

TROUBLESHOOTING



Versions 10.2.3xx.126

April 2011

New in this issue – Week of April 10, 2011

Manitoba – MCT 1, Corporation Capital Tax Return (MCT1) – Capital tax exemption for small banks and trust and loan corporations

Problem:

In its April 12, 2011 Budget, the Manitoba government has announced an enhancement relating to the banks and trust and loan corporations capital tax. Banks and trust and loan corporations with taxable paid-up capital under \$4 billion are exempt from capital tax. This measure applies to banks and trust and loan corporations with a taxation year ending after April 12, 2011.

Solution:

If the taxable paid-up capital of the bank or trust or loan corporation is under \$4 billion and its taxation year is ending after April 12, 2011, you will have to override line 3 with 0 in section C of the MCT 1 return.

SECTION C - FOR BANKS AND TRUST AND LOAN CORPORATIONS	
TAXABLE CAPITAL	TOTAL CAPITAL TAX
\$ <input type="text" value="0"/> x 3%	\$ <input type="text" value="0"/>
BOX "A" ABOVE	ENTER IN BOX "B" BELOW

Please note that the Manitoba government has specified that you still have to file a final MCT1 return and should cease making instalments when you are in this situation. To file a MCT 1 return after making the necessary adjustments, you will have to override to Yes the question *Do you want to file the MCT1 even if there is no capital tax payable?* located at the top of the MCT 1 return.

If "No" and the corporation has no capital tax payable, then the MCT1 is not applicable. Do you want to file the MCT1 even if there is no capital tax payable?	<input type="text" value="Yes"/>
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This new measure will be integrated into *Cantax* T2 11.1.3xx.100.