

Troubleshooting

2014 Versions

April 2015

Publication	Problem	Affected Version	Corrected Version
Week of April 26, 2015	2015 Ontario Budget - New measures with respect to several Ontario credits	Version 14.2.3xx.126	Version 15.1.3xx.100
Week of April 5, 2015	Schedule 403 - Saskatchewan Research and Development Tax Credit (S403) - Modification announced in the March 18, 2015 Budget	Version 14.2.3xx.126	Version 15.1.3xx.100

Ontario

2015 Ontario Budget - New measures with respect to several Ontario credits

Problem:

The Ontario Budget tabled on April 23, 2015, has announced the introduction of three measures with respect to several Ontario tax credits. The following forms are affected by these new measures:

- Schedule 504, *Ontario Resource Tax Credit and Ontario Additional Tax re Crown Royalties (S504)*;
- Schedule 552, *Ontario Apprenticeship Training Tax Credit (S552#01)*;
- Schedule 562, *Ontario Sound Recording Tax Credit (S562#01)*.

Solution:

These new measures are effective starting April 24, 2015, and the changes required to take them into account will be made in Cantax T2 15.1.3xx.100, which is scheduled to be released in May. Therefore, we suggest that you wait for the release of this new version before using these forms in the tax returns that you are preparing.

Saskatchewan

Schedule 403 -Saskatchewan Research and Development Tax Credit (S403) - Modification announced in the March 18, 2015 Budget

Problem:

In the March 18, 2015 Budget, the government of Saskatchewan announced a modification with regards to Schedule 403. As a result, the tax credit rate has been reduced from 15% to 10% for all expenditures incurred after March 31, 2015. In addition, for all expenditures incurred after that date, the credit is now a non-refundable tax credit that can be claimed by CCPCs and corporations other than CPCCs.

At present, Cantax T2 does not take this measure into account.

For more information on this change, we invite you to consult the 2015 Saskatchewan Budget at the following address: <http://www.finance.gov.sk.ca/budget2015-16/201516Budget.pdf>.

Solution:

A) Calculation of the tax credit for expenditures incurred before April 1, 2015

- For a CCPC

Complete Schedule 403 as usual, but only take into account expenditures incurred before April 1, 2015.

If the corporation's taxation year ends after March 31, 2015, use an override to enter the amount from line 410 of Schedule 31 and the number of days in the taxation year before April 1, 2015, on the next line in Section 1 of Schedule 403:

Amount from line 410 of schedule 31	<input type="text" value="0"/>	x	Number of days in the tax year after March 31, 2012	<input type="text" value="0"/>	=	<input type="text" value="0"/>
			Total number of days in the tax year	<input type="text" value="0"/>		

These overrides will allow Cantax T2 to prorate the expenditures limit based on the number of days before April 1, 2015, for expenditures incurred before that date.

For a corporation other than a CCPC, complete Schedule 403 as usual, but only take into account expenditures incurred before April 1, 2015.

B) Calculation of the tax credit for expenditures incurred after March 31, 2015

- For all corporations (CPCCs and corporations other than CPCCs)

Calculate the non-refundable tax credit for expenditures incurred after March 31, 2015, by adding to the amount on line 130 of Section 3, if applicable, the result obtained by multiplying the amount of expenditures incurred after March 31, 2015, by the 10% rate. Then, enter this result on line 130.

Credit allocated to the corporation that is a member of a partnership	130	<input type="text" value="0"/>	h
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This measure will be integrated into Cantax T2 15.1.3xx.100