

Release Notes

Cantax T2

Versions 25.1.3xx.100

May 2025

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Overview – Version 25.1.3xx.100

Here is a summary of the main topics addressed in this document.

Schedule 76, Clean Technology Manufacturing Investment Tax Credit (S76)

Schedule 76, used to calculate the clean technology manufacturing investment tax credit for corporations that have acquired clean technology manufacturing property after December 31, 2023, has been added to the program. For more information, consult the [note on this topic](#).

Automobile limits for the 2025 year

The automobile deduction limits and automobile benefit rates applicable in 2025 have been added to this version.

Update of the T106 Slip (T106#01) and the T106 Summary (T106SUM)

The new versions of the T106 slip and summary have been integrated into this version. They apply only to taxation years beginning after 2024. For more information, consult the [note on this topic](#).

Version Coverage

This release of *Cantax T2* and *T2Plus* can be used to prepare corporation income tax returns for tax years that began on or after **January 1, 2023**, and will end on or before **October 31, 2025**.

Users will be able to prepare up to three returns with *Cantax T2* and an unlimited number of returns with *Cantax T2 Plus*. Throughout these *Release Notes*, the programs will be referred to as “*Cantax T2*” including versions with Corporation Internet Filing, unless the description pertains to only one of the software packages, in which case it will be referred to specifically.

If you have not purchased *Cantax T2*, you may install it as a demo version. Note that you will not be able to save or print tax returns with this 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 “[Getting Help](#)” section).

What’s New in Version 25.1.3xx.100?

Cantax T2 25.1.3xx.100 includes some tax changes. Here is a description of the changes made.

New & Revised Forms

*Note that these forms were updated in accordance with the latest version issued by the applicable tax authorities.

Federal

Schedule 200, T2 Corporate Income Tax Return (T2)*

Line 336, **Restricted interest and financing expenses from Schedule 4**, has been added to Part **Taxable income**. The amount calculated on this line is equal to

the amount on line 730 in Part 8, **Restricted interest and financing expenses (RIFE)**, of Schedule 4 (**S4**).

In addition, line 726, **Part XII.7 tax payable from Schedule 78**, has been added to Part **Summary of tax and credits**. Line 726 is an input field.

For the calculation of the small business deduction, the part **Taxable capital business limit reduction for tax years starting before April 7, 2022** as well as amounts E1 and E3 have been removed. Amount E2 becomes amount E.

When opening a file prepared with a prior version of Cantax T2, the value entered in amount E1 is not retained. The overridden value entered in amount E3 is retained in amount E.

Corporate Profile (T2-ID)

Effective May 12, 2025, the Canada Revenue Agency will transition to online mail as the default delivery method for most business correspondence. This means you will receive most of your business notices and other correspondence through the CRA's secure online portal, *My Business Account*.

Therefore, as the CRA removed lines 088 and 089 from the electronically transmissible lines, Part **Registration for E-Mail Notifications for the CRA's My Business Account** has been removed from the form.

Schedule 1, Net Income (Loss) for Income Tax Purposes (S1)*

Lines 251 to 254 have been added to take into account the new excessive interest and financing expenses limitation rules under subsections 18.2(2) and 18(4) and paragraphs 12(1)(L.1) and 12(1)(L.2) ITA. These lines have also been added to Form Schedule 1 – AFR, Net Income (Loss) for Income Tax Purposes, accessible from Form Auto-fill T2 Return (**AFR**).

Schedule 4, Corporation Loss Continuity and Application (S4)*

Part 8, **Restricted interest and financing expenses (RIFE)** has been added to the schedule. Consequently, line 1B, **Restricted interest and financing expenses (RIFE) deducted in the year**, has been added to Part 1, **Non-capital losses**.

When carrying forward a file in which an amount has been entered on line 780, that amount will be carried over to line 700.

Schedule 6, Summary of Dispositions of Capital Property (S6)*

Schedule 8C, Capital Cost Allowance – Class 10.1 Autos (S8C)

The limit for capital cost allowance (CCA) increases to \$38,000 (before taxes) for Class 10.1 passenger vehicles acquired in the taxation year after December 31, 2024. The same modification applies to form Alberta C.C.A – Class 10.1 autos (**AT1-S13C**).

Schedule 12, Resource-Related Deductions (S12)*

Lines AA to EE have been added to Part 5 to calculate the accelerated Canadian development expenses (ACDE) deduction and lines FF to JJ have been added to Part 6 to calculate the accelerated Canadian oil and gas property expenses (ACOGPE) deduction when the taxation year ends after December 31, 2024. As such, the custom lines **ACDE incurred before 2024 to calculate the average rate for a taxation year straddling January 1, 2024** in Part 5 and **ACOGPE incurred before 2024 to calculate the average rate for a taxation year straddling January 1, 2024** in Part 6 have been removed. The fields used to display the rate applicable to the calculation of the lines **Current-year claim – ACDE** and **Current-year claim – ACOGPE** have been removed and replaced respectively by lines CC and DD in Part 5 and lines HH and II in Part 6.

When opening a file prepared with a prior version of Cantax T2, the amount entered on the custom line **ACDE incurred before 2024 to calculate the average rate for a taxation year straddling January 1, 2024** is retained on the line **Portion from line 346 incurred before 2024** (amount AA) when the taxation year begins before and includes January 1, 2024. The same principle applies when an amount is entered on the custom line **ACOGPE incurred before 2024 to calculate the average rate for a taxation year straddling January 1, 2024**; that amount is retained on the line **Portion from line 446 incurred before 2024** (amount FF). In addition, if the value in the rate field used to calculate the line **Current-year claim – ACDE** is entered by override, the amount of this deduction is retained as a substituted value on line EE. Similarly, if the value in the rate field used to calculate the line **Current-year claim – ACOGPE** is entered by override, the amount of this deduction is retained as a substituted value on line JJ.

Schedule 21, Federal and Provincial or Territorial Foreign Income Tax Credits and Federal Logging Tax Credit (S21)*

Amounts 7F and 7G have been added to indicate, respectively, the additional tax on personal services business income (line 560 from the section **Part I tax** of Schedule 200 (**T2**)) and the additional tax on banks and life insurers (line 565 from the section **Part I tax** of Schedule 200) to be added to the calculation of Part I tax otherwise payable (foreign non-business income tax credit) on line 610.

Similarly, amounts 8F and 8G have been added to indicate, respectively, the additional tax on personal services business income and the additional tax on banks and life insurers to be added to the calculation of Part I tax otherwise payable (foreign business income tax credit) on line 620.

Schedule 31, Investment Tax Credit – Corporations (S31)

Following the addition of Schedule 76 (**S76**), the custom table **Eligible investments for clean technology manufacturing property from the current tax year** of Part 24 has been removed and line 170 of Part 24 is now calculated from line 155 of Part 1 in Schedule 76. In addition, line 25E is now calculated from line 245 of Part 2 in Schedule 76.

Schedule 31-S, ITC carry forwards, reduction of tax payable and UCC (S31-S)

Eligible investments for clean technology manufacturing

When eligible investments for clean technology manufacturing are entered in Part 1 of Schedule 76 (**S76**), the class in column 100 is created in Schedule 31-S. The amounts in the fields **Current Year's ITC** and **ITC Refunded** of Schedule 31-S will be equal to the amount entered on line 145 of Part 1 in Schedule 76. If the same class is listed more than once in Part 1 of Schedule 76, only one class will be created in Schedule 31-S, with all totals on line 145 of Part 1 in Schedule 76 for this class. When you carry forward the file, the amount in the field **ITC to be carried forward** will be carried over to the field **ITC claimed in immediately prior taxation year** of Schedule 31-S.

Schedule 56, Part II.2 Tax on Repurchases of Equity (S56)*

Schedule 63, Return of Fuel Charge Proceeds to Farmers Tax Credit (S63)*

The 2024 payment rate for designated provinces is 0.229%. In addition, lines for the 2024 year have been added to Part 10.

Schedule 75, Clean Technology Investment Tax Credit (S75)

Line 400 is no longer calculated by the program, since the program is not able to answer this question with certainty. A diagnostic has been added for you to answer this question. When opening a file prepared with a prior version of *Cantax T2*, the answer on line 400 will be retained.

Schedule 76, Clean Technology Manufacturing Investment Tax Credit (S76)

Schedule 76 is used to calculate the clean technology manufacturing (CTM) investment tax credit (ITC). This refundable tax credit is available to a taxable Canadian corporation or a taxable Canadian corporation that is a member of a partnership that has acquired CTM property after December 31, 2023, and that becomes available for use before January 1, 2035.

In Part 1, **CTM ITC calculation**, you must manually enter all the information in columns 100 to 125 and on line 150 to calculate the clean technology manufacturing ITC for each asset.

The clean technology manufacturing ITC rate is 30% of the capital cost of eligible CTM property that is acquired and becomes available for use after December 31, 2023, and before January 1, 2032.

Note that you cannot claim the clean technology manufacturing ITC if you are claiming the clean economy ITC on line 140, 155 or 200 in Part 24 of Schedule 31 (**S31**) for the same property.

In Part 2, **Recapture of CTM ITC**, you must enter the amount(s) of clean technology manufacturing ITCs you have already received and are required to recapture in a taxation year for CTM property you have acquired in the year or in any of the previous 10 calendar years when:

- the CTM property is converted to a non-CTM use;
- the CTM property has been exported from Canada; or
- the CTM property has been disposed of.

In addition, this schedule applies when the corporation is resident in Canada and at least one of the following conditions is met:

- a value is calculated on line 155 of Part 1; or
- a value is calculated on line 245 of Part 2.

For more details on the clean technology manufacturing ITC, please consult the help and section 127.49 ITA.

T106 Summary, Information Return of Non-Arm's Length Transactions with Non-Residents (T106SUM)*; and T106 Slip (T106#01)*

A new version of Form T106, which is only displayed when the taxation year covered by the return begins after 2024, has been integrated to the program. For taxation years that begin before 2025, the previous version of the form should be used.

In the 2025 version of Form T106 Summary, question 9 has been modified, question 10 has been added, former question 10 has become question 11 and fields have been added to indicate primary account numbers. The fields for primary account numbers will be validated upon entry. When opening a client file prepared with a prior version of *Cantax T2*, when the taxation year begins after December 31, 2024, if an account number containing the characters RP in the tenth and eleventh position of the number had been entered, the number will be retained. Any other number will not be retained.

As for the T106 slip, questions 4 and 5 have been added. Question 4 has become question 6; however, the relationship type options have been modified. Option 1, **Non-resident is controlled by the reporting person/partnership** has been replaced by option 1, **Non-resident is a controlled foreign affiliate (CFA) of the reporting person/partnership** and option 2, **Non-resident is a foreign affiliate of the reporting person/partnership other than a CFA**. Options 2 and 3 are now options 3 and 4. When opening a client file prepared with a prior version of *Cantax T2*, when the taxation year begins after December 31, 2024, if option 1 had been selected, the choice will not be retained. In addition, the question **If "1", is the non-resident in a country with which Canada does not have a tax treaty** has been removed from the latest version of the slip.

Amounts to be entered in Part III must be positive. When opening a client file prepared with a prior version of *Cantax T2*, negative amounts that had been previously entered will not be retained.

The drop-down list used to indicate the transfer pricing method (TPM) has been modified. Code 07, previously **Other**, is now **Advanced Pricing Arrangement**, and code 08 is **Other**. When opening a client file prepared with a prior version of *Cantax T2*, when the taxation year begins after December 31, 2024, if code 07 had been previously selected from the list, it will be replaced by code 08.

Finally, if you select box **If this is an amended return, tick this box** in Form T106 Summary, a new line will be displayed to indicate the nature of the change to the T106 summary and/or T106 slip. If you select **Amended**, **Cancelled** or **Additional**, this option will be printed at the top of the summary and/or the slip.

T2183, Information Return for Electronic Filing of Special Elections (T2183#01)*

The field **HH:MM:SS** has been added to Part 5, **Certification and authorization**.

Income Analysis – Rental Income / Expenses Analysis (S7-R)

For expenses incurred after 2023, section 67.7 of the ITA prevents the deduction of non-compliant expenses incurred in relation to a short-term residential rental. To account for non-compliant amounts, the following three lines have been added:

In Part **Income**:

- Line **Gross rent from short-term rentals**
This line is used to show amounts earned in respect of all short-term rentals relating to the property.

In Part **Expenses**:

- Line **Non-compliant amount of expenses related to short-term rentals**
When an amount is entered on this line, it reduces the deductible expenses related to the rental property. The amount entered on this line should also be entered on one of the lines 295 of Schedule 1 (**S1**), as specified in the 2024 T2 Guide.
- Line **Non-compliant amount of CCA related to short-term rentals**
The amount entered on this line represents the total of the amounts entered on line **Non-compliant CCA amount (short-term rentals)** in the CCA class columns under Part **Capital Cost Allowance for rental properties** of the form.

Non-Deductible Automobile Lease Payments (S1B)

The limit relating to the acquisition cost of an automobile is increasing to \$38,000, and the monthly

limit for deductible leasing costs is increasing to \$1,100 in respect of leasing contracts beginning after December 31, 2024.

AgriStability and AgriInvest Programs

AgriStability and AgriInvest – Programs (AGRI/HAGRI) – Alberta*

AgriStability and AgriInvest Programs (AGRI/HAGRI) – Prince Edward Island*

British Columbia

Schedule 428, British Columbia Training Tax Credit (S428)*

Schedule 430, British Columbia Shipbuilding and Ship Repair Industry Tax Credit (S430)*

Alberta

AT1, Alberta Corporate Income Tax Return (AT1)*

AT1 Schedule 12, Alberta Income/Loss Reconciliation (AT1-S12)

The custom line **Restricted interest and financing expenses** has been added to **Area B – Taxable income for Alberta**. If an amount of restricted interest and financing expenses is entered on this line and the schedule is applicable, the program will display a diagnostic asking you to inform the Alberta Tax and Revenue Administration of this amount of restricted interest and financing expenses in writing when submitting the return so it can make the necessary adjustments manually.

AT1 Schedule 21, Alberta Calculation of Current Year Loss and Continuity of Losses (AT1-S21)

As a result of the addition of line 336 to the **Taxable income** section of Schedule 200 (T2), the existing line A has been replaced with line **Restricted interest and financing expenses (RIFE) deducted in the year (enter as a positive amount)** in the **CALCULATION OF CURRENT YEAR NON-CAPITAL LOSS** section. As a result, the former line A has been renamed line B.

AT1 Schedule 29, Alberta Innovation Employment Grant (AT1-S29)*

Saskatchewan

Schedule 411, Saskatchewan Corporation Tax Calculation (S411)*

The line 3B used for the calculation of the Saskatchewan tax at the lower rate for tax years ending after June 30, 2025, has been removed from Part 3 since the lower rate of tax of 1% is extended indefinitely.

Manitoba

MCT1, Corporation Capital Tax Return (MCT1)

In accordance with the Manitoba budget tabled on March 20, 2025, for fiscal years beginning after March 31, 2025, the corporate capital tax paid by Crown corporations is eliminated. The form is no longer applicable when the fiscal year start date is after March 31, 2025, and you answered **Yes** to the question **Is the corporation a crown corporation?**

Nova Scotia

Schedule 341, Nova Scotia Corporate Tax Reduction for New Small Businesses (S341)

Following Nova Scotia's Bill 68, tabled on April 5, 2025, a line has been added to take into account the lower tax rate, which was decreased from 2.5% to 1.5% on April 1, 2025.

Schedule 346, Nova Scotia Corporation Tax Calculation (S346)*

In accordance with Bill 68 tabled on March 5, 2025, the business limit is increasing from \$500,000 to \$700,000 effective April 1, 2025. As a result, an additional section has been added to Part 1 of the form and the existing Part 2 has been replaced with a new section.

The former Part 2 is now Part 3. Lines have been added to take into account the reduction in the lower tax rate from 2.5% to 1.5% effective April 1, 2025.

Prince Edward Island

Schedule 322, Prince Edward Island Corporation Tax Calculation (S322)

Following the announcement of the 2024–2025 budget tabled on April 10, 2025, the business limit is increasing from \$500,000 to \$600,000 effective July 1, 2025. As a result, an additional section has been added to Part 1 of the form and the existing Part 2 has been replaced with a new section.

The former Part 2 is now Part 3. Lines have been added to take into account the reduction in the higher tax rate from 16% to 15% effective July 1, 2025.

Yukon

Schedule 444, Yukon Business Carbon Price Rebate (S444)*

The calculation of the prescribed inclusion rate on lines 105 of Part 1 and 205 of Part 4 has been updated to take into account the amended rates for assets included in CCA classes 43.1, 43.2, 54, 55 and 56 when the taxation year ends after March 31, 2025.

On March 14, 2025, the federal government cancelled the federal consumer carbon pricing program, effective April 1, 2025. As a result, the Yukon's revenue-neutral carbon rebate program is ending. Yukon businesses will receive their final payments with their latest tax return for tax years ending March 31, 2025, or earlier. Therefore, the calculation on lines 175 of Part 3 and 500 of Part 6 has been updated to take into account this announcement.

New & Revised Guides

Federal

- T2 Corporation - Income Tax Guide 2024
- T7B Corp. - Corporation Instalment Guide 2025

Corrected Calculations – Version 25.1.3xx.100

The following problem has been corrected in this release:

- [Schedule 63 – The current version of Schedule 63 does not take into account the 2024 payment rate](#)
- [Schedules S8C and S1B – Automobile expense deduction limits for acquisitions and leases entered into after 2024 are incorrect](#)

- [Schedules S8OTHER, S8C, S8L, S7-R, AT1-S13, AT1-S13C, AT1-S13L and AT1-S13R – Incorrect calculation of the amount on line 217 when acquiring DIEP in a short taxation year](#)

Filing Requirements

Requirements for Filing Corporate Returns

Please refer to the **Filing Requirements** help topic of the program for an explanation on the requirements of the various tax authorities for filing corporate returns.

A chart is also available under the **Printing – Requirements for Filing Corporate Returns** help topic, which further explains the requirements of the various tax authorities.

Getting Help

Since July 22, 2024, Wolters Kluwer Canada provides customer support for *Cantax* exclusively through web tickets and chats on the Support Platform. This transition is part of Wolters Kluwer Canada's ongoing investment in digital strategy and customer experience. The Support Platform is designed to ensure customers can quickly access helpful information whenever needed.

All customers must be registered on the Support Platform in order to submit, modify, and track their support cases. You can register with the Support Platform by consulting [Register with our Support Platform](#).

For more details about the web ticketing system and best practices, watch the following "How to" videos:

- [How to Register With the Support Platform to Begin](#)
- [How to Open a Support Case](#)
- [How to Manage Your Support Cases](#)
- [How to Reset Your Support Platform Password](#)

Useful support links:

[Knowledge Base](#)

More than 40,000 articles that answer the technical and tax questions most commonly asked to Support Centre agents.

[Cantax Support Documents and Help Topics](#)

Select your program and the desired version to access the various documents related to that version. You can also consult the help topics from within the program, under the **Help** menu.

[Support platform to request online support](#)

Submit questions and requests through support tickets.

[Support website](#)

The support site brings together news, release documents, the Knowledge Base, the Download Centre, the calendar of product release dates, and more.

[Contact the team that can meet your needs](#)

Contact the team that can best meet your needs directly.

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 T2*. If you want to review your subscription to **Cantax e-Bulletin**, visit <https://support.wolterskluwer.ca/en/newsletter>

You can also register to our Support Platform at <https://support.cch.com/oss/canada> and [submit a support ticket](#) 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*).

Training

To consult the different training options available regarding *Cantax T2* (seminars, webinars, tutorials and more), access the [Training](#) section of the *Cantax Web* site. You can also access it from the program, by selecting **Help, Cantax on the Web** and **Get Cantax Training**.