

**Campbell River TV Association**  
**January 6, 2010 Update**

In 2009 participating members received payment in two instalments for their share of the distribution of the assets from the sale of Campbell River TV Association to Shaw Cablesystems. Members received \$3,375.00 from the first distribution and \$23.38 from the second and final distribution for a total of \$3,398.38. If you were a member and received payment, you will need to report this amount on your 2009 income tax return. Slips for tax reporting purposes will not be issued.

We recommend you seek the advice of an accountant regarding your personal tax situation; however, Canada Revenue Agency (CRA) has provided guidance to suggest that the distribution will be considered a capital transaction and therefore will receive capital gains treatment. One half of a capital gain is taxable. Paragraphs 9 to 11 of CRA's IT-409 discuss the tax consequences to a member of a non-share corporation when the member receives a distribution of assets upon the winding-up of the corporation. Paragraph 9 explains that a distribution of assets to a member is viewed as a payment on account of capital, and represents the member's proceeds of disposition of the interest in the corporation. CRA will be advised of the name and address of each member receiving a payout. The return of your debenture is not taxable.