

## PERSONAL USE PROPERTY (PUP) AND LISTED PERSONAL USE PROPERTY (LPP)

### Personal Use Property (PUP):

- **Personal use property** = property owned by taxpayer and used for his/her enjoyment (not used for earning business or property income)

#### Special Rules for PUP:

- When you dispose a “personal use property” there can be capital gains; however **no capital losses** can be claimed on PUP (capital losses on PUP is deemed to be \$NIL)
- **\$1000 floor rule**
  - If the proceeds of disposition is <\$1000; the proceeds is deemed to be \$1000
  - If the ACB is <\$1,000; the ACB is deemed to be \$1000
  - Example
    - Suppose I sell an furniture for \$900 and the cost was \$500
    - The POD = \$1000 and ACB = \$1000; Capital Gain = \$NIL

### Listed Personal Use Properties (LPP):

- **LPP** = Coins, Jewellery, Art, Rare – folios, manuscripts, books, stamps (tip remember: Coin JARS)

#### Special Rules for LPP:

- **\$1000 floor rule** applies; same as for PUP (see above)
- Allowable capital losses on LPP’s can be deducted; however, it can only be deducted against **taxable capital gains on listed personal use Properties (LPP)**. If there are no taxable capital gains from other LPP’s, the allowable capital losses on LPP’s cannot be deducted.
- Any unused allowable capital losses from LPP can be **carried back 3 years** and **carried forward 7 years**; the carryovers are done in **Division B** (rather than Division C like normal net-capital loss)
- Example:
  - Taxable capital gain on sale of coins = \$300
  - Allowable capital loss on sale of Art = \$500
    - You can only claim \$300 in Allowable Capital Losses;
    - the remaining \$200 can be carried back 3 years or carried forward 7 years