Vegetables (not including potatoes)	9423	
Tobacco	9424	
Other crops	9420	
Greenhouse and nursery products	9425	
Forage crops or seeds	9426	
Livestock sold		
Cattle	9471	
Swine	9472	
Poultry	9473	
Sheep and lambs	9474	
Livestock and animal products revenue	9470	
Milk and cream (not including dairy subsidies)	9476	
Eggs for consumption	9477	
Other commodities	9520	
Program payments		
Dairy subsidies	9541	
Crop insurance	9542	
Other program payments	9540	
Rebates	9570	
Custom or contract work (includes machine rentals)	9601	
Insurance proceeds	9604	
Patronage dividends	9605	
Other income (specify): _____	9600	
Gross income: Total of the income lines (enter this amount on line 14099 of your income tax and benefit return)	9659	

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Part 4 – Net income (loss) before adjustments

Gross income (line 9659 of Part 3) 4A

Expenses (enter only the business part)

Containers and twine	9661	
Fertilizers and lime	9662	
Pesticides (herbicides, insecticides, fungicides)	9663	
Seeds and plants	9664	
Feed, supplements, straw, and bedding	9711	
Livestock purchased	9712	
Veterinary fees, medicine, and breeding fees	9713	
Machinery expenses		
Repairs, licences, and insurance	9760	
Gasoline, diesel fuel, and oil	9764	
Building repairs and maintenance (includes fence repairs)	9795	
Clearing, levelling, and draining land	9796	
Crop insurance, Revenue Protection Program, and stabilization premiums	9797	
Custom or contract work (includes machine rentals)	9798	
Electricity	9799	
Heating fuel and curing fuel	9802	
Insurance program overpayment recapture	9803	
Insurance	9804	
Interest and bank charges	9805	
Office expenses	9808	
Professional fees (includes legal and accounting fees)	9809	
Property taxes	9810	
Rent (land, buildings, and pasture)	9811	
Salaries, wages, and benefits (including employer's contributions)	9814	
Motor vehicle expenses (not including CCA) (amount 16 of Chart A)	9819	
Small tools	9820	
Mandatory inventory adjustment included in the previous year	9937	
Optional inventory adjustment included in the previous year	9938	

Other expenses (specify): _____

_____

Total other expenses (see column 7 of Area A on page 5) . . . . . 9790 ▶

Subtotal of expenses 4B

Capital cost allowance (CCA). Enter amount ii of Area A **minus** any personal part and any CCA for business-use-of-home expenses 9936

Total farm expenses: Amount 4B **plus** line 9936 9898 ▶

Net income (loss) before inventory adjustments: Amount 4A **minus** line 9898 9899

Optional inventory adjustment included in the current year 9941

Mandatory inventory adjustment included in the current year 9942

Net income (loss) after inventory adjustments: Total of lines 9899, 9941, and 9942 4C

Part 5 – Your net income (loss)

Your share of amount 4C or the amount from your T5013 slip, Statement of Partnership Income 5A

Return of fuel charge proceeds to farmers tax credit allocated to you in the year (amount 5C of Form T2043, Return of Fuel Charge Proceeds to Farmers Tax Credit) 9951

GST/HST rebate for partners received in the year 9974

Total: Amount 5A **plus** line 9951 **plus** line 9974 ▶ 5B

Other amounts deductible from your share of net partnership income (loss) (amount 6F) 9943

Net income (loss) after adjustments: Amount 5B **minus** line 9943 . . . . . 5C

Business-use-of-home expenses (amount 7P) 9945

Your net income (loss): Amount 5C **minus** line 9945 (enter this amount on line 14100 of your income tax and benefit return) . . . 9946

Part 6 – Other amounts deductible from your share of net partnership income (loss)

Claim expenses you incurred that were not included in the partnership statement of income and expenses, and for which the partnership did not reimburse you. These claims must not be included in the claims already calculated for the partnership.

List details of expenses: **Expense amounts**

	6A
	6B
	6C
	6D
	6E
Total other amounts deductible from your share of the net partnership income (loss): Add amounts 6A to 6E (enter this amount on line 9943 of Part 5).	6F

Part 7 – Calculating business-use-of-home expenses

Heat	7A
Electricity	7B
Insurance	7C
Maintenance	7D
Mortgage interest	7E
Property taxes	7F
Other expenses (specify):	7G
Subtotal: Add amounts 7A to 7G.	7H
Personal-use part of the business-use-of-home expenses	7I
Subtotal: Amount 7H **minus** amount 7I	7J
Capital cost allowance (business part only), which means amount ii of Area A **minus** any portion of capital cost allowance that is for personal use or entered on line 9936 of Part 4	7K
Amount carried forward from previous year	7L
Subtotal: Add amounts 7J to 7L.	7M
Net income (loss) after adjustments (amount 5C) (if negative, enter "0")	7N
Business-use-of-home expenses available to carry forward: Amount 7M **minus** amount 7N (if negative, enter "0")	7O
Allowable claim: Amount 7M or 7N above, whichever is less (enter your share of this amount on line 9945 of Part 5)	7P

Part 8 – Details of other partners

Do not fill in this chart if you must file a partnership information return.

Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) $	Percentage of partnership %
Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) $	Percentage of partnership %
Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) $	Percentage of partnership %
Name of partner				
Address	Prov./Terr.	Postal code	Share of net income or (loss) $	Percentage of partnership %

Part 9 – Details of equity

Total business liabilities	9931
Drawings in the current year	9932
Capital contributions in the current year	9933

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Area A – Calculation of capital cost allowance (CCA) claim

1 Class number	2 Undepreciated capital cost (UCC) at the start of the year	3 Cost of additions in the year (see Areas B and C below)	4 Cost of additions from column 3 that are DIEPs (property must be available for use before 2025) [1]	5 Proceeds of dispositions in the year (see Areas D and E below) [2]	6 Proceeds of dispositions of DIEP (enter amount from col. 5 that relates to DIEP from col. 4)	7 UCC after additions and dispositions (col. 2 **plus** col. 3 **minus** col. 5) [3]	8 UCC of DIEP (col. 4 **minus** col. 6) [4]	9 Immediate expensing amount for DIEPs [5]	10 Cost of remaining additions after immediate expensing (col. 3 **minus** col. 9)	11 Cost of remaining additions from column 10 that are AIIPs or ZEVs acquired before 2025 [6]

Total immediate expensing claim for the year: Total of column 9 ▶ i

12 Cost of remaining additions from column 10 that are RIIPs or ZEVs acquired after 2024 [6]	13 Remaining UCC after immediate expensing (col. 7 **minus** col. 9)	14 Proceeds of dispositions available to reduce additions of AIIPs, RIIPs and ZEVs (col. 5 **minus** col. 10 **plus** col. 11 **plus** col. 12). If negative, enter "0"	15 UCC adjustment for current-year additions of AIIPs and ZEVs acquired before 2025 (col. 11 **minus** col. 14) **multiplied** by the relevant factor. If negative, enter "0" [7]	16 Proceeds of dispositions available to reduce additions of RIIPs and ZEVs acquired after 2024 (col. 14 **minus** col. 11). If negative, enter "0"	17 UCC adjustment for current-year additions of RIIPs and ZEVs acquired after 2024 (col. 12 **minus** col. 16) **multiplied** by the relevant factor. If negative, enter "0" [8]	18 Adjustment for current-year additions subject to the half-year rule. 1/2 **multiplied** by (col. 10 **minus** col. 11 **minus** col. 12 **minus** col. 5). If negative, enter "0"	19 Base amount for CCA (col. 13 **plus** col. 15 **plus** col. 17 **minus** col. 18)	20 CCA rate %	21 CCA for the year (col. 19 **multiplied** by col. 20, or a lower amount, **plus** col. 9)	22 UCC at the end of the year (col. 7 **minus** col. 21) [9]

Total CCA claim for the year: Total of column 21 (enter on line 9936 of Part 4 amount ii ▶ ii
minus any personal part and any CCA for business-use-of-home expenses) [10]

See pages 8 and 9 for endnotes 1 to 10.

For more information on AIIPs and RIIPs, see Guide T4002 or go to **canada.ca/taxes-accelerated-investment-income**.

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Part XVII properties (acquired before 1972)

1 Year acquired	2 Kind of property	3 Month of disposition	4 Cost (business part)	5 Rate (%)	6 CCA for this year	7 Total CCA for this and previous years

Enter the total of amounts ii and iii on line 9936 of Part 4. **Total CCA on Part XVII properties: Total of column 6 ▶** iii

Area B – Equipment additions in the year

1 Class number	2 Property description	3 Total cost	4 Personal part (if applicable)	5 Business part (column 3 **minus** column 4)

Total equipment additions in the year: Total of column 5 9925

Area C – Building additions in the year

1 Class number	2 Property description	3 Total cost	4 Personal part (if applicable)	5 Business part (column 3 **minus** column 4)

Total building additions in the year: Total of column 5 9927

Area D – Equipment dispositions in the year

1 Class number	2 Property description	3 Proceeds of disposition (should not be more than the capital cost)	4 Personal part (if applicable)	5 Business part (column 3 **minus** column 4)

Total equipment dispositions in the year: Total of column 5 9926

Note: If you disposed of property from your farming business in the year, see Chapter 4 of Guide T4002 for information about your proceeds of disposition.

Area E – Building dispositions in the year

1 Class number	2 Property description	3 Proceeds of disposition (should not be more than the capital cost)	4 Personal part (if applicable)	5 Business part (column 3 **minus** column 4)

Total building dispositions in the year: Total of column 5 9928

Note: If you disposed of property from your farming business in the year, see Chapter 4 of Guide T4002 for information about your proceeds of disposition.

Area F – Land additions and dispositions in the year

Total cost of all land additions in the year 9923

Total proceeds from all land dispositions in the year 9924

Note: You cannot claim capital cost allowance on land. For more information, see Chapter 3 of Guide T4002.

Area G – Agreement between associated eligible persons or partnerships (EPOPs)

Are you associated in the fiscal period with one or more EPOPs that you have entered into an agreement with under subsection 1104(3.3) of the Regulations? . . . . . Yes ☐ No ☐

If you answered **yes**, fill in the table below.

Enter the percentage assigned to each associated EPOP (including your business) as determined in the agreement.

This percentage will be used to allocate the immediate expensing limit. The total of all percentages assigned under the agreement should not be more than 100%. If the total is more than 100%, then the associated group has an immediate expensing limit of zero. For more information about the immediate expensing limit, see Guide T4002.

1 Name of the EPOP	2 Identification number*	3 Percentage assigned under the agreement
Total of percentage assigned: Total of column 3 ▶		

Immediate expensing limit allocated to your business: Multiply $1.5 million by the percentage assigned to your business in column 3** iv

* The identification number is the EPOP's social insurance number, business number, or partnership account number.

** If the total of column 3 is more than 100%, enter "0."

Area H – Quota additions and dispositions in the year

Total cost of all quota additions in the year	9929	
Total proceeds from all quota dispositions in the year	9930	

Chart A – Motor vehicle expenses

Kilometres you drove in the tax year to earn farming income		1
Total kilometres you drove in the tax year		2
Fuel and oil		3
Interest (use Chart B below)		4
Insurance		5
Licence and registration		6
Maintenance and repairs		7
Leasing (use Chart C below)		8
Electricity for zero-emission vehicles		9
Other expenses (specify): _____		10
_____		11
Total motor vehicle expenses: Add amounts 3 to 11.		12

Business use part: amount 1: _____ ÷ amount 2: _____ × amount 12: _____ . . . . = _____ 13

Business parking fees		14
Supplementary business insurance		15
Allowable motor vehicle expenses: Add amounts 13 to 15 (enter this total on line 9819 of Part 4)		16

Note: You can claim capital cost allowance on motor vehicles in Area A.

Chart B – Available interest expense for passenger vehicles and zero-emission passenger vehicles

Total interest payable (accrual method) or paid (cash method) in the fiscal period 17

($350*** ÷ 30) × the number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method) _____ . . . . . = 18

Available interest expense: Amount 17 or 18, whichever is less (include this in amount 4 of Chart A above) 19

*** For passenger vehicles bought after 2023. For passenger vehicles bought after 2000 and before 2024, the amount is $300.

Chart C – Eligible leasing cost for passenger vehicles****

Total lease charges incurred in your current fiscal period for the vehicle 20

Total lease payments deducted before your current fiscal period for the vehicle 21

Total number of days the vehicle was leased in your current and previous fiscal periods 22

Manufacturer's list price 23

Use a GST rate of 5% or HST rate applicable to your province.

Amount 23 or ($44,706 + GST and PST, or $44,706 + HST), whichever is more [11] ▶ _____ × 85% . . . . . = 24

[($1,100 + GST and PST, or $1,100 + HST) × amount 22] ÷ 30 [12] . . . . . = 25

Amount 25: _____ − amount 21: _____ . . . . . = 26

[($38,000 + GST and PST, or $38,000 + HST) × amount 20] ÷ amount 24 [13] . . . . . = 27

Eligible leasing cost: Amount 26 or 27, whichever is less (enter in amount 8 of Chart A above) 28

**** Includes a vehicle that would qualify as a zero-emission passenger vehicle if you owned it.

See page 9 for endnotes 11 to 13.

See the privacy notice on your return.

Endnotes

[1] Columns 4, 6, 8, and 9 apply only to designated immediate expensing properties (DIEPs). See subsection 1104(3.1) of the Income Tax Regulations for definitions. A DIEP is a property that you acquired after December 31, 2021, and that became available for use before 2025. For more information, see Guide T4002.

[2] The proceeds of disposition of a zero-emission passenger vehicle (ZEPV) that has been included in Class 54, or a passenger vehicle bought after April 18, 2021, that has been included in Class 10.1, and whose cost is more than the prescribed amount will be adjusted based on a factor equal to its prescribed amount as a proportion of the actual cost of the vehicle. For dispositions after July 29, 2019, you will have to adjust the actual cost of the vehicle for any payments or repayments of government assistance that you may have received or repaid for the vehicle. If the passenger vehicle in Class 10.1 is not designated for immediate expensing treatment, this special rule does not apply. For more information on proceeds of disposition and the prescribed amounts, read "Class 10.1 (30%)" and "Class 54 (30%)" in Guide T4002.

[3] If you have a negative amount in column 7, add it to income as a recapture in Part 3 on line 9600. If no property is left in the class and there is a positive amount in this column, deduct the amount from income as a terminal loss in Part 4 on line 9790. Recapture and terminal loss do not apply to a Class 10.1 property unless it is a DIEP. For more information, read Chapter 4 of Guide T4002.

[4] The amount you enter in column 8 must not be more than the amount from column 7. If the amount from column 7 is negative, enter "0."

[5] The immediate expensing applies to DIEPs included in column 8. The total immediate expensing amount for the tax year (total of column 9) is limited to the lesser of:

- the immediate expensing limit, which is equal to one of the following, whichever is applicable:
  - − $1.5 million, if you are not associated with any other eligible person or partnership (EPOP) in the tax year
  - − amount iv of Area G, if you are associated with one or more EPOPs in the tax year
  - − zero, if you are associated with one or more EPOPs and an agreement that assigns a percentage to one or more of the associated EPOPs was not filed with the minister in a prescribed form
  - − any amount allocated by the minister under subsection 1104(3.4) of the Regulations
- the UCC of DIEPs in column 8
- the amount of income, if any, earned from the source of income that is a business (before any CCA deductions) in which the relevant DIEP is used for the tax year

For more information, see Guide T4002.

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Endnotes

[6] Columns 11, 12, 14, 15, 16, and 17 apply only to accelerated investment incentive properties (AIIPs) (see Guide T4002 for the definition), zero-emission vehicles (ZEVs), ZEPVs, and other eligible zero-emission automotive equipment and vehicles that become available for use in the year. Under proposed changes, these columns may also apply to reaccelerated investment incentive properties (RIIPs) (see Guide T4002 for the proposed definition). In this chart, ZEVs represent zero-emission vehicles, ZEPVs, and other eligible zero-emission automotive equipment and vehicles. An AIIP is a property (other than a ZEV) that you acquired after November 20, 2018, (and, under proposed changes, before 2025) and that became available for use before 2028. A ZEV is a motor vehicle included in Class 54 or 55 that you acquired after March 18, 2019, and that became available for use before 2028 (or, under proposed changes, before 2034), or eligible zero-emission automotive equipment and vehicles included in Class 56 acquired after March 1, 2020, and that became available for use before 2028 (or, under proposed changes, before 2034). Under proposed changes, a RIIP is a property (other than a ZEV) that you acquired after 2024, and that became available for use before 2034. For more information, see Guide T4002.

[7] For ZEVs (under proposed changes, acquired before 2025) and AIIPs that became available for use in 2025, the relevant factors are 1 1/2 (Classes 43.1, 54, and 56), 7/8 (Class 55), and 1/2 (Classes 43.2 and 53). Under proposed changes, for properties included in Class 44, 46, or 50 acquired after April 15, 2024, and that became available for use in 2025, the relevant factors are 3 (Class 44), 2 1/3 (Class 46), and 9/11 (Class 50). The factor is 0 for any remaining AIIPs not listed in this note.

[8] Under proposed changes, for ZEVs acquired after 2024 and RIIPs that became available for use in 2025, the relevant factors are 3 (Class 44), 2 1/3 (Classes 43.1, 46, 54, and 56), 1 1/2 (Class 55), 1 (Class 53), 9/11 (Class 50), and 0 (Classes 12, 13, 14, 15, and 59). The factor is 1/2 for any remaining RIIPs not listed in this note.

[9] If, in the year, you disposed of a property that you used for both personal and business use, and your business use of that property changed from year to year, you must subtract any remaining personal part of this property's cost from the UCC at the end of the year. For more information, see "Special situations" in Chapter 4 of Guide T4002.

[10] For information on CCA for "Part 7 – Calculating business-use-of-home expenses," see "Special situations" in Chapter 4 of Guide T4002. To help you calculate the CCA, see the calculation charts in Areas B to H.

[11] For leases entered into in 2024, it's amount 23 or ($43,529 plus GST and PST, or $43,529 plus HST), whichever is more. For leases entered into in 2023, it's amount 23 or ($42,353 plus GST and PST, or $42,353 plus HST), whichever is more. For leases entered into in 2022, it's amount 23 or ($40,000 plus GST and PST, or $40,000 plus HST), whichever is more. For leases entered into before 2022, it's amount 23 or ($35,294 plus GST and PST, or $35,294 plus HST), whichever is more.

[12] For leases entered into in 2024, amount 25 is equal to [($1,050 plus GST and PST, or $1,050 plus HST) multiplied by amount 22], divided by 30.
For leases entered into in 2023, amount 25 is equal to [($950 plus GST and PST, or $950 plus HST) multiplied by amount 22], divided by 30.
For leases entered into in 2022, amount 25 is equal to [($900 plus GST and PST, or $900 plus HST) multiplied by amount 22], divided by 30.
For leases entered into before 2022, amount 25 is equal to [($800 plus GST and PST, or $800 plus HST) multiplied by amount 22], divided by 30.

[13] For leases entered into in 2024, amount 27 is equal to [($37,000 plus GST and PST, or $37,000 plus HST) multiplied by amount 20], divided by amount 24.
For leases entered into in 2023, amount 27 is equal to [($36,000 plus GST and PST, or $36,000 plus HST) multiplied by amount 20], divided by amount 24.
For leases entered into in 2022, amount 27 is equal to [($34,000 plus GST and PST, or $34,000 plus HST) multiplied by amount 20], divided by amount 24.
For leases entered into before 2022, amount 27 is equal to [($30,000 plus GST and PST, or $30,000 plus HST) multiplied by amount 20], divided by amount 24.