

TROUBLESHOOTING

Cantax FormMaster 2011 v.4.0

September 2012

The following problems have been detected in *Cantax FormMaster 2011 v.4.0*.

Ontario's taxation rates and brackets

Problem:

On June 20, 2012, the Legislative Assembly of Ontario adopted Bill 114 (S.O. 2012, c. 9) which modifies the *Taxation Act, 2007* (S.O. 2007, c. 11, Sched. A) in order to add an income bracket and increase the highest taxation rate.

Personal income tax rate

Subsection 6 (1) is re-enacted to provide for a new tax rate that applies to an individual's taxable income that exceeds \$500,000. The new tax rate is 12.16 percent for taxation years ending in 2012 and 13.16 percent for taxation years ending after 2012.

Solution:

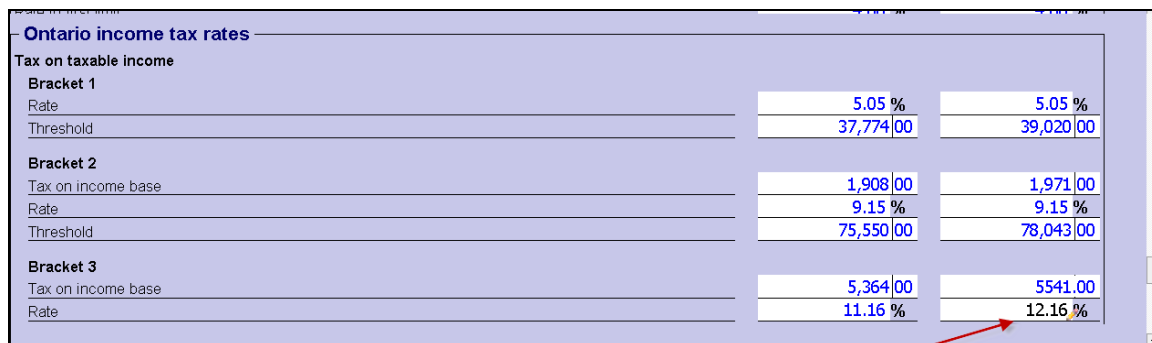
If the trust's taxable income for 2012 exceeds \$500,000 (line 56 of the return) go to the "T3 Trust Return and Schedules, Ontario income tax rates" section of the *Table of Rates and Values Used in the Forms* (Jump Code: RTS). On the 2012 column make the following changes:

For inter vivos trusts in subsection "Bracket 3," override 11.16 on the *Rate* line to 12.16 (see capture below).

For testamentary trusts do the following calculation and override the amount calculated on line 13 of Form T3ON.

$\$52,632 + ((\text{Trust's taxable income} - \$500,000) \times 12.16\%)$.

Note: The donations tax credit rate applicable to donations in excess of \$200 remains 11.16%.



Ontario income tax rates			
Tax on taxable income			
Bracket 1			
Rate	5.05 %	5.05 %	
Threshold	37,774.00	39,020.00	
Bracket 2			
Tax on income base	1,908.00	1,971.00	
Rate	9.15 %	9.15 %	
Threshold	75,550.00	78,043.00	
Bracket 3			
Tax on income base	5,364.00	5,541.00	
Rate	11.16 %	12.16 %	

This tax change will be implemented in *Cantax FormMaster 2012 v 1.0*.

Problem copying a Web Access Code from Cantax FormMaster to the CRA Web page

Problem:

Cantax FormMaster 2011 allows users to save the Web Access Code (WAC) (under **Options and Settings/Electronic Services/Identification**) in the program's settings. Once saved, the WAC displays in the **Transmit Slips** window, so that users can easily copy it to the CRA Web site when logging in. (**Note:** This option is useful only if using the same WAC for multiple transmissions.)

A problem was detected in the case where the WAC contains lowercase letters: *Cantax FormMaster* changes those to uppercase letters. Therefore, if a WAC with lowercase letters is copied as is on the login page, it will be rejected by the CRA.

Solution:

When copying your WAC from the left panel of the **Transmit Slips** window to the CRA login Web page, make sure to manually replace the uppercase letters with lowercase letters before logging in.

This problem will be corrected in *Cantax FormMaster* 2012 v.1.0.