# Personal Taxprep®

## Frequently Asked Questions

## 2015 Versions

## Client filter and customized diagnostic templates now offered with the Frequently Asked Questions

To assist you in identifying clients that could be affected by the described subjects, a downloadable client filter and customized diagnostic template is now associated with certain questions. These templates allow you to display a diagnostic in the returns that have tax situations that were the subject of an FAQ and provide access to a list of clients affected by the problems described.

**Installing the client filter and diagnostic template**

To find the predefined folder for customized client filters or diagnostics, proceed as follows:

1. Launch *Taxprep*.
2. On the **Tools** menu, click **Options and Settings**.
3. Under **Options**, click **File Locations**.
4. Verify the predefined location for the filters and diagnostics. After the installation, the default location is usually the following: **My Documents\CCH\T1 Taxprep 2015\Filter and Diagnostics**.
5. Copy the downloaded file to this location.
   The client filter will be available in the Client Manager, while the diagnostic will display in the relevant returns.

**Note:** The table below lists all of the client filter and diagnostic templates, which allows you to download them separately, depending on the troubleshooting memos and FAQs that relate to you. To download all templates in a single operation, click the **Download all templates** button, then copy all zipped files into the folder **My Documents\CCH\T1 Taxprep 2015\Filter and Diagnostics**.

**Download all templates**

| Publication | Subject/Question | Affected Version | Identifier<br>(to download the client filter and diagnostic template, if applicable) |
|---|---|---|---|
| March 2016 | New benefit: Canada Child Benefit | Versions 2015 | FT12015-007 |
| March 2016 | Technical problems with the Canada Revenue Agency's Auto-fill my return service | Versions 2015 | FT12015-006 |
| March 2016 | Schedule I – Reduction of the additional contribution for the second child receiving subsidized childcare (Jump Code: QI) | Versions 2015 | FT12015-005 |
| March 2016 | Schedule I – Reduction of the additional contribution for the second child receiving subsidized childcare (Jump Code: QI) | Versions 2015 | FT12015-004 |
| March 2016 | TaxprepConnect download – Associating slips downloaded from the CRA and RQ | Versions 2015 and later | FT12015-002 |
| February 2016 | Schedule 1 Line 367 – Abolishment of the non-refundable tax credit for children under 18 years of age (Jump Code: 367) | Versions 2015 | FT12015-001 |
| November 2015 | RL-31 slip — Filing of the new RL-31 slip by the owners of rental apartment buildings | Versions 2014 and later | FT12014-011 |
| October 2015 | Modification to the Tax Data Delivery (TDD) and end of the System for the Electronic Notification of Debt (SEND) Web service | Versions 2015 1.0 and later | FT12014-010 |
| July 2015 | Watermark when printing Form T1013 | Versions 2014 2.0 and later | FT12014-009 |
| February 2015 | Help with EFILE error codes | Versions 2.0 and later | FT12014-003 |
| February 2015 | InfoConnect functionality | Versions 2014 | FT12014-002 |
| February 2012 | The CRA Represent a Client service | Version 2014 1.0 | FT12014-001 |

# Federal

Question FT12015-007

## New benefit: Canada Child Benefit

**Download the client filter and diagnostic template**

**QUESTION:**

How can I identify my clients who could be entitled to the new Canada Child Benefit (CCB)?

**ANSWER:**

In its 2016-2017 Budget, the federal government announced the creation of a new non-taxable benefit for children. The CCB replaces the Canada Child Tax Benefit (CCTB) as well as the Universal Child Care Benefit (UCCB), and it will be paid commencing in July 2016. The CCB base amount will be $6,400 per year for each child under the age of 6 and $5,400 per year for each child 6 to 17 years old. Furthermore, the amount of the benefit will be reduced progressively based on the family net income. Like the CCTB, the new benefit will be paid monthly, from July to June. The amount of the payments will be calculated in July each year, based on the family net income of the previous year. For more information on the calculation of the CCB, consult the Help.

Note that if you are using customized letter templates that have been created with a version prior to version 2015 4.0, the term “Canada child tax benefit” will still appear on the letter that you generate, but the amount presented will be that of the CCB.

The calculation of this new benefit has been integrated into version 2015 4.0 of *Personal Taxprep*. In addition, a client filter template has been created to allow you to identify the client files prepared with a prior version of the program for which this new benefit could apply. You can download this template by clicking the button to that effect above.

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Question FT12015-001

## Schedule 1 Line 367 – Abolishment of the non-refundable tax credit for children under 18 years of age - (Jump Code: 367)

**QUESTION**

In 2014, the credit for dependants under 18 years of age was claimed on line 367 of Schedule 1. Why is this credit no longer claimed in 2015?

**ANSWER**

For the 2015 taxation year, the credit for children under 18 years of age has been eliminated; the enhanced Universal Child Care Benefit, which started being paid in July 2015, offsets the loss of this credit.

**In 2014,** line 367 of Schedule 1 grouped the following two non-refundable tax credits:

- a non-refundable tax credit for each child under 18 years of age at the end of the year;
- the non-refundable family caregiver tax credit for children under 18 years of age.

For the **2015** taxation year, because the non-refundable tax credit for children under the age of 18 was abolished, line 367 is now only used to calculate the family caregiver credit for children under 18 years of age.

As a result, a taxpayer who had dependants under 18 years of age in 2014 (not eligible for the family caregiver credit) was entitled to a tax credit on line 367 of Schedule 1. If the taxpayer’s situation remains unchanged in 2015, this taxpayer will no longer be entitled to any tax credit for his/her dependants on line 367 of Schedule 1.

For more information on this change, consult the CRA Web site at the following address: http://www.cra-arc.gc.ca/gncy/bdgt/2014/qa12-eng.html.

Question FT12014-010

## Modification to the Tax Data Delivery (TDD) service and end of the System for the Electronic Notification of Debt (SEND) Web service

### QUESTION

Is it true that the *Tax Data Delivery* (TDD) service will change name and the *System for the Electronic Notification of Debt* (SEND) Web service will end at the end of February 2016?

### ANSWER

Yes, beginning with the 2015 tax-filing period, the *Tax Data Delivery* (TDD) service, used by **TaxprepConnect**, will be renamed *Auto-fill my return*. In addition, the list of information relating to income tax will be enhanced to include:

- data on the T3, T5, T4RSP, T4RIF, T5007, T5008 slips, data on RRSP receipts and information relating to instalments;
- the inclusion rate for year 2000 with respect to capital gains;
- information on the *Client Data Enquiry* (CDE) service.

The CDE service will replace the SEND service, which will be permanently interrupted on February 12, 2016. After that date, the SEND service will no longer be available in *Personal Taxprep*. As a result of the closing of the SEND service, preparers who will want to access the CDE service via the *Auto-fill my return* service or the "Represent a Client" Web page will have to be registered for the *Represent a Client* service and authorized to access their clients' data online. A representative may receive such authorization via Part 2A of Form T1013. Note that a taxpayer can also authorize online access to his or her preparer (if the latter is registered for *Represent a Client*) using *My Account*.

If, as a preparer, you are not already registered for the *Represent a Client* service, we invite you to consult the following Web page for more information:

http://www.cra-arc.gc.ca/esrvc-srvce/tx/rprsnttvs/bt-eng.html

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Question FT12014-009

## Watermark when printing Form T1013

### QUESTION

Why does a "Retain for your records. Do not forward to CRA." watermark display on my T1013 forms when I print them?

### ANSWER

Commencing this year, the Canada Revenue Agency (CRA) requires all software developers supporting the electronic transmission of Form T1013 to include a watermark on this form when it is printed after it is filed electronically. Therefore, this watermark will be affixed to and print on any Form T1013 with an electronic filing status of "Accepted" or "Accepted with conditions."

This change has been implemented in version 2.0 of *Personal Taxprep* 2014 and has been mentioned in the *Release Notes* that you can consult at the following address:

http://tc.cch.ca/cchservices/download/files/documents/TXP/RNTXPT1201420EN.pdf.

**Printing of accepted T1013 forms**

As required by the CRA, a watermark will now print on each page of the T1013 form when a hard copy or a PDF copy is printed after having been successfully transmitted and given the "Accepted" or "Accepted with conditions" value for the EFILE T1013 status.

In addition, at the beginning of April, the CRA published the Web page "Information for tax preparers about Form T1013, Authorizing or Cancelling a Representative," on which the same information concerning the watermark can be found.

> **Watermark on Form T1013 sent electronically**
>
> You will now see a watermark on Form T1013 when you print it after you have sent it electronically. The purpose of the watermark is to remind you that you should not send a paper copy of the form because the CRA has received it electronically. If you send the CRA a form with a watermark, it will not process it.

Question FT12014-003

## Help with EFILE error codes

**Download the client filter and diagnostic template**

### QUESTION

When EFILE error codes are issued, should I contact the *Taxprep* support team or the CRA EFILE Helpdesk?

### ANSWER

In some cases, the *Taxprep* support team will be able to help you correct rejected returns for which EFILE error codes have been issued. However, our support team will not be able to help you with errors relating to information or balances that are available only in CRA records.

Therefore, we recommend that you first contact the CRA EFILE Helpdesk when the following EFILE error codes are issued: 40, 43, 57, 72, 307, 2197, 2250, 2252, and 70127. You can also review your transmission results either in the **EFILE Transmission Results** dialog box under the **Transmission\EFILE** menu or on Form EFILE INFO, *EFILE Information* (Jump Code: **EFILE INFO**).

The CRA EFILE Helpdesk Support contact information and hours of operation are available here: http://www.efile.cra.gc.ca/l-tchsp-eng.html.

Note that you may be able to resolve some of these problems by reviewing your client information available through the *Represent a Client* and *Tax Data Delivery* services.

Question FT12014-001

## The CRA Represent a Client service

### QUESTION

What are the steps to start using the CRA *Represent a Client* service?

### ANSWER

An increasing number of firms use the CRA *Represent a Client* service as part of the T1 tax return preparation process. This secure service provides online access to tax information on behalf of individuals that you represent.

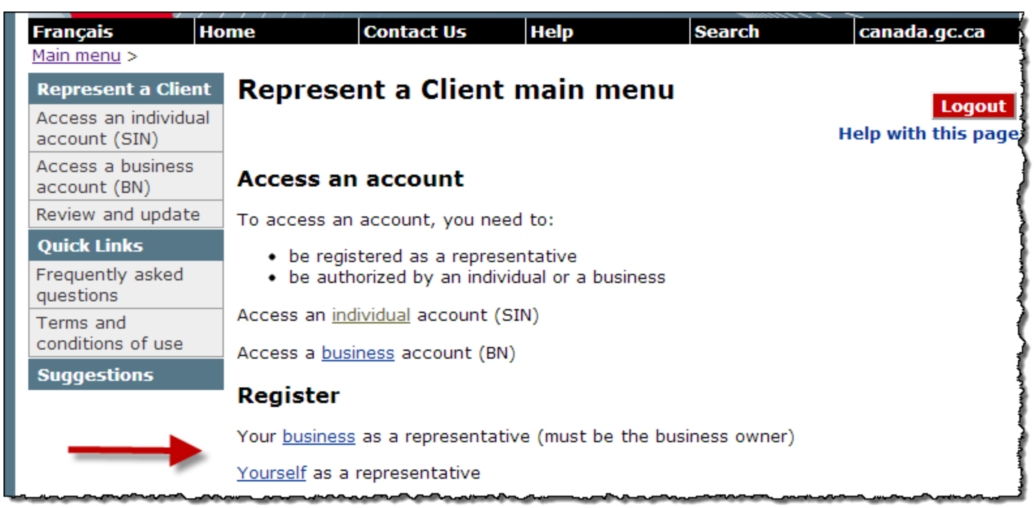

Detailed information is available, including the following:

| | |
|---|---|
| Tax information slips | T4, T4A, T4A(P), T4A(OAS), T4E |
| Returns | Detailed assessment for all available tax years |
| Carryover amounts | Capital gains and losses, capital gains deduction, losses other than capital losses, tuition fees, education and textbook amounts |
| Accounts and payments | Instalments, account balance and statement of accounts |
| Benefits and credits | GST/HST credit, disability tax credit, Canada Child Tax Benefit, Universal Child Care Benefit, Working Income Tax Benefit |
| RRSPs and savings plans | RRSP deduction limit, unused RRSP contributions, Home Buyers' Plan, Lifelong Learning Plan, tax-free savings account (TFSA) |
| Notice of assessment | Latest notice of changes and summary of assessment or re-assessment. |

The steps to start using this service are as follows:

1. On the CRA Web site, click **Register** to create your own CRA user ID and password for using the *Represent a Client* service.
   - To validate your identity, you will need to enter your access code from your notice of assessment as well as your postal code.
   - The next step is to create your security questions and answers.
   - You will be able to log on to the CRA *Represent a Client* service immediately after this process is complete.

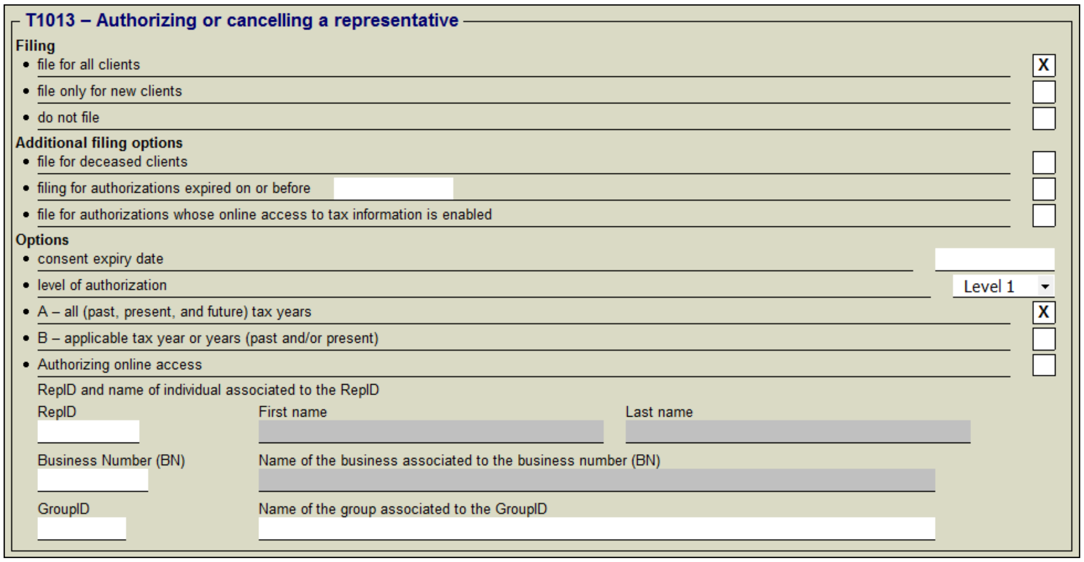
2. On the CRA Web site, log on to the *Represent a Client* service, using your CRA user ID and password, then register your firm (using your business number), or yourself, to receive a GroupID or a RepID.




**Note:** If you want any of your employees to also have online access to client information, those employees will also need to obtain a RepID from the CRA as explained in step 1.

3. Obtain authorization from your clients

- In *Personal Taxprep*, complete the **AUTHORIZATION FORMS** tab of the chosen preparer profiles by selecting the **Authorizing online access** check box and entering your Business Number, GroupID or RepID. Then, verify that Form T1013 is applicable for printing and eligible for electronic filing.




- To obtain online access to your clients' data before preparing their tax return, you can print and have them sign Form T1013 when they bring their source documents to your office. If you want to print Form T1013 for several clients at a time, you can create a print format used solely to print this form. You can then select, from the Client Manager, the files or clients for which you want to print Form T1013, and use the previously created print format.
- Use the **Transmission/T1013** command in *Personal Taxprep* to transmit Form T1013 once it has been signed. This can also be done for several clients at the same time using the Client Manager.

## Additional info

- The best practice for a firm to request authorization via Form T1013 is to do it based on the Business Number(or GroupID), instead of an individual RepID. This prevents having to get a new authorization should the employee using the RepID leave your firm. This also allows your firm to easily create groups of employees so you can better control who has access to your client information.
- The CRA recently announced that starting in February, the approval process for Form T1013 will be immediate when using this electronic transmission process.
- Furthermore, the CRA announced that after this tax season, it will be possible to submit post-assessment requested support documents (such as medical or donation receipts) via the *Represent a Client* service.

For more details on using this service, go to:

http://www.cra-arc.gc.ca/esrvc-srvce/tx/rprsnttvs/hwts-eng.html

# Québec

## Question FT12015-005

### Schedule I – Reduction of the additional contribution for the second child receiving subsidized childcare (Jump Code: QI)

**Download the client filter and diagnostic template**

### QUESTION

How can I advise the affected taxpayers about the repercussions of the reduction of the additional contribution for the second child on their income tax returns for 2015?

### ANSWER

As per *Revenu Québec* (RQ) requirements, Schedule I, the T1 return and the TP1 return must be filed as is, without modifying the calculation of the additional contribution.

To allow you to advise the affected taxpayers, several changes will be integrated in *Personal Taxprep* 2015 v.4.0. In particular, a *Taxprep* section will be added in Schedule I, on screen only.

**Schedule I:**

| | | | |
|---|---|---|---|
| Add lines 84 and 85 (**maximum $12.70**). | | | |
| **Additional contribution per day** | = | 86 | 2 20 |
| Number of days of childcare for which you must pay the additional contribution (line 56) | x | 87 | 362 |
| Multiply line 86 by line 87.<br>Carry the result to line 434 of your return. **Additional contribution** | = | 88 | 796 40 |
| Reduction of the additional contribution for the second child | – | | 198 00 |
| **Additional contribution recalculated taking the reduction into account** | = | | 598 40 |

**Impact of the reduction of the additional contribution on the return balance**

| | | |
|---|---|---|
| **Québec** | | |
| Refund or balance due | | 5,764 08 |
| Reduction of the additional contribution for the second child | – | 198 00 |
| Recalculated refund or balance due | = | 5,566 08 |
| **Federal** | | |
| Refund or balance due | | 3,001 27 |
| Estimated impact of the reduction of the additional contribution on the return balance | + | -40 84 |
| Estimated refund or balance due | = | 3,042 11 |

The data calculated in this section will also be found on the T1 and TP1 returns for the affected taxpayers. Note that, for the federal return, the amounts will be provided for estimation purposes only, and the actual impact will be confirmed by the Canada Revenue Agency (CRA) in the taxpayer's notice of assessment.

**TP1 return:**

To find out how to register for direct deposit, see the guide.

| | | | Refund | | | Balance due |
|---|---|---|---|---|---|---|
| Amount from line 470, if it is negative | | 474 | 0 00 | | | |
| Refund transferred to your spouse. See the guide before entering an amount. | – | 476 | 0 00 | | | |
| Subtract line 476 from line 474. **Refund** | = | 478 | 0 00 | | | |
| Accelerated refund (see the guide) Yes X No | | 480 | 0 00 | | | |
| Amount from line 470, if it is positive | | | | | 475 | 5,764 08 |
| Amount transferred by your spouse. See the guide before entering an amount. | | | | – | 477 | 0 00 |
| Subtract line 477 from line 475. You are not required to pay a balance of less than $2. **Balance due** | | | | = | 479 | 5,764 08 |
| Reduction of the additional contribution for the second child | | | | – | | 198 00 |
| **Recalculated refund or balance due** | | | | = | | 5,566 08 |
| **Amount paid**. Complete the remittance slip and make your cheque or money order payable to the **Minister of Revenue of Québec**. | | | | | 481 | 0 00 |

**T1 return:**

| | | |
|---|---|---|
| Line 435 minus line 482 | This is your **refund** or **balance owing**. | 3,001 27 |

If the result is negative, you have a **refund**. If the result is positive, you have a **balance owing**.
Enter the amount below on whichever line applies.

Generally, we do not charge or refund a difference of $2 or less.

| | | | |
|---|---|---|---|
| **Refund** | 484 | 0 00 | |
| **Balance owing** | 485 | 3,001 27 | |
| **Amount enclosed** | Yes / X No | 486 | 0 00 |

For more information on how to make your payment, see line 485 in the guide or go to **www.cra.gc.ca/payments**. Your payment is due no later than April 30, 2016.

| | | |
|---|---|---|
| Estimated impact of the reduction of the additional contribution on the return balance | + | -40 84 |
| **Estimated refund or balance due** | = | 3,042 11 |

Client Letters

In addition, paragraphs will be added to the letters to indicate to the taxpayers that they are entitled to the reduction of the additional contribution for the second child, as applicable. These paragraphs will provide the estimate of the new refund or balance due, both at the federal level and Québec.

> There is a balance due of $5,764.08 on your Québec tax return. To avoid interest charges, the payment must be made by April 30, 2016. Write your social insurance number and 2015 taxation year on the back of the cheque.
>
> In its March 17, 2016, budget speech, the Québec Finance minister announced that the additional contribution for the second child receiving subsidized childcare would be reduced by 50% retroactively to 2015.
>
> Your Québec income tax return includes an additional contribution payable for a second child receiving subsidized childcare, and this amount will be adjusted when your return is processed. The revised amount of your balance due is estimated at $5,566.08; however, the actual amount of the new assessment will be confirmed by *Revenu Québec*.
>
> The additional contribution entitles you to the Child Care Expenses Deduction in the federal income tax return. The adjustment to the contribution amount will therefore have an impact on the Child Care Expenses Deduction claimed. The revised amount of your balance due is estimated at $3,042.11; however, the actual amount of the new assessment will be confirmed by the CRA.

We have made available a client filters and customized diagnostic template to allow you to quickly identify the returns affected by these modifications.

Additional information

Because the reduction of the additional contribution results in the reduction if the Child Care Expenses Deduction, the net federal income could be increased. Note that the benefits calculated by all versions of *Personal Taxprep* 2015, such as the goods and services tax credit and the new Canada Child Benefit, are calculated without taking into account the impact of the reduction of the additional contribution on the net income. Therefore, the amount determined by the CRA could slightly differ from the amount estimated by *Personal Taxprep*.

RQ has informed us that tax returns that were filed before the budget speech (March 17) which have already been assessed (notice of assessment issued) will be reassessed the week of April 4, 2016. For tax returns filed after March 16 that were affected by this change, processing began March 24, which means that only one notice of assessment, which will include the correction, will be issued for these returns.

It is important to note that taxpayers who have chosen to pay their due balance by taking into account the reduction of the additional contribution might have to pay interest if the amount of their payment was insufficient.

As far as the CRA is concerned, they will made the necessary corrections to all 2015 tax returns; RQ will communicate to the CRA all required information.

## Question FT12015-004

## Schedule I - Reduction of the additional contribution for the second child receiving subsidized childcare - (Jump Code: QI)

### QUESTION

How do I proceed to prepare tax returns for taxpayers affected by the modification in the calculation of the additional contribution? In accordance with the 2016 Québec Budget, this contribution will be reduced by 50% for the second child receiving subsidized childcare, starting in the 2015 taxation year?

### ANSWER

No action should be taken at the moment. *Revenu Québec* will make the required corrections to the 2015 Québec income tax returns of the parents affected by this change. Therefore, the taxpayer must file his or her income tax return and Schedule I without changing the way the amount of the additional contribution is calculated.

In addition, the Canada Revenue Agency (CRA) will also make the appropriate corrections to all 2015 federal income tax returns. The CRA will modify the amount giving rise to the deduction for childcare expenses to exclude the portion related to the 50% reduction in the additional contribution applicable for the second child receiving subsidized childcare.

We are presently discussing with *Revenu Québec* and will advise you as soon as we obtain additional information. For more details on this new measure, visit the *Revenu Québec* Web site at http://www.revenuquebec.ca/en/salle-de-presse/nouvelles-fiscales/2016/2016-03-17.aspx?PromoactuBudgetContribution17mars2016=BPCitoyens.

A client filter and diagnostic template will be available shortly.

## Question FT12014-011

## RL-31 slip — Filing of the new RL-31 slips by the owners of rental apartment buildings

**Download the client filter and diagnostic template**

### QUESTION

How do I identify my clients who will have to file the new RL-31 slip, *Information About a Leased Dwelling*?

### ANSWER

In its 2015-2016 Budget, the Québec government announced that starting with the 2015 taxation year, any landlord should remit a slip to tenants and subtenants (provided the landlord agreed to sublet) of an eligible dwelling. This slip, named RL-31 slip, will be used to apply the component relating to the dwelling of the solidarity tax credit and will have to be filed on or before February 29, 2016.

Consult *Revenu Québec's* Web site at the following address for more information with regards to the filing of the RL-31 slip:

http://www.revenuquebec.ca/en/salle-de-presse/nouvelles-fiscales/2015/2015-10-20(1).aspx.

The RL-31 slip will be included in the 2015 version of *Taxprep Forms* which will be released in December, and the data entry screen used to prepare this slip is already available in *Taxprep Forms* 2014 v.4.0.

A client filter and diagnostic template has been created to allow you to identify the clients for whom you have filed, in 2014, a Form T776, *Statement of Real Estate Rentals*, for a property located in Québec. You can download this template by clicking the button for that purpose above.

# InfoConnect

Question FT12014-002

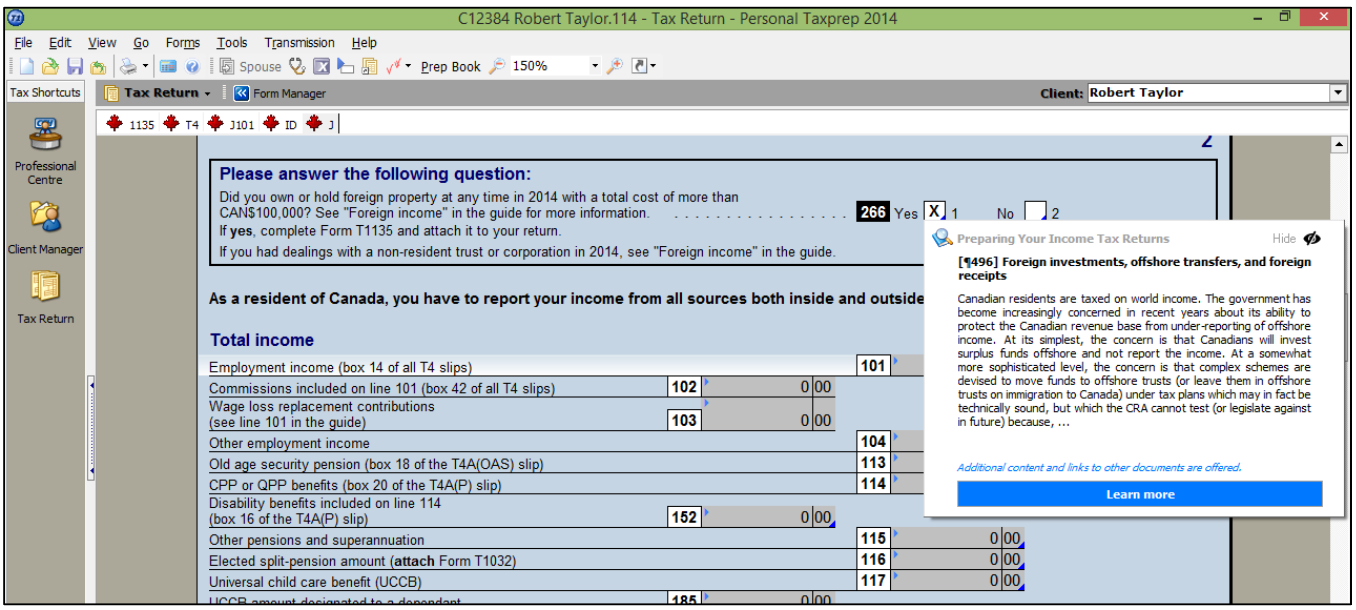
## InfoConnect functionality

### QUESTION

What is **InfoConnect?**

### ANSWER

**InfoConnect** is a functionality that displays, for the current field or form in *Taxprep,* an excerpt of the *Income Tax Act* or Wolters Kluwer's tax research material, such as *Preparing Your Income Tax Returns*, available from the *IntelliConnect* platform:




Click the **InfoConnect** insight to instantly access your subscriptions in *IntelliConnect* using your Web browser.

### Free 15-day trial of IntelliConnect

If you are not already a subscriber, complete the sign-up form that displays after clicking the **InfoConnect** insight. You will then receive a confirmation e-mail with an activation link that will allow you to benefit from a free trial of *IntelliConnect*.

See the video (1:02)

#### Already an IntelliConnect subscriber?

To access your *IntelliConnect* subscriptions from the **InfoConnect** insight, proceed as follows:

1. In *Taxprep*, select **Tools/Options and Settings/Options/Tax Research**.
2. Clear the **Free trial** check box.
3. Enter your *IntelliConnect* User ID and Password.

See the video (0:38)

# TaxprepConnect

Question FT12015-006

## Technical problems with the Canada Revenue Agency's Auto-fill my return service

### QUESTION

Why aren't certain data items being downloaded even if they are available on the *Represent a Client* service Web page?

### ANSWER

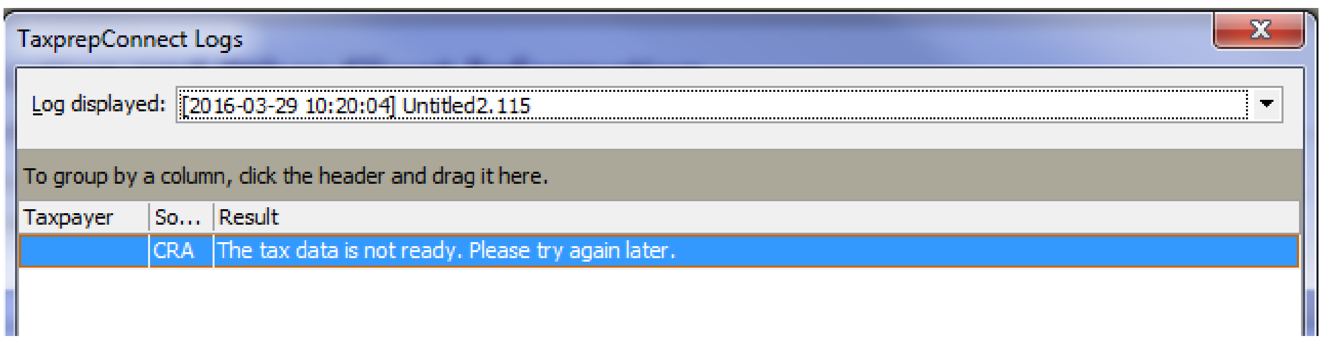
Since the week of March 21, the Canada Revenue Agency (CRA) has been experiencing difficulties with its *Auto-fill my return* service.

In certain situations, data download is partial. For example:

1. The slips are not downloaded in the **Connect** form even if they can be viewed on the *Represent a Client* service Web page;
2. The instalments, RRSP's, tuition fees available for carryforward, capital gains and losses, etc., are not downloaded, while the slips are.

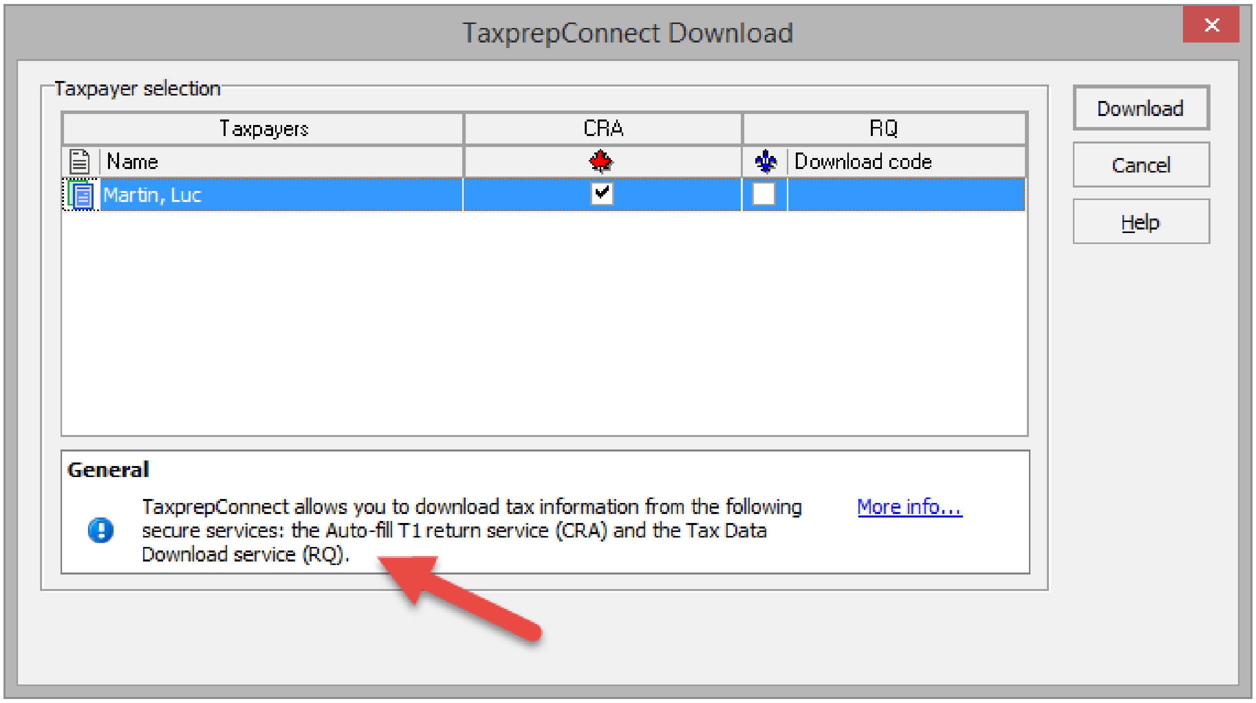
This problem appears to be intermittent. The CRA confirmed that it was looking for the cause of this problem and that it would be corrected at a later date. Until then, we suggest that you compare the data downloaded with the data appearing on the *Represent a Client* service Web page and make the required corrections in the return of your clients.

In other situations, the following message is issued by the CRA following the download:




When this message displays, it means that no data has been downloaded in the **Connect** form. You will then have to try and download later, as indicated in the CRA message.

As soon as we have more details from the CRA, we will display a notification message in the "TaxprepConnect" download box.




Question FT12015-002

## TaxprepConnect Download - Associating slips downloaded from the CRA and RQ

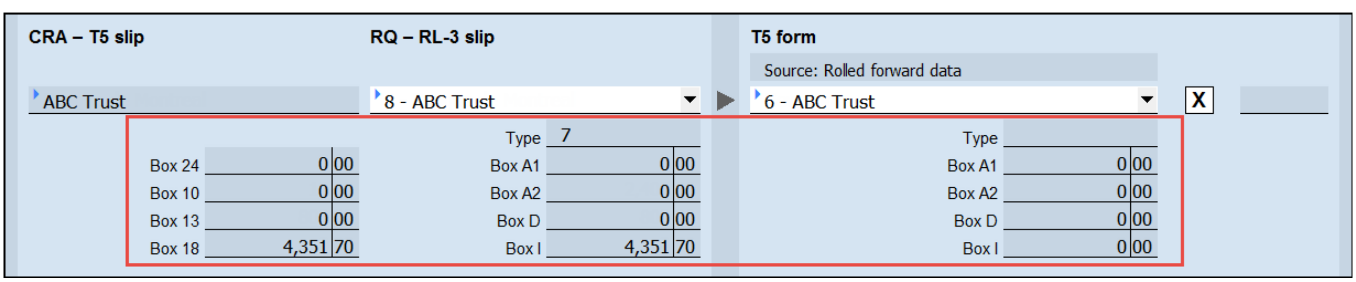
**QUESTION**

How do I make sure that no duplicate data from slips is transferred into the return following the download of tax data with the **TaxprepConnect** functionality?

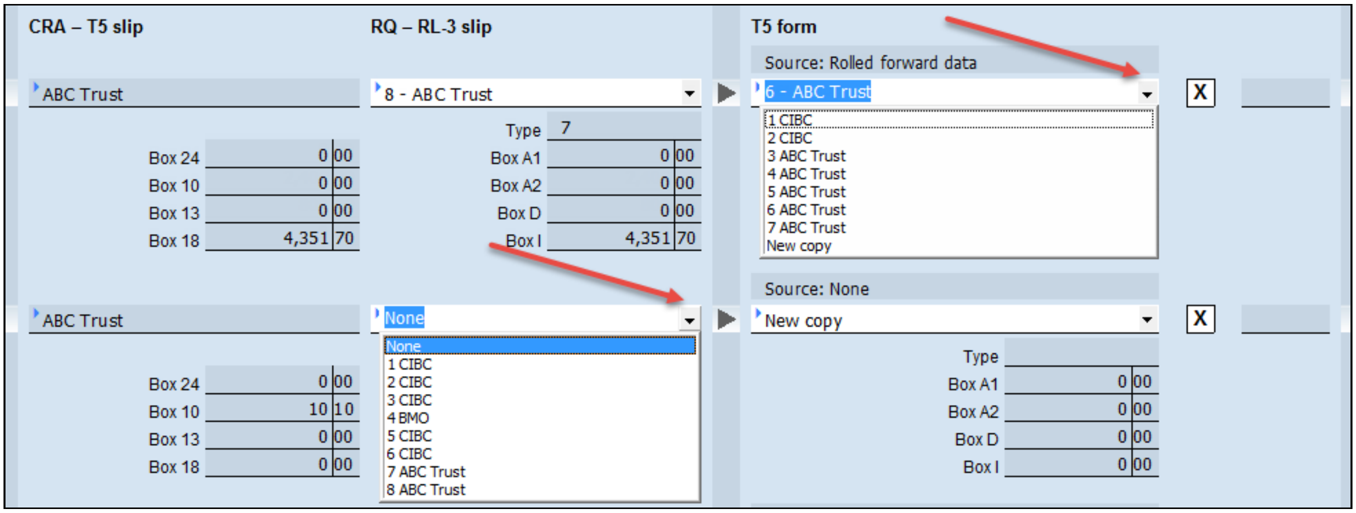
**ANSWER**

*Personal Taxprep* pre-associates slips downloaded from the Canada Revenue Agency (CRA) and those downloaded from *Revenu Québec* (RQ), as well as data on those slips and data already in the return, as applicable (following a roll forward, a data import with *CCH Scan*, etc.). However, it is strongly recommended to verify the matches before transferring data, because the program is not always able to make all of the required associations.

The values in certain predefined boxes of the slip are displayed under the issuer's name to help you make this verification. In addition, you can always access the complete content of the downloaded slip using the expand in the field of the issuer's name.



To modify the association suggested by the program or to create a new one, select the slip or the desired copy in the drop-down list provided, as depicted below:




Note that if you download a second time, all manually created associations will be lost, because each download includes all available slips, and not only the new slips.