Section 85 Rollover Error Checklist

Ten checks before you file Form T2057

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Work through these ten before the election is filed, or before a review of one already filed. Four numbers decide whether the deferral holds.

- [ ] 1 **Property separated**
  Capital assets and goodwill split from inventory.
- [ ] 2 **Cost bases confirmed**
  Adjusted cost base and UCC for every asset.
- [ ] 3 **Valuations obtained**
  Written support dated near the transfer.
- [ ] 4 **Elected amount checked**
  At or above the floor, at or below FMV.
- [ ] 5 **Boot totalled**
  Cash, notes and assumed debt added together.
- [ ] 6 **Section 84.1 reviewed**
  Wherever the parties are related.
- [ ] 7 **Shares issued**
  At least one share, recorded on the transfer date.
- [ ] 8 **Minute book aligned**
  Resolutions and certificates match the election.
- [ ] 9 **Paid-up capital adjusted**
  On the date the shares are issued.
- [ ] 10 **Form T2057 filed**
  By the earliest return deadline of any party.

PRO TIP

Assumed debt is boot. A mortgage moving with the property counts toward the total, and it is the item most often left out of the calculation until it is too late.

What happens next

1. Position reviewed
2. Fixed fee quoted
3. Election filed

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