

# Cantax T1

## Release Notes

Versions 21.1.3xx.100

December 2021

### WARNING

This is a pre-release version and due to its early release date, the forms it contains have not yet been approved for filing. Therefore, do not submit any tax returns that have been prepared with this version to the CRA. The electronic transmission of the return (EFILE), AUTHORIZATION form, T1135 form, Pre-authorized debit (PAD) and Auto-fill T1 return (AFR) service are not available in this version.

If you want to electronically file and print Form AUTHORIZATION or use the 2020 AFR service, which includes the Client Data Enquiry (CDE), you may use *Cantax* 2020. However, note that the CRA will close the 2020 AFR service on February 4, 2022.

The CRA will open the 2021 AFR service on February 21, 2022, and the next version of *Cantax* 2021, scheduled to be released at the beginning of February, will be approved by the CRA for filing and for the electronic transmission of the return (EFILE), Form AUTHORIZATION, Form T1135, Pre-authorized debit (PAD) and Auto-fill T1 return (AFR) service.

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### End of support for Microsoft Office 2013 and Microsoft Internet Explorer 11

As we have been announcing since May 2021, in particular in an article of our Knowledge Base as well as the e-mails sent last May, starting in November 2021, Wolters Kluwer will discontinue support for Microsoft Office 2013 and Microsoft Internet Explorer 11.

For more information, consult our Knowledge Base article [End of support for Microsoft Office 2013 and Internet Explorer 11. An upgrade of your system may be required.](#)

### Try our Knowledge Base!

**Consult our Knowledge Base to quickly find the information you need!**

Our [Knowledge Base](#) contains an array of articles answering technical and tax questions most frequently asked to Support Centre agents. All you need to do is enter a few key words and the articles display in order of relevance to provide you with valuable information that will accurately answer your questions.

### Version Presentation

Although this version will calculate the data in most returns for 2021, some forms have not yet been received from the CRA and changes to more complex forms will not be reflected in the calculations of this release

The words "Do not submit" are printed as a watermark on each form to ensure that you do not file the non-approved forms by mistake.

The Working Pre-Release is not certified for EFILE; as a result, you cannot electronically file returns, Form AUTHORIZATION, Form T1135 and use Pre-authorized debit (PAD) with this version.

The next version, scheduled to be released at the beginning of February, will be approved by the CRA for both paper filing and EFILE (including electronic filing of Form AUTHORIZATION, T1135 and PAD).

The 2D bar code(s) will not print on the federal return (T1 General - Condensed) in the Working Pre-Release. It will be approved by the CRA in the next release.

Due to its early release date, *Cantax T1 2021 v.100* has not yet been approved for electronic filing of the 2021 version of Form AUTHORIZATION. However, it will be available in *Cantax T1 2021 v.106*. If you want to electronically file and print Form AUTHORIZATION before the release of *Cantax T1 2021 v.106*, you may use *Cantax T1 2020*. In that case, you should ensure that you update your EFILE password as soon as you renew your EFILE number for the year.

When you receive the filing version of *Cantax* at the beginning of February 2021, you will be able to work from that version with the files created in the Working Pre-Release.

Throughout these *Release Notes*, the programs will be referred to as "T1Plus," including versions with EFILE, unless the description pertains to only one of the programs, in which case it will be referred to individually.

### Carrying forward your preferences

Once your preferences from last year are carried forward to the current year, it is important to verify that the options defined with respect to the returns of your clients and to the electronic filing of data (EFILE) still correspond to your situation for the current season.

### Try Cantax

If you have not purchased *Cantax T1Plus*, you may install this software as a Demo version. Note that you will not be able to save or print tax returns with the Demo version. Should you decide to purchase the software, please contact our Customer Service department to obtain an unlock code. You can reach us by the method most convenient for you (see the "[Help](#)" section).

Thank you very much for using *Cantax T1Plus*!

### Training

To consult the different training options available regarding *Cantax T1* (seminars, webinars, tutorials and more), access the [Training](#) section of the Wolters Kluwer Web site. You can also access it from the program, by selecting **Help, Cantax on the Web and Get Cantax Training**.

### Electronic Transmission of Authorization

Starting with next version (which is scheduled to be released at the beginning of February), you will be able to electronically file the 2021 version of Form Authorization as version 106 for 2021 will be approved by the CRA.

In order to be able to electronically file an authorization, you must meet the following two criteria:

1. Have a valid EFILE number and password; and
2. Be a registered representative.

A registered representative is a person who is registered with the CRA's "Represent a Client" online service. To register with the service, go to <https://www.canada.ca/en/revenue-agency/services/e-services/represent-a-client.html>.

For more details on the Electronic Transmission of authorizations, see the *Cantax T1 Help*.

### Auto-fill T1 return (AFR)

**February 21, 2022** - The service will open.

#### Downloading prior-year data

You can download data from the five previous years (2016, 2017, 2018, 2019 and 2020). To download data of a given year, you will have to use the *Cantax* program of the year in question. Ensure that your EFILE password is updated.

Note that only data on slips of prior years will be available. In addition, data that does not relate to a specific year, such as carried forward balances, will not be available.

### EFILE

#### Filing of 2021 tax returns

**February 21, 2022** - The EFILE transmission system will open.

**January 27, 2023** - The CRA will shut down its system.

**Note:** Tax returns with diacritics (accented characters) CANNOT be EFILED to the CRA.

### Modifications Made to Version 100

#### Partially mask the Social Insurance Number in the header of all forms.

The print feature, which was introduced last year, allowed you to display only the last four digits of the social insurance number (SIN) when printing Forms T183 and T185 as well as the signature page for an authorization request. This feature has now been extended to partially mask the social insurance number printed in the header of all forms in the program.

The option is accessible in the **Options/Print** menu.

#### New forms

##### Provincial

#### Schedule ON(S12), Ontario Seniors' Home Safety Tax Credit (T1C/S12-ON)

A refundable credit, i.e., the Ontario seniors' home safety tax credit, has been introduced for seniors and individuals who share a home with a senior relative. The refundable credit is equal to 25% of the eligible expenses. The credit amount is limited to \$2,500.

#### SK479, Saskatchewan Credit (T1C/479)

This form allows taxpayers to claim the new active families benefit. This refundable tax credit has been introduced for families with children enrolled in sport, recreational and cultural activities. The maximum claimable amount per eligible child is \$150. An additional amount of \$50 can be claimed if the child is eligible for the disability tax credit.

## Schedule SK(S12), Saskatchewan Home Renovation Tax Credit (T1C/S12-SK)

A non-refundable Saskatchewan home renovation tax credit has been introduced for 2021 and 2022 for owners of an eligible dwelling and can be allocated between members of a family. However, the total amount claimed cannot exceed the maximum authorized. For the 2021 taxation year, the qualified expenditures must be incurred between October 1, 2020, and December 31, 2021. The total qualified expenditures must be in excess of \$1,000 (base amount) but cannot be more than \$12,000 (maximum amount of \$11,000 for 2021).

## NL479, Newfoundland and Labrador Credits (T1C/479)

This form allows taxpayers to claim the new non-refundable physical activity tax credit, which has been introduced so that families can participate in physical and recreational activities. The maximum amount that can be claimed per family is \$2,000.

The form also allows taxpayers to claim the Newfoundland and Labrador research and development tax credit for individuals, which was previously claimed on line 47900 of the TP1 return.

## PE58365, Children's Wellness Tax Credit (PE58365)

Worksheet PE 58365, **Children's Wellness Tax Credit**, has been added. This new non-refundable tax credit has been introduced for all families with children under the age of 18, for eligible activities for the wellness of their children.

## Modifications Made to Forms

### Federal

#### Personal (name, address, etc.) (INFO)

Because of the upcoming CRA change which will allow for Canadian residents and factual residents returns to be EFILED with a non-Canadian mailing address, the **Country (Other than Canada)** and **State** address fields have been changed on the INFO screen. As a result, these fields now display a drop-down list with the allowed values. Therefore, for this transition year only, files carried forward with a non-Canadian address will not carry forward the value found in the **Country (Other than Canada)** and **State** fields from the prior-year file. Where applicable, you might need to manually complete those fields using the new drop-down lists.

Note that all information relating to the prior-year mailing address is still carried forward at the bottom of the INFO screen. You can refer to this section to help you complete the new **Country (Other than Canada)** and **State** fields.

#### Schedule 6, Canada Workers Benefit (S6) - New secondary earner exemption

As a result of an update of the form, the secondary earner exemption has been introduced for the 2021 taxation year.

When the taxpayer who completed Schedule 6 to claim the Canada workers benefit has an eligible spouse, the income used to calculate the benefit is based on their combined income.

The secondary earner exemption is a special rule for taxpayers who have an eligible spouse. The spouse or common-law partner with the lowest working income can exclude up to \$14,000 from his or her working income when computing the

adjusted net income, allowing a greater number of families to have access the Canada workers benefit.

## Schedule 14, Climate Action Incentive (T1-S14)

The Government of Canada has announced that the Climate Action Incentive (CAI) will now be delivered as a quarterly benefit rather than as a refundable credit on the T1 Income Tax and Benefit Return. Eligible taxpayers will automatically receive CAI payments four times a year, starting in July 2022. To receive the payments, taxpayers must file a tax return even if they did not receive income in the year. For more information, go to [canada.ca/child-family-benefits](https://canada.ca/child-family-benefits). The CAI consists of a basic amount and a 10% supplement for residents of small and rural communities. Schedule 14 should only be completed by taxpayers residing outside a census metropolitan area (CMA) and who expect to continue to reside outside the same CMA on April 1, 2022. To find out if the taxpayer resides outside a CMA, go to [canada.ca/census-metropolitan-areas](https://canada.ca/census-metropolitan-areas). As a result of these changes, line 45110 has been removed from the T1-Jacket.

The calculations for this new benefit will be updated in the next Cantax T1 version, which is scheduled to be released at the beginning of February 2022.

## T4A slips - Addition of boxes (T4A)

### Box 201

To help taxpayers get through the COVID-19 pandemic, the federal and provincial governments introduced various benefits. However, certain taxpayers had to repay part, or all of the COVID-19-related benefits received in 2020.

These repayments are entered in the T4A slip to which the following box has been added:

- **Box 201, Repayment of COVID-19 financial assistance payments.**

The repayment of **federal** benefits in 2021 should be updated to new line 23210, **Federal COVID-19 benefits repayment of the T1 return.**

The repayment of **provincial or territorial** benefits in 2021 should be updated to line 23200 of the T1 return.

To correctly identify the type of benefits repaid and, as a result, update the repaid amount to the corresponding line in the T1 return, the following custom boxes have been added to the T4A slip in the program:

- box 201<sup>1</sup>, Repayment of federal COVID-19 benefits received in 2020; and
- box 201<sup>2</sup>, Repayment of provincial or territorial COVID-19 benefits received in 2020.

### Box 205

In August 2021, the federal government provided financial support through a one-time taxable payment of \$500 to seniors born on or before June 30, 1947, and eligible for Old Age Security in June 2021.

This payment amount is entered in the T4A slip to which the following box has been added:

- **Box 205, One-time payment for older seniors.**

This amount should be updated to line 13000.

#### Box 210

In its 2021 Budget, the federal government announced that the postdoctoral fellowship income would be considered income earned for the purposes of the registered retirement savings plan (RRSP).

Postdoctoral fellowship income (box 210 of the T4A slip) is included in earned income for purposes of a registered retirement savings plan (RRSP). This change allows postdoctoral fellows to qualify for supplemental RRSP contributions to make deductible contributions to an RRSP, a pooled registered pension plan (PRPP) or a specified pension plan (SPP). This measure is applicable retroactive to 2011. It is important to verify whether the taxpayer has reported postdoctoral fellowship income after 2010 and before 2021. Where applicable, the taxpayer can send an adjustment request to the CRA to have their RRSP contribution room adjusted.

The Postdoctoral fellowship income is entered in the T4A slip to which the following box has been added:

- **Box 210, Postdoctoral fellowship income earned.**

#### Box 211

To help taxpayers deal with the COVID-19 pandemic, the federal and provincial governments have introduced various benefits. The federal government proposes the new Canada Worker Lockdown Benefit. The latter provides an income support of \$300 a week to eligible workers who, because of a temporary public health lockdown between October 24, 2021, and May 7, 2022, cannot work.

This benefit amount is entered in the new box 211 of the T4A slip:

- **Box 211, Canada Worker Lockdown Benefit.**

This amount must be updated to line 13000 of the T1 return.

#### **Line 23210 - Deduction for Repayments of Federal COVID-19 Benefits (T1-8)**

It is possible for taxpayers to have claimed a deduction for a repayment of federal COVID-19 benefits on their 2020 tax return (if the benefits were received in 2020 and repaid before 2023) prior to receiving their tax slip indicating the amount repaid. To ensure an amount repaid is not claimed as a deduction twice, a diagnostic has been added on line 23210 to make sure that the repayment of federal COVID-19 benefits entered on this line has not already been claimed on line 23200 of the taxpayer's 2020 return. If this is the case, override the amount on line 23210 so that the amount already claimed is not taken into account.

**Note:** This diagnostic has been added as per a CRA request.

#### **T4RSP Slip Summary (T4RSP) - New box**

A box related to box 22 of the T4RSP slip has been added. This new box is used to enter the withdrawal amount of a tax-

exempt RRSP for an Indian. The amount in this box will be updated for purposes of the federal return to Form T90 (T90).

#### **T4E slip, Canada Emergency Response Benefit (CERB) (T4E)**

##### Box 30

In response to the COVID-19 pandemic, the federal government introduced various benefits, one of which is the Canada Emergency Response Benefit (CERB). However, certain individuals had to repay part, or all of the CERB benefits received in 2020.

If the CERB was paid by the CRA, the repayment amount is indicated in box 201 of the T4A slip. On the other hand, if the benefit was paid by Service Canada, the repayment must be included with any other repayment in box 30 of the T4E slip. If this is the case, the CERB amount repaid will be indicated in a Service Canada letter sent to the taxpayer.

The 2021 repayment of federal benefits must be updated to line 23210, **Repayment of COVID-19 financial assistance** of the T1 return.

Finally, any other repayment included in box 30 must be updated to line 23200 of the T1 return.

To correctly identify the type of benefits repaid and, as a result, update the repaid amount to the corresponding line in the T1 return, box 30 has been split in two, and now corresponds to box 30<sup>1</sup>, **Repayment of an overpayment (excluding CERB)** and box 30<sup>2</sup>, **Repayment of COVID-19 financial assistance (CERB)**. Note that the letter transmitted by Service Canada indicates the amount to enter in box 30<sup>2</sup>.

#### **T657, Calculation of Capital Gains Deduction (T657)**

If you disposed of qualified farm or fishing property (QFFP) or qualified small business corporation shares (QSBCS) you may be eligible for the lifetime capital gains exemption (LCGE). Because you only include one half of a capital gain in your income, your cumulative capital gains deduction is one half of the LCGE.

The total of your capital gains deductions on gains arising from dispositions in 2021 of qualifying capital property has increased to \$446,109 (i.e., one half of the LCGE increased by indexation to \$892,218 for 2021).

For dispositions of QFFP after April 20, 2015, the LCGE is increased to \$1,000,000. This additional deduction does not apply to dispositions of QSBCS:

- The limit on gains arising from dispositions in 2020 of qualifying capital property is \$441,692 (one half of an LCGE of \$883,384)
- The limit on gains arising from dispositions in 2019 of qualifying capital property is \$433,456 (one half of an LCGE of \$866,912)
- The limit on gains arising from dispositions in 2018 of qualifying capital property is \$424,126 (one half of an LCGE of \$848,252)
- The limit on gains arising from dispositions in 2017 of qualifying capital property is \$417,858 (one half of an LCGE of \$835,716)
- The limit on gains arising from dispositions in 2016 of qualifying capital property is \$412,088 (one half of an LCGE of \$824,176)

- The limit on gains arising from dispositions in 2015 of qualifying capital property is \$406,800 (one half of an LCGE of \$813,600)
- The limit on gains arising from dispositions in 2014 of qualifying capital property is \$400,000 (one half of an LCGE of \$800,000)
- The limit on gains arising from the dispositions of qualifying capital property after 2008 and before 2014 is \$375,000 (one half of an LCGE of \$750,000).

## Provincial

### ON479, Ontario Credits (T1C/479)

A refundable credit, i.e., the Ontario jobs training tax credit, has been introduced for eligible individuals. The credit is limited to \$2,000.

In addition, a refundable tax credit, i.e., the Ontario seniors' home safety tax credit has been introduced.

Finally, the Ontario apprentice training tax credit has been eliminated.

### ON479-A, Ontario Childcare Access and Relief from Expenses (CARE) Tax Credit (T1C/479)

The credit entitlements for Ontario childcare access and relief from expenses (CARE) tax credit have increased by 20%.

### MB428, Manitoba Tax (T1C/428)

As a result of an update of the form, the personal income levels used to calculate the Manitoba tax and the basic personal amount have been increased. In addition, the maximum credit amount that can be claimed by an individual for the small business venture capital tax credit has increased from \$67,500 to \$120,000.

### MB479, Manitoba Credits (T1C/479)

As a result of an update of the form, changes have been made to the education property tax credit, seniors' school tax rebate and school tax credit for homeowners. In particular, all three amounts have been reduced by 25% to consider the fact that property owners will now receive a cheque for the new Education Property Tax Rebate in the same month (or earlier) during which municipal property taxes are due. Property owners will not be required to apply for the rebate as the Education Property Tax Rebate will be automatically paid by the province of Manitoba.

In addition, a refundable teaching expense tax credit has been introduced for eligible educators. The credit equals 15% of eligible teaching expenses up to \$1,000. The rules to claim this credit are the same as the federal educator school supply tax credit (line 46900) with the exception that supplies must have been used in Manitoba. A box has been added to T1 Line 46900 worksheet (SCHOOLSUPP) to confirm that expenses entered for federal purposes were for supplies used in Manitoba.

### NB428, New Brunswick Tax and Credits (T1C/428)

The Government of New Brunswick announced the following measures, which were integrated to the current version of the program:

- A reduction of the provincial personal income tax rate on the first tax bracket from 9.68 per cent to 9.4 per cent;

- An increase of the Low-Income Tax Reduction (LITR) threshold from \$17,630 to \$17,840 for the 2021 taxation year.

### NL428, Newfoundland and Labrador Tax (T1C/428)

Following the tabling of its March 31, 2021 Budget, the Government of Newfoundland and Labrador changed the personal income tax brackets and rates used to calculate the Newfoundland and Labrador income tax.

Note that most non-refundable provincial tax credits as well as the Newfoundland and Labrador income tax reduction for low-income families have also changed.

### PE428, Prince Edward Island Tax and Credits (T1C/428)

Following its March 12, 2021 Budget, the Government of Prince Edward Island increased the basic personal amount from \$10,000 to \$10,500. The low-income threshold used to calculate the Prince Edward Island low-income tax reduction has also been increased.

In addition, the Prince Edward Island rate of the tax credit for dividends other than eligible dividends has been decreased from 2.74% to 1.96% on January 1, 2021.

Finally, a non-refundable tax credit for children's wellness has been added.

## Forms removed

### Provincial

#### Ontario apprenticeship training tax credit (APPRENTICE)

The Ontario apprentice training tax credit has been eliminated.

## Corrected Calculations

The following problem has been corrected in version 100:

- [Line 23500 - Bankruptcy - Canada Recovery Benefit repayment \(CRB\)](#)

## Carry Forward

**Note:** The carry forward of TurboTax files is no longer supported as of the 2021 version of *Cantax T1*.

This version can be used to carry forward 2020 T1 files from *Cantax T1* and ProFile to *Cantax*.

To carry forward your client files, proceed as follows:

1. Open the 2021 *Cantax* program.
2. Select **File/Carry Forward** from the menu.
3. The **Carry Forward Return** dialog box will be displayed.
4. Use the drop-down list at the bottom of the **File of Type:** dialog box to select the type of return you will be carrying forward.
5. *Cantax* users will select file type *Cantax T1 (\*.P20)*. ProFile users will select file type *ProFile (\*.20T)*. Use the **Look In** drop-down list at the top of the dialog box to select the folder location where your 2020 files are stored.

6. This will bring up a selection of your client files. You can select the client either by entering the file name or double-clicking the appropriate file.
7. Once the file is selected, click **Open** to begin the carry forward.

## Cantax e-Bulletin

For your convenience, you are automatically subscribed to the **Cantax e-Bulletin**, a free e-mail service that ensures you receive up-to-date information about the latest version of *Cantax T1*.

If you want to review your subscription to **Cantax e-Bulletin**, visit

<https://support.woltersklower.ca/en/newsletter/?inc=manage>

You can also send an e-mail to [cservice@woltersklower.com](mailto:cservice@woltersklower.com) to indicate the products for which you wish to receive general information or information on our software (*Cantax T1*, *Cantax T2*, *Cantax FormMaster* or *CCH Accountants' Suite*).

## Help

### E-mail

Customer Service:

[cservice@woltersklower.com](mailto:cservice@woltersklower.com)

Tax and Technical support:

[csupport@woltersklower.com](mailto:csupport@woltersklower.com)

### Telephone

1-800-268-4522

### Web Site

<https://support.woltersklower.ca/en/support/>