

TROUBLESHOOTING

Cantax FormMaster 2013 v.4.0

November 2014

The following problem has been detected in *Cantax FormMaster* 2013 v.4.0.

New Item - Week of November 2, 2014

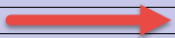
British Columbia dividend tax credit rate applicable to dividends other than eligible dividends for the 2014 taxation year

Problem:

For the 2014 taxation year, *Cantax FormMaster* 2013 is using a rate of 20.06% to calculate the British Columbia dividend tax credit for dividends other than eligible dividends. The provincial government has, however, decided to keep the 17% rate.

Solution:

For each client file, access the *Table of Rates and Values used in the Forms* (Jump Code: RTS). On the line *Tax credit rate for dividends other than eligible dividends* of the "British Columbia Income Tax Rates" section, enter "17.00" in the left column (2014) using an override.

Tax credit rate for eligible dividends		36.32 %	36.32 %
Tax credit rate for dividends other than eligible dividends		17.00 %	17.00 %

This problem will be corrected in *Cantax FormMaster* 2014 v.1.0.

T3ON, Ontario Tax (Jump Code: T3ON) - Incorrect display of the tax on base amount for the 2014 taxation year

(Published in September 2014)

Problem:

When a testamentary trust or a grandfathered inter vivos trust has taxable income of more than \$150,000, the display of the tax on base amount is incorrect.

Solution:

In the "Ontario income tax rates" section of Form RATE, *Table of Rates and Values Used in the Forms* (Jump Code: RTS), enter 13,482.00 on the line *Tax on income base* in the 2014 column for Bracket 4 and 21,994.00 on the line *Tax on income base* in the 2014 column for Bracket 5, using overrides.

Ontario income tax rates			
Tax on taxable income			
Bracket 1			
Rate		5.05 %	5.05 %
Threshold		40,120.00	39,723.00
Bracket 2			
Tax on income base		2,026.00	2,006.00
Rate		9.15 %	9.15 %
Threshold		80,242.00	79,448.00
Bracket 3			
Tax on income base		5,697.00	5,641.00
Rate		11.16 %	11.16 %
Threshold		150,000.00	509,000.00
Bracket 4			
Tax on income base		13,482.00	53,579.00
Rate		12.16 %	13.16 %
Threshold		220,000.00	
Bracket 5			
Tax on income base		21,994.00	
Rate		13.16 %	

Note that modifications made to the RATE Form only affect the current client file.

T3ON - Ontario Tax

Step 1 – Ontario tax on taxable income						
Testamentary trusts or grandfathered inter vivos trusts						
Use the amount on line 1 to determine which one of the following columns you have to complete.						
If the amount from line 1 is:	\$39,723 or less	more than \$39,723, but not more than \$79,448	more than \$79,448, but not more than \$150,000	more than \$150,000, but not more than \$220,000	more than \$220,000	
Enter the amount from line 1	2	0.00	0.00	89,950.00	0.00	0.00
Base amount	3	0.00	40,120.00	80,242.00	150,000.00	220,000.00
Line 2 minus line 3	4	0.00	0.00	9,708.00	0.00	0.00
Rate	5	x 5.05 %	x 9.15 %	x 11.16 %	x 12.16 %	x 13.16 %
Line 4 multiplied by line 5	6	= 0.00	= 0.00	= 1,083.41	= 0.00	= 0.00
Tax on base amount	7	+ 0.00	+ 2,026.00	+ 5,697.00	+ 13,482.00	+ 21,994.00
Ontario tax on taxable income (line 6 plus line 7)	8	= 0.00	= 0.00	= 6,780.41	= 0.00	= 0.00

This problem will be corrected in *Cantax FormMaster 2014 v.1.0*.