Personal Taxprep®

Troubleshooting

2015 Versions

Client filter and customized diagnostic templates now available with the Troubleshooting Memos

To assist you in identifying clients that could be affected by the described problems, a downloadable client filter and customized diagnostic template is now associated with most *Troubleshooting Memos*. These templates allow you to display a diagnostic in the returns that have tax situations that were the subject of a *Troubleshooting Memo* 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 templates and diagnostics, 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	Problem	Affected Version	Corrected Version	Identifier (to download the client filter and diagnostic template, if applicable)
Week of July 17, 2016	T1-ADJ - Incorrect amount updated to line 459 when the adjustment request is prepared automatically	Version 2015 1.0 Version 2015 2.0 Version 2015 3.0 Version 2015 4.0 Version 2015 4.1 Version 2015 4.2	Version 2016 1.0	T12015-013
Week of May 1, 2016	Schedule Q and amount withdrawn from a RRIF/RPP/PRPP that is greater than the reduced 2015 minimum amount and that is re-contributed to a RRIF/RPP/PRPP before March 1, 2016	Version 2015 1.0 Version 2015 2.0 Version 2015 3.0 Version 2015 4.0	Version 2015 4.2	T12015-012
Week of April 10, 2016 (Note updated the week of April 17, 2016)	RL-10 slip and T5006 slip - Unused balance of the federal tax credit for provincial labour-sponsored funds carried forward to 2016 calculated at a 5% rate instead of a 15% rate	Version 2015 1.0 Version 2015 2.0 Version 2015 3.0 Version 2015 4.0	Version 2016 1.0	T12015-011
Week of April 10, 2016	T2038 - The investment tax credit balance carried forward is incorrect in certain situations when the credit has been claimed or refunded in 2014	Version 2015 1.0 Version 2015 2.0 Version 2015 3.0 Version 2015 4.0	Version 2015 4.1	T12015-010
Week of April 10, 2016 (Note updated the week of April 17, 2016)	Newfoundland and Labrador HST credit	Version 2015 1.0 Version 2015 2.0 Version 2015 3.0 Version 2015 4.0	Version 2015 4.1	T1P2015-009
Week of April 10, 2016	T2017 - Roll forward of reserves for dispositions in 2014 of qualified fishing property, qualified farm property and qualified small business corporation shares	Version 2015 1.0 Version 2015 2.0 Version 2015 3.0 Version 2015 4.0	Version 2015.4.1	T12015-008

Publication	Problem	Affected Version	Corrected Version	Identifier (to download the client filter and diagnostic template, if applicable)
Week of April 3, 2016	Filing due date and balance due date	Version 2015 4.0	Version 2016 1.0	T12015-007
Week of April 3, 2016	Line 318 – Disability amount transferred from a dependant not calculated	Version 2015 1.0 Version 2015 2.0 Version 2015 3.0 Version 2015 4.0	Version 2016 1.0	T12015-006
Week of April 3, 2016	TP1 - Line 424 – Incorrect calculation of the tax credit for a labour-sponsored fund in certain situations	Version 2015 1.0 Version 2015 2.0 Version 2015 3.0	Version 2015 4.0	T12015-005
Week of March 28, 2016	Line 319 – Carrying forward 2014 interest on student loans – Rolling forward a 2014 DT Max file	Version 2015 1.0 Version 2015 2.0 Version 2015 3.0	Version 2015 4.0	T12015-004
Week of March 20, 2016	T5013 slip with both a partner code “5” and a professional income in box 120 may create a problem in the Québec income tax return (TP1)	Version 2015 3.0	Version 2015 4.0	T12015-003
Week of March 6, 2016	TaxprepConnect Download - Possible duplication of the downloaded RL slips when the number of downloaded RL slips of the same type is greater than 9	Version 2015 3.0	Version 2015 4.0	T12015-002
Week of February 21, 2016	EFILE - Result code 183	Version 2015 2.0	Version 2015 3.0	T12015-001

Federal

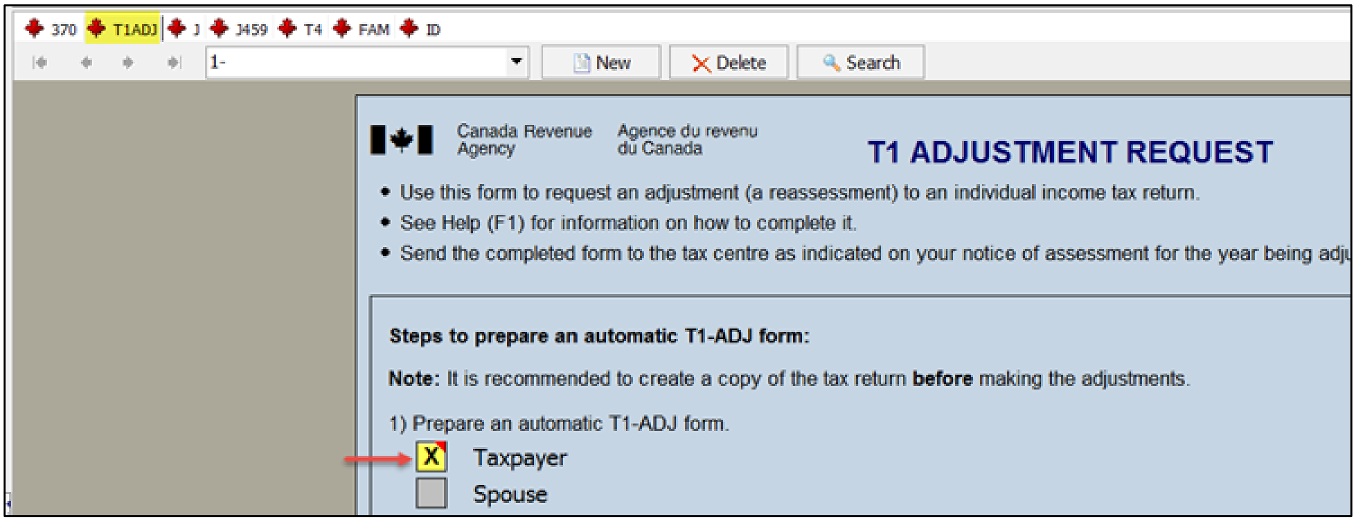
Troubleshooting T12015-013

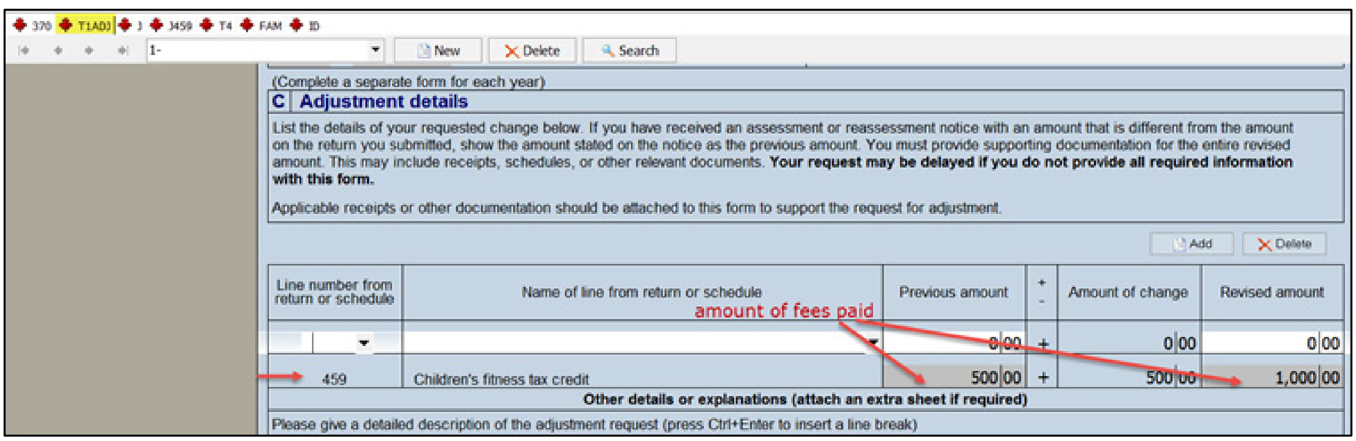
T1-ADJ – Incorrect amount updated to line 459 when the adjustment request is prepared automatically

Download the client filter and diagnostic template

Problem:

When a Form T1-ADJ is prepared automatically to correct the amount claimed for the children's fitness tax credit (line 459 of the federal tax return), the amount updated to line 459 of Form T1-ADJ is not the amount of the credit, but the amount of fees paid, which is incorrect.





Solution:

There are two possible solutions:

If you want Form T1-ADJ to be prepared automatically (for example, in the case where several lines must be adjusted in addition to line 459), proceed as follows once Form T1-ADJ is printed: cross off number “459” and the title “Children’s fitness tax credit,” and manually write number “458” as well as the title “Eligible fees.”

C Adjustment details

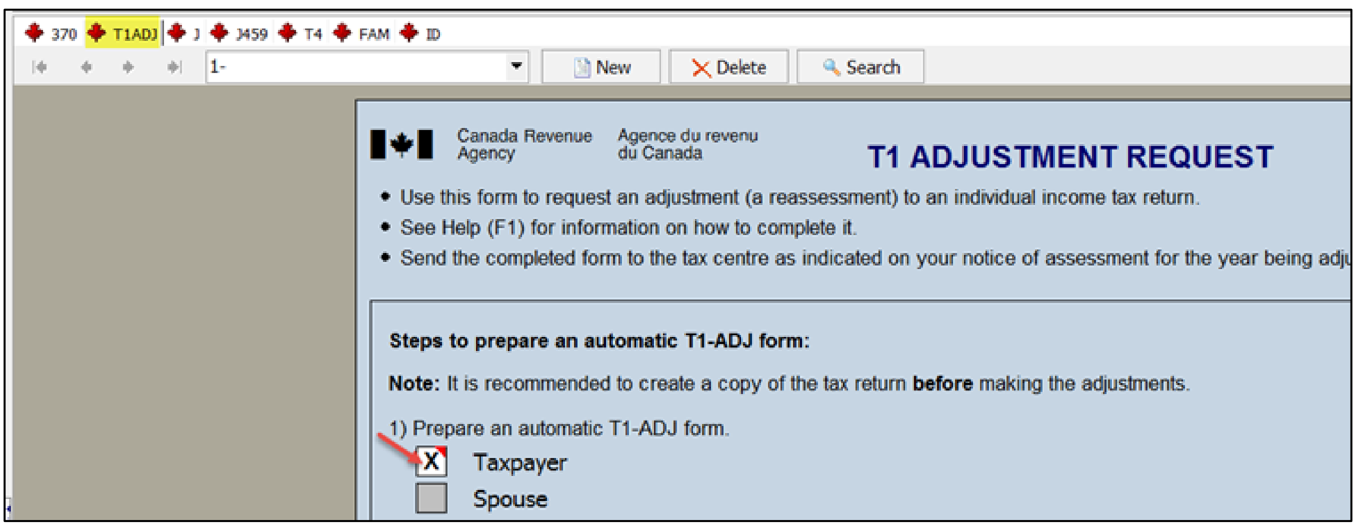
List the details of your requested change below. If you have received an assessment or reassessment notice with an amount that is different from the amount on the return you submitted, show the amount stated on the notice as the previous amount. You must provide supporting documentation for the entire revised amount. This may include receipts, schedules, or other relevant documents. **Your request may be delayed if you do not provide all required information with this form.**

Line number from return or schedule	Name of line from return or schedule	Previous amount	+ / -	Amount of change	Revised amount
370	Children's arts amount		+	250 00	250 00
420	Net federal tax	1,879 05	-	37 50	1,841 55
440	Refundable Quebec abatement	310 04	-	6 18	303 86
458 ~~459~~	Eligible fees ~~Children's fitness tax credit~~	500 00	+	500 00	1,000 00

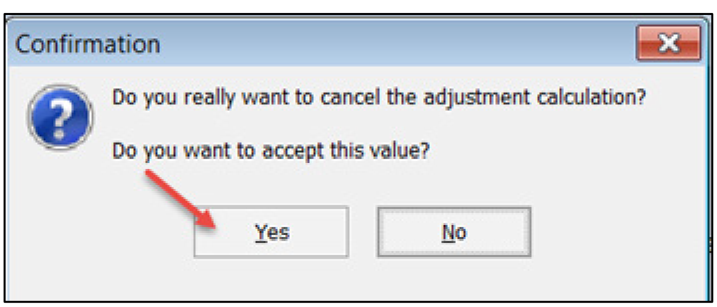
Other details or explanations (attach an extra sheet if required)

If you prefer completing Form T1-ADJ manually, proceed as follows:

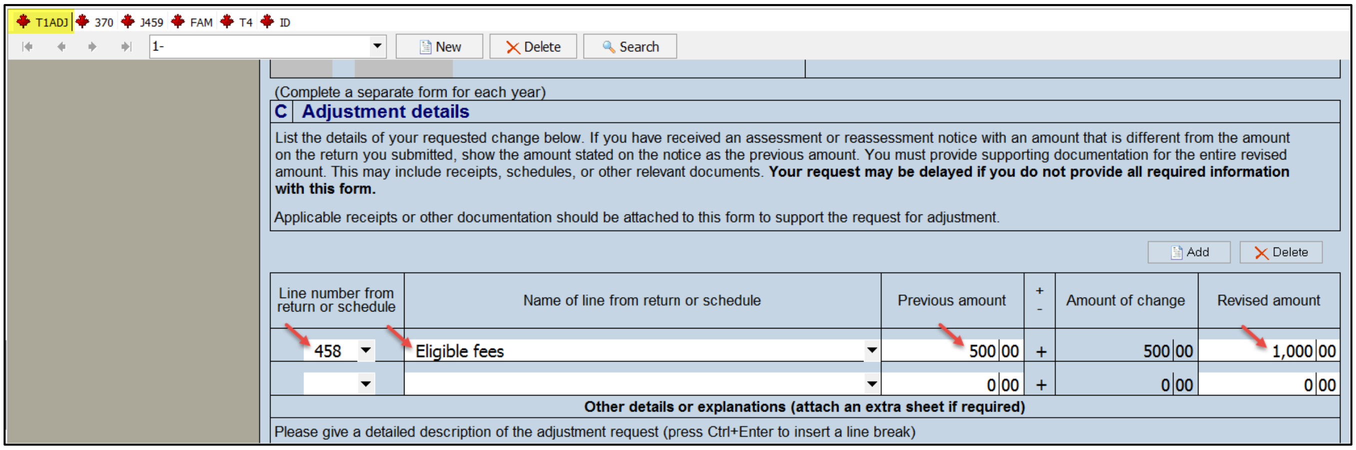
1. Clear the appropriate box on line *Prepare an automatic T1-ADJ form*.



2. Answer “Yes” to the question you are asked.



3. In Section C, “Adjustment details,” enter “458” in the column **Line number from return or schedule** and “Eligible fees” in the column **Name of line from return or schedule**, and enter the previous amount as well as the revised amount.



This problem will be corrected in *Personal Taxprep* 2016 v.1.0.

Troubleshooting T12015-006

Line 318 – Disability amount transferred from a dependant not calculated

Download the client filter and diagnostic template

Problem:

The disability amount transferred from a dependant is not claimed on line 318 of the taxpayer’s Schedule 1 and/or the spouse’s Schedule 1 when all of the following conditions are met:

- the taxpayer’s and the spouse’s returns were not coupled in 2014:
- more than one dependant was identified in the taxpayer’s or the spouse’s FAM form in 2014, and at least one of these dependants was eligible for the disability amount:
- after rolling forward the client file to the 2015 taxation year, the returns of the taxpayer and the spouse have been coupled.

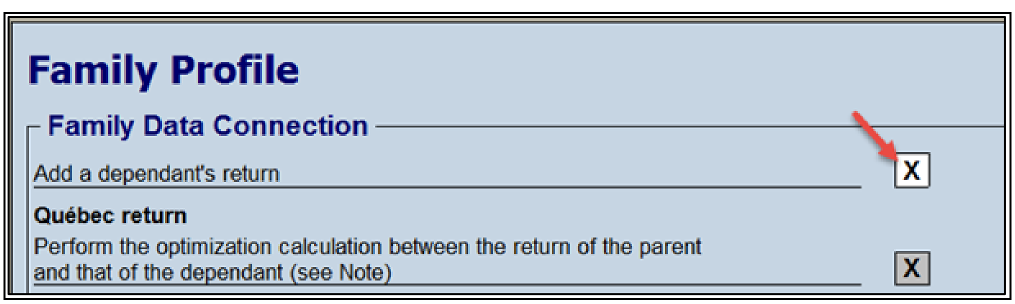
Solution:

To solve this problem, you have to follow one the procedures proposed below for each dependant eligible for the disability amount, depending on whether the return of the dependant is coupled or not.

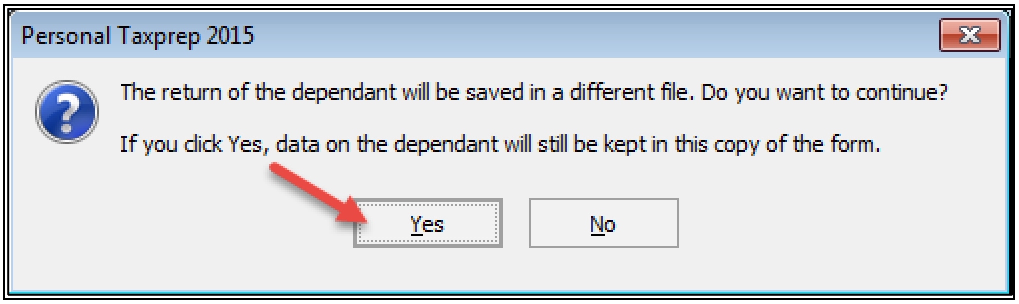
<u>If the return of the dependant is coupled</u>

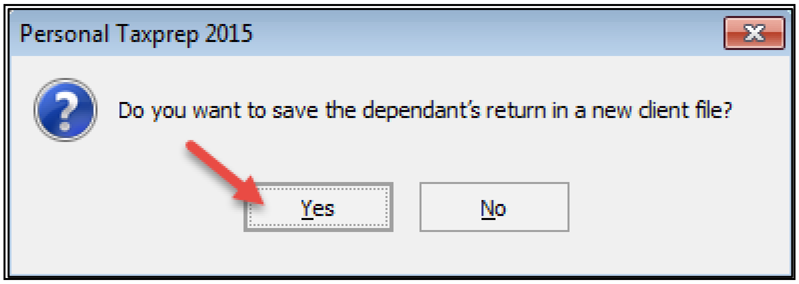
1- In the FAM form, select the copy of the dependant who is eligible for the disability amount.

2- Clear the box **Add a dependant’s return**.

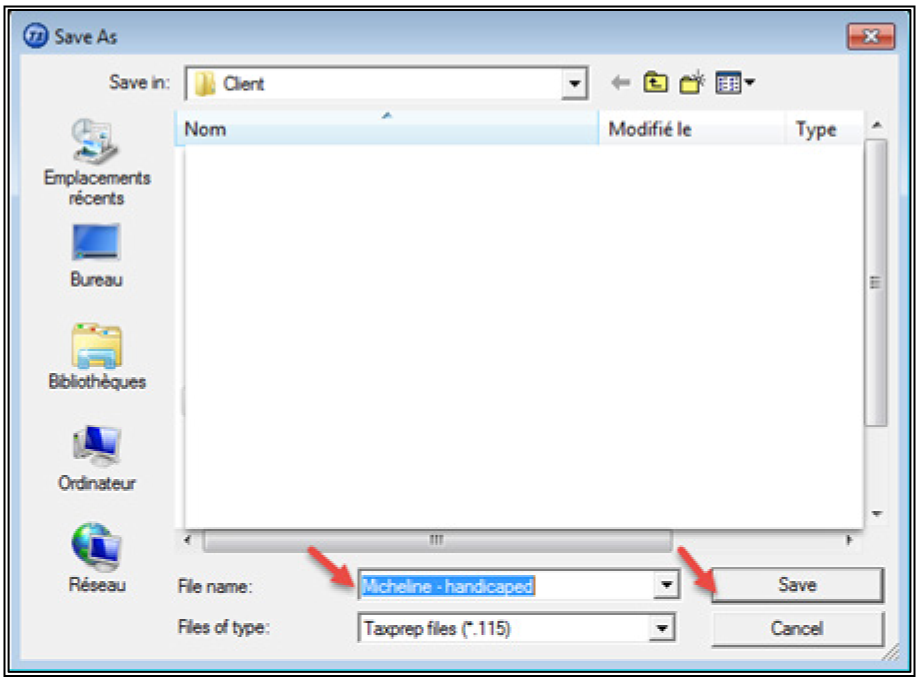


3- Answer “Yes” to the first question you are asked, and “Yes” to the second question.



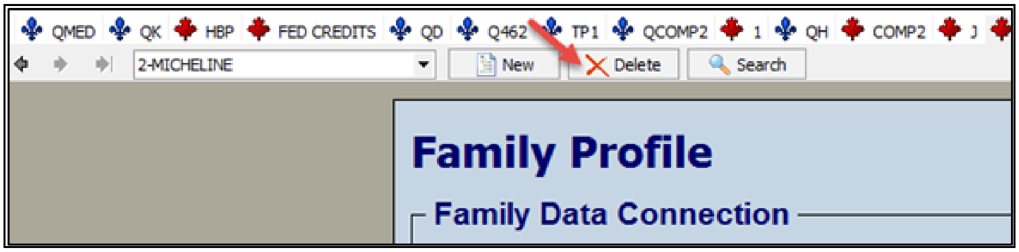


You must then enter a file name and save the client file.

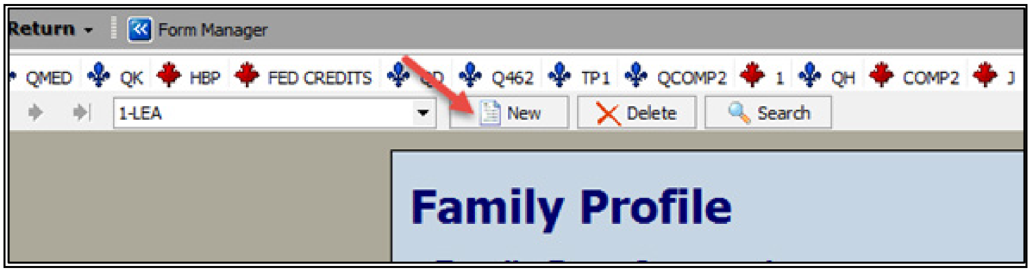


4- Close the return that you just saved before you continue. To do so, selected the saved file in the **Client** drop-down list and choose **Close Tax Return** (Ctrl+W) in the **File** menu.

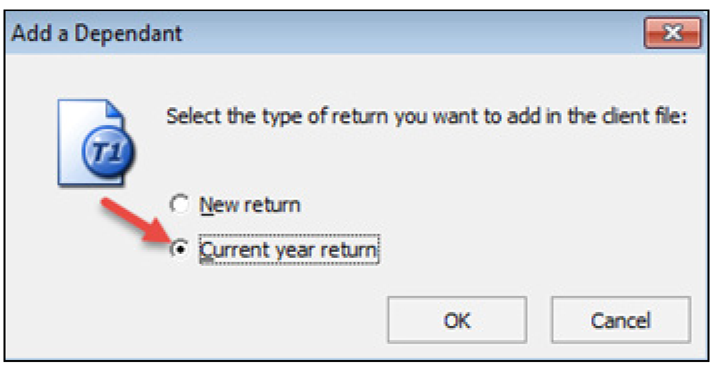
5- Go back to the FAM form of the client file affected by this problem and delete the copy of the dependant eligible for the disability amount.



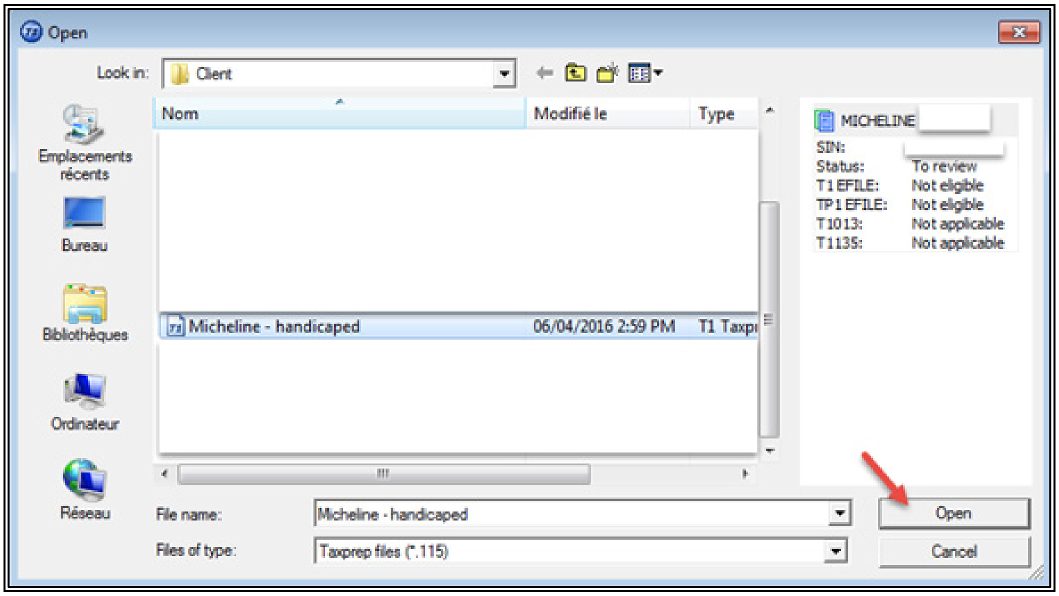
6- Still in the FAM form, create a new copy.



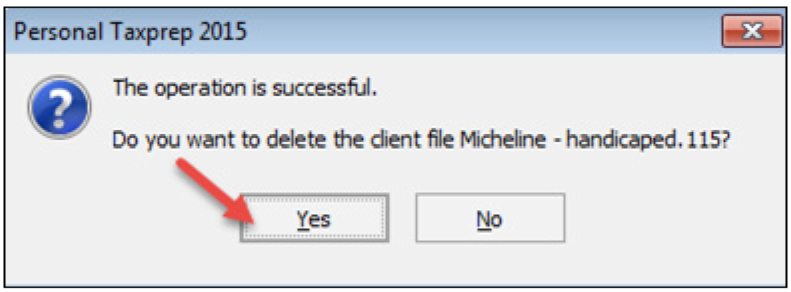
7- Select the box **Add a dependant's return** and select **Current year return**.



8- Open the client file that you saved at step 3.



9- Answer "Yes" to the question you are asked.



10- Verify the information shown on the *Family Profile* form of the dependant whose return you added at step 7 to make sure that his or her profile is complete.

<u>If the return of the dependant is not coupled</u>

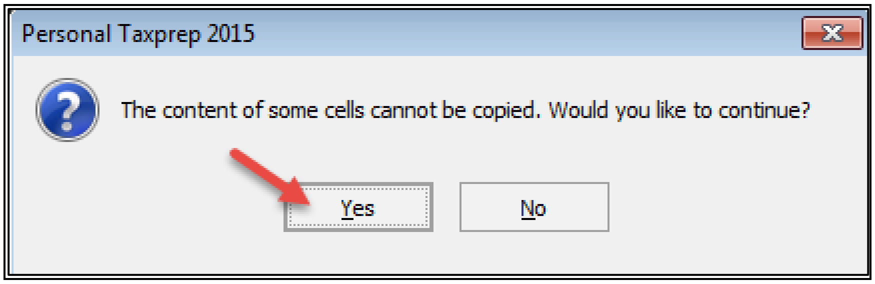
1- Create a new copy in the FAM form.

2- Select the copy of the dependant who is eligible for the disability amount.

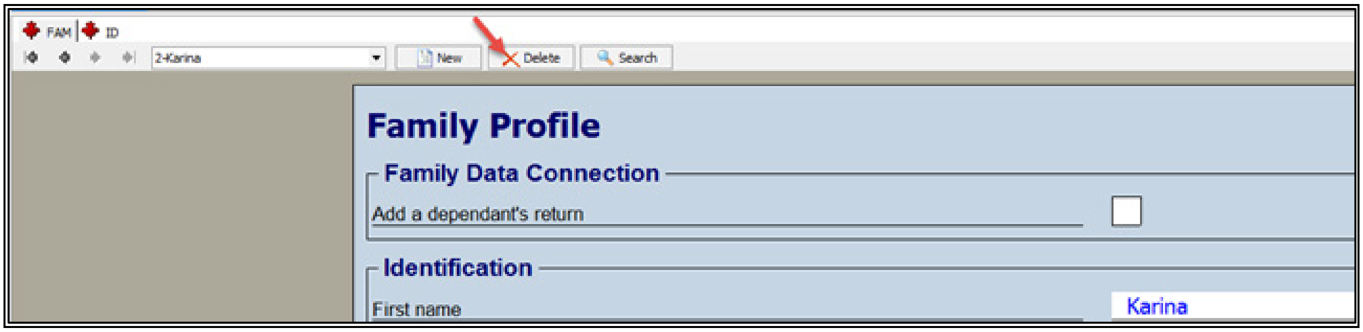
3- In the **Edit** menu, click **Select Input Cells** (or press Ctrl+F7). Then, select **Copy** in this menu (or press Ctrl+C).

4- Access the new copy created and choose **Paste Form** in the **Edit** menu.

5- Answer "Yes" to the question you are asked.



6- Delete the dependant's copy resulting from the roll forward (the one you had selected at step 2).



Troubleshooting memo T12015-003

T5013 slip with both a partner code "5" and a professional income in box 120 may create a problem in the Québec income tax return (TP1)

NOTE: This troubleshooting applies when all of the following conditions are met:

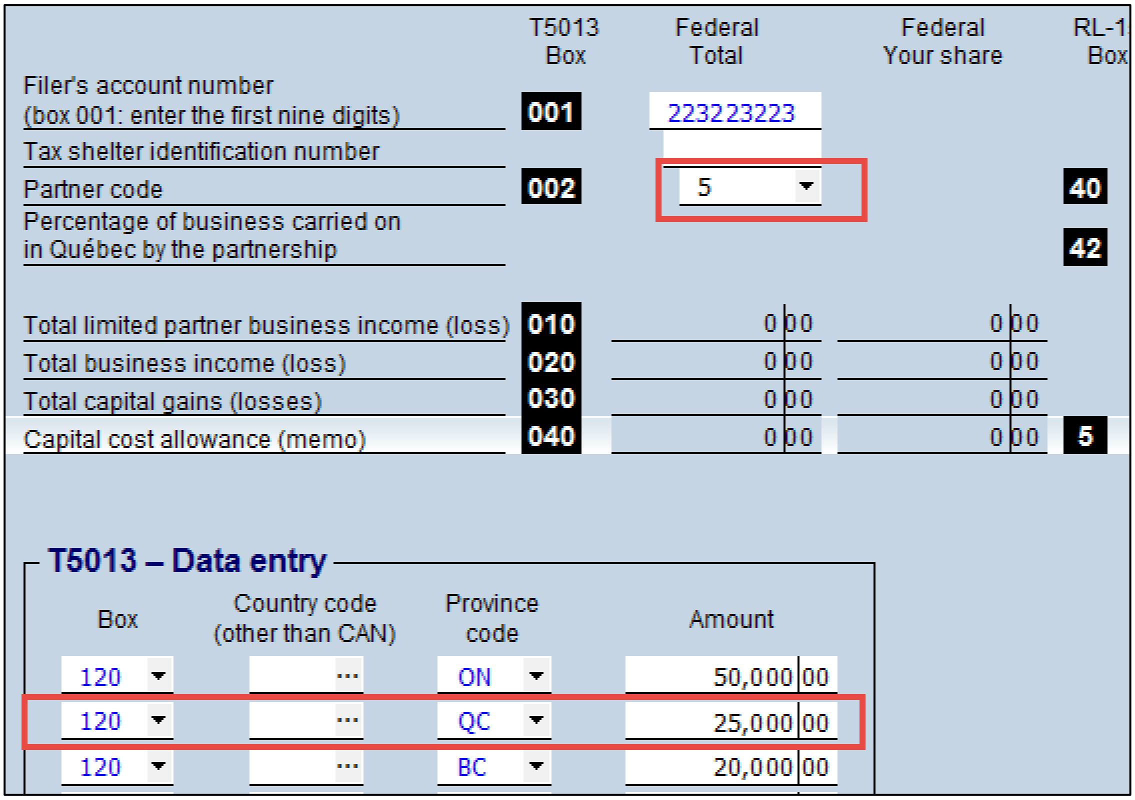
- the TP1 module (Québec) is installed;
- the taxpayer covered by the return is in a multiple jurisdiction situation;
- the T5013 slip includes several boxes 120, one of which is for Québec allocation; and
- the T5013 includes a partner code "5" in box 002.

Download the client filter and diagnostic template

Problem:

When a T5013 slip has a partner code "5" in box 002 and professional income is shown in several boxes 120, including one for Québec allocation, the Québec allocation appears to be incorrect on Form TP-22/TP-25, *Detail of Net Income from Businesses Carried on in Québec* (Jump Code: **Q22 Q25 D**).

Depending on the order the data has been entered on the T5013 data entry screen, it is possible that the income allocated to the TP1 return for this specific T5013 slip will either be missing or duplicated on Form TP-22/TP-25 (Jump Code: **Q22 Q25 D**) when the partner code on the T5013 slip is "5" and income is shown in boxes 120.

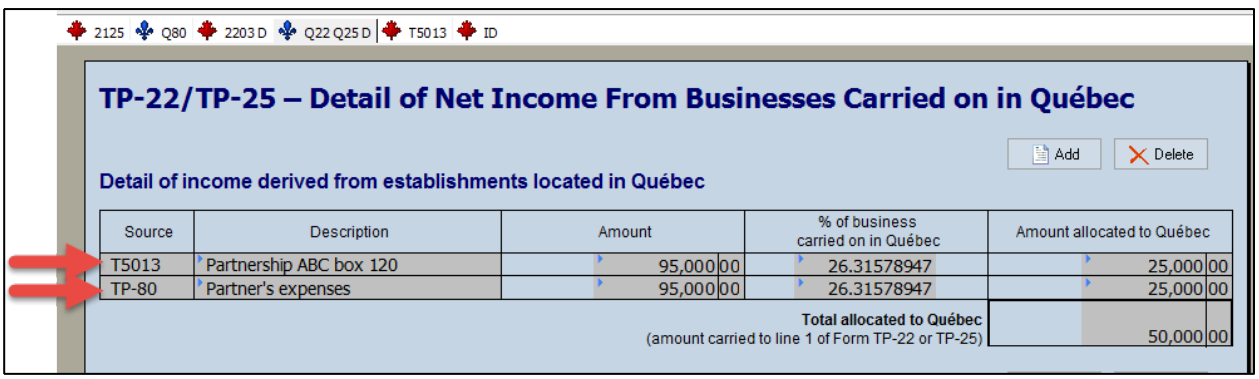


	T5013 Box	Federal Total	Federal Your share	RL-1 Box
Filer's account number (box 001: enter the first nine digits)	001	223223223		
Tax shelter identification number				
Partner code	002	5		40
Percentage of business carried on in Québec by the partnership				42
Total limited partner business income (loss)	010	0 00	0 00	
Total business income (loss)	020	0 00	0 00	
Total capital gains (losses)	030	0 00	0 00	
Capital cost allowance (memo)	040	0 00	0 00	5

T5013 – Data entry

Box	Country code (other than CAN)	Province code	Amount
120	...	ON	50,000 00
120	...	QC	25,000 00
120	...	BC	20,000 00

Situation 1 (the amout is being duplicated on Form TP-22/TP-25 (Jump Code: **Q22 Q25 D**)):



2125 Q80 2203 D Q22 Q25 D T5013 ID

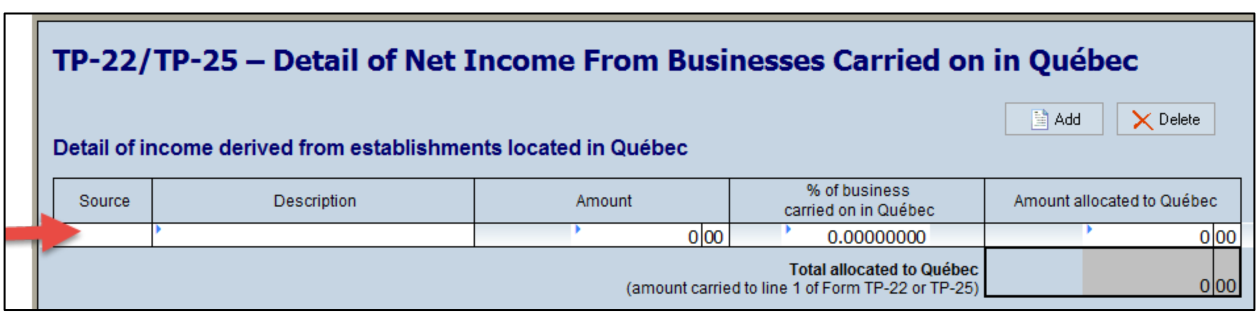
TP-22/TP-25 – Detail of Net Income From Businesses Carried on in Québec

Add Delete

Detail of income derived from establishments located in Québec

Source	Description	Amount	% of business carried on in Québec	Amount allocated to Québec
T5013	Partnership ABC box 120	95,000 00	26.31578947	25,000 00
TP-80	Partner's expenses	95,000 00	26.31578947	25,000 00
			Total allocated to Québec (amount carried to line 1 of Form TP-22 or TP-25)	50,000 00

Situation 2 (the amount is missing on Form TP-22/TP-25 (Jump Code: **Q22 Q25 D**)):



TP-22/TP-25 – Detail of Net Income From Businesses Carried on in Québec

Add Delete

Detail of income derived from establishments located in Québec

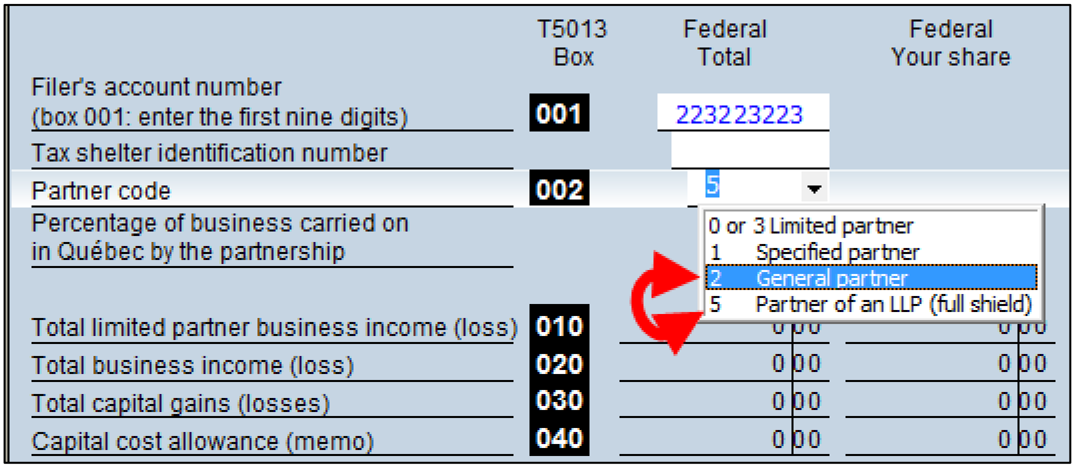
Source	Description	Amount	% of business carried on in Québec	Amount allocated to Québec
		0 00	0.00000000	0 00
			Total allocated to Québec (amount carried to line 1 of Form TP-22 or TP-25)	0 00

Solution:

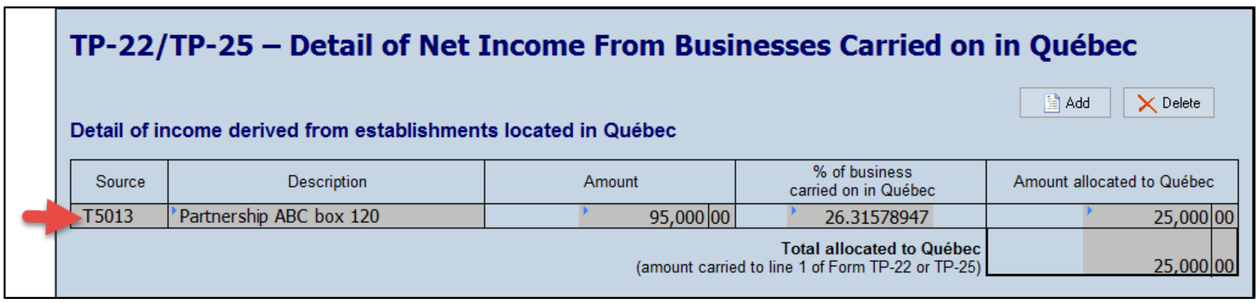
In order to rectify both situations, simply change the partner code from “5” to “2” on the T5013 data entry screen.

If you have entered a code “5” in the T5013 slip and the income is already correctly allocated on Form TP-22/TP-25 (Jump Code: **Q22 Q25 D**), you are not required to change the code.

Note that partner codes “2” or “5” have the same purpose in *Personal Taxprep* when professional income is reported in boxes 120 of the T5013 slips. Furthermore, those codes are not included in the federal and Québec income tax returns that you file.



The income will then be displayed correctly on Form TP-22/TP-25 (Jump Code: **Q22 Q25 D**) and Form TP22 or TP25, depending on which situation applies.



This problem will be corrected in *Personal Taxprep* 2015 v. 4.0.

Québec

Troubleshooting Memo T12015-012

Schedule Q and amount withdrawn from a RRIF/RPP/PRPP that is greater than the reduced 2015 minimum amount and that is re-contributed to a RRIF/RPP/PRPP before March 1, 2016

Download the client filter and diagnostic template

Problem:

If an amount withdrawn from a RRIF/RPP/PRPP is greater than the reduced 2015 minimum amount and is re-contributed to a RRIF/RPP/PRPP before March 1, 2016, it can be deducted on line 232 of the federal income tax return and on line 250, point 04, of the Québec income tax return.

If a taxpayer in this situation wants to split pension income with his or her spouse, the amount eligible for the split corresponds to the amount withdrawn less the amount re-contributed. The amount that can be split is correctly updated to Form T1032, which is used to calculate the income split in the federal income tax return. However, the amount that can be split that is updated to Schedule Q, which is used to calculate the income split in the Québec income tax return, does not take into account the re-contributed amount deducted at point 04 of line 250. Where applicable, the Québec amount that can be split is overvalued.

Example:

In 2015, John withdrew $25,000 from his RRIF, which represents the minimum amount that can be withdrawn under former rules relating to the calculation of the required minimum withdrawal. In accordance with the new rules, the new minimum withdrawal amount is $20,000. John decided to contribute the excess amount of $5,000 in his RRIF. The amount eligible for the pension income split is therefore $20,000.

Federal income tax return, Form T1032:

Step 2 – Calculation of the maximum split-pension amount

To calculate the amount of eligible pension income for the purpose of this election, you (the pensioner) must complete the chart for line 314 on the *Federal Worksheet* which you will find in the forms book.

Enter on this line, the **total** amount from **line A** of the chart for line 314 of your *Federal Worksheet*.	6802	20,000 00	A

If you were 65 years of age or older on December 31, 2015 (or on the date of death) and received amounts in the form of life annuity payments from a retirement compensation arrangement, complete lines 1 and 2. Otherwise, enter "0" on line B, and continue on line C.

Enter the amount from box 17 of your T4A-RCA slips.	6806	0 00	1	
$98,661 minus amount from line A		78,661 00	2	
Enter the **lesser** of lines 1 and 2.			0 00	B
Add lines A and B.			20,000 00	C

If your marital status changed during the tax year, calculate the eligible pension income for the period that you were married or living common-law by completing the calculation for line D below. Otherwise, enter the amount from line C on line E.

Number of months you were married or living common-law / Number of months in the tax year*	6803 0 / 12	X Amount from line C 20,000 00	0 00	D
Enter the amount from line D if it applies. Otherwise, enter the amount from line C.			20,000 00	E
			X **50.00 %**	
Multiply the amount on line E by 50%.		**Maximum split-pension amount**	10,000 00	F

* For a deceased pensioner, use the number of months up to and including the month of death.

Québec income tax return, Schedule Q:

A. Retirement income transferred to your spouse

Amount from line 122 of your return			A	25,000 00
Other amounts from a retirement compensation arrangement (included on line 154)	B	0 00		
$98,661 minus amount from line A	C	73,661 00		
Enter the **lesser** of lines B and C.			D	0 00
Total of eligible retirement income. Add lines A and B.			10	25,000 00
Amount from line 10 used to purchase an annuity or transferred to an RRSP, a RRIF or a PRPP/VRSP (included in the amount on line 250 (point 4))	12	0 00		
Deduction claimed on line 250 (point 6) for a refund of unused PRPP/VRSP contributions included in your income on line 10 above	+ 13	0 00		
Deduction claimed on line 293 of your return for the amount on line 10	+ 14	0 00		
Deduction claimed on line 297 (point 12) of your return for the amount on line 10	+ 16	0 00		
Add lines 12 through 16.	= 18	0 00	18	0 00
Subtract line 18 from line 10.			= 20	25,000 00
Retirement income you are transferring to your spouse (**maximum** 50% of the amount on line 20). Carry this amount to line 245 of your return. Your spouse must enter the same amount on line 123 of his or her return.			22	0 00

Solution:

To correct the amount that can be split in Schedule Q, add, on line 12 of Schedule Q, the amount re-contributed to a RRIF/RPP/PRPP, using an override, then recalculate the split pension amount using the **Calculate** button in Form T1032.

In the case of John, he must therefore enter an amount of $5,000 on line 12 of Schedule Q, using an override, in order for the amount used for the split to be $20,000.

A. Retirement income transferred to your spouse

Amount from line 122 of your return				A	25,000 00
Other amounts from a retirement compensation arrangement (included on line 154)		B	0 00		
$98,661 minus amount from line A		C	73,661 00		
Enter the **lesser** of lines B and C.				D	0 00
Total of eligible retirement income. Add lines A and B.				10	25,000 00
Amount from line 10 used to purchase an annuity or transferred to an RRSP, a RRIF or a PRPP/VRSP (included in the amount on line 250 (point 4))		12	5,000 00		
Deduction claimed on line 250 (point 6) for a refund of unused PRPP/VRSP contributions included in your income on line 10 above	+	13	0 00		
Deduction claimed on line 293 of your return for the amount on line 10	+	14	0 00		
Deduction claimed on line 297 (point 12) of your return for the amount on line 10	+	16	0 00		
Add lines 12 through 16.	=	18	5,000 00 ▶	– 18	5,000 00
Subtract line 18 from line 10.				= 20	20,000 00
Retirement income you are transferring to your spouse (**maximum** 50% of the amount on line 20). Carry this amount to line 245 of your return. Your spouse must enter the same amount on line 123 of his or her return.				22	0 00

Because the deduction for an amount withdrawn from a RRIF/RPP/PRPP that is greater than the reduced 2015 minimum amount and that is re-contributed to a RRIF/RPP/PRPP before March 1, 2016, is a temporary deduction only applicable to the 2015 taxation year, this problem will no longer be present in *Personal Taxprep* 2015 v.4.2.

Troubleshooting Memo T12015-011

RL-10 slip and T5006 slip - Unused balance of the federal tax credit for provincial labour-sponsored funds carried forward to 2016 calculated at a 5% rate instead of a 15% rate

Download the client filter and diagnostic template

Problem:

In the RL-10 slip and the T5006 slip, a section has been added to calculate the credit balance of the federal labour-sponsored funds. In this new section, the closing balance of this credit, which will be carried forward to 2016, is calculated with a 5% rate. However, in accordance with the measures announced in the latest federal budget, the rate of the tax credit for a provincial labour-sponsored funds will be 15% instead for the 2016 taxation year. As for the federal labour-sponsored funds, it will remain at 5% for 2016.

<u>Example:</u>

A $5,000 investment is made in a provincial labour-sponsored funds in the first 60 days of 2016, and no credit is deducted on line 414 of Schedule 1.

In this situation, the program displays the following results in the RL-10 slip or the T5006 slip:

Carryforward of the federal credit (Schedule 1, lines 413 and 414)

	1 Balance carried forward from 2014	2 Investment amount	3 Credit (10%)	4 Closing balance
Federal	0 00	0 00	0 00	250 00

For the 2015 taxation year, the federal labour-sponsored funds tax credit that can be claimed on line 414 of Schedule 1 decreases from 15% to 10%. The investments made in the first 60 days of 2015 that have not been deducted at a 15% rate in the 2014 tax return can be deducted in the 2015 tax return, but at a 10% rate.

1: Unused tax credit for investments made in the first 60 days of 2015 (calculated at a 15% rate)
2: Amount of investments on which the tax credit carried forward from 2014 had been calculated (at a 15% rate)
3: Tax credit calculated on the amount in column 2 at a 10% rate and deductible on line 414 of the 2015 Schedule 1
4: Unused tax credit carried forward to 2016. A credit that has not been deducted in the 2015 tax return (at a 10% rate) can be deducted in the 2016 tax return, but at a 5% rate.

The program calculates a $250 credit to carry forward (i.e. 5% of $5,000), while in fact, the amount of the credit carried forward that could be deducted in the 2016 tax return would be $750 (i.e. 15% of $5,000).

Solution:

There are two possible solutions:

The first solution is not to make any modifications in the RL-10 slip or the T5006 slip. When rolling forward the client file with version 2016 of *Personal Taxprep*, the balance will be modified to reflect the 15% rate.

In this example, when rolling forward the client file with version 2016 of *Personal Taxprep*, the balance carried forward from 2015 would be $750.

The second solution is to override the closing balance to indicate the carried forward credit calculated with the 15% rate. If you perform an override in the RL-10 slip or the T5006 slip, following the roll forward of the client file with version 2016 of *Personal Taxprep*, the opening balance will correspond to the amount that had been overridden in the RL-10 slip or the T5006 slip of the 2015 version.

By overriding the federal labour-sponsored funds amount carried forward, you will ensure that the balance to carry forward displayed in Forms ACCT SUM, CFSUM and QC CFSUM is correct.

In Form T5006, the closing balance of the federal funds should not be modified, because the 5% rate applies to the federal labour funds for the 2016 taxation year.

This problem will be corrected in *Personal Taxprep* 2016 v.1.0.

Troubleshooting Memo T12015-005

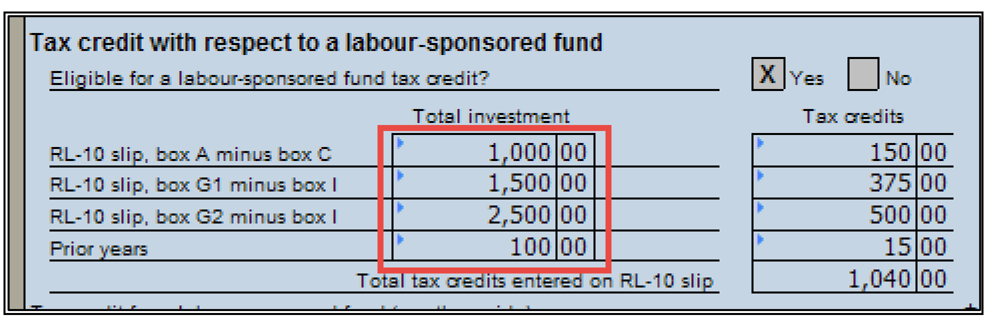
TP1 - Line 424 - Incorrect calculation of the tax credit for a labour-sponsored fund in certain situations

Download the client filter and diagnostic template

Problem:

The amount of the tax credit for a labour-sponsored fund is incorrectly calculated on line 424 of the TP1 return when the taxpayer received one or more RL-10 slips and the following conditions are met:

- an amount is shown in box G1, *Amounts paid before June 1*;
- an amount is indicated in either box A, *Amounts paid during the period to purchase shares in the fund*, or box G2, *Amounts paid after May 31,* and/or an unused balance of the tax credit for a labour-sponsored fund has been carried forward from 2014; and
- the total of boxes G1, G2, A, and the investment amount corresponding to the unused credit balance for 2014 exceeds $5,000.



Tax credit with respect to a labour-sponsored fund

Eligible for a labour-sponsored fund tax credit? [X] Yes [ ] No

	Total investment	Tax credits
RL-10 slip, box A minus box C	1,000 00	150 00
RL-10 slip, box G1 minus box I	1,500 00	375 00
RL-10 slip, box G2 minus box I	2,500 00	500 00
Prior years	100 00	15 00
	Total tax credits entered on RL-10 slip	1,040 00

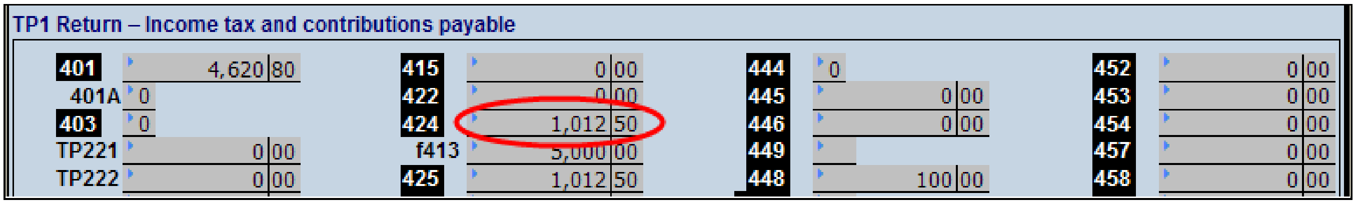
In this situation, the credit calculated on line 424 will be less than the maximum amount that can be claimed and, as a result, a balance will be carried forward to 2016.

Solution:

This problem has been corrected in *Personal Taxprep* 2015 v.4.0.

If the tax return **has not yet been filed**, opening and saving the client file with version 4.0 will correct the amount on line 424 of the TP1 return.

If the tax return has been filed with a version prior to version 4.0 and you want to modify the credit amount, file Form TP-1.R, *Request for an Adjustment to an Income Tax Return* (Jump Code: **QTP1R**). If the return has been filed via NetFile Québec with a version prior to version 4.0, you can verify the amount that has been claimed on line 424 of the TP1 return by reviewing Form QEFILE SUM.



If you do not want to modify a tax return that has already been filed with a version prior to version 4.0, **it is important not to open and save the client file in version 4.0.**

Newfoundland and Labrador

Troubleshooting memo T12015-009

Newfoundland and Labrador HST credit

Download the client filter and diagnostic template

Problem:

In its 2016-2017 Budget, Newfoundland and Labrador announced the replacement of the sales tax credit by a new benefit, the Newfoundland and Labrador income supplement. This measure applies commencing in the 2016 taxation year, and the Newfoundland and Labrador income supplement will be paid at the same time as the low income seniors' benefit.

The most recent budget also sets forth the increase in the base amount in accordance with the low income seniors' benefit.

However, in all versions of *Personal Taxprep* 2015, the Newfoundland and Labrador sales tax credit is calculated, and the low income seniors' benefit takes the old amounts and rates into account.

Solution:

Cancel the calculation of the sales tax credit as well as the calculation of the low income seniors' benefit, because we do not yet have all of the required information to correctly calculate this benefit.

For more information on the new income supplement as well as the low income seniors' benefit, consult the 2016-2017 Newfoundland and Labrador Budget by clicking the following link: http://www.releases.gov.nl.ca/releases/2016/fin/0414n03.aspx.

To cancel the sales tax credit and the low income seniors' benefit, override line 14 with "0," at the bottom of Form GSTC, *Goods and Services Tax Credit* (Jump Code: **GSTC**).

Chart 2 – Newfoundland and Labrador HST credit

Number of qualified children (age 18 and under)		0			
Basic credit		300.00	1		
Credit for spouse		0.00	2		
Credit for children		0.00	3		
Number of qualified children		0			
Subtotal (lines 1 of 3)		300.00	4		
Net family income		31,786.90			
Base amount	–	30,000.00			
Income over base amount		1,786.90	5		
Reduction rate	x	5.00 %	6		
Multiply line 5 by the rate on line 6		89.35	7		
Line 4 minus line 7		210.65		210.65	8
Basic credit for an individual 65 years of age or over		1,059.00	9		
Net family income		31,786.90			
Base amount	–	29,284.00			
Income over base amount		2,502.90	10		
Reduction rate	x	11.66 %	11		
Multiply line 10 by the rate on line 11		291.84	12		
Line 9 minus line 12		767.16		767.16	13
Add line 8 and line 13	Newfoundland and Labrador HST credit			0.00	14

The credit will be paid in October 2016.

This problem will be corrected in *Personal Taxprep* 2015 v.4.1.

TaxprepConnect

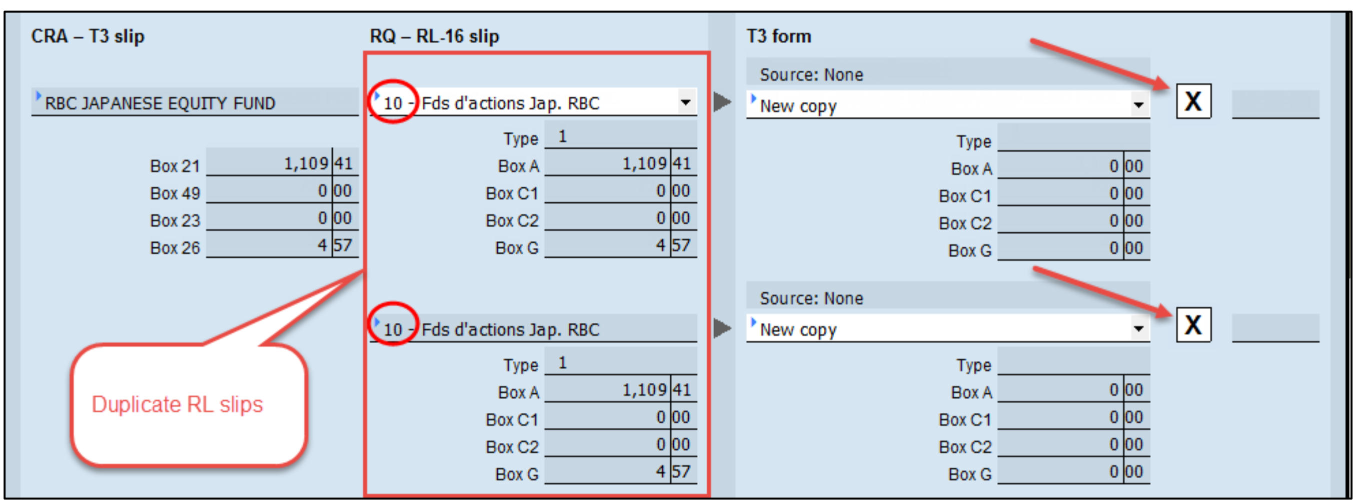
Troubleshooting memo T12015-002

TaxprepConnect Download - Possible duplication of the downloaded RL slips when the number of downloaded RL slips of the same type is greater than 9

Download the client filter and diagnostic template

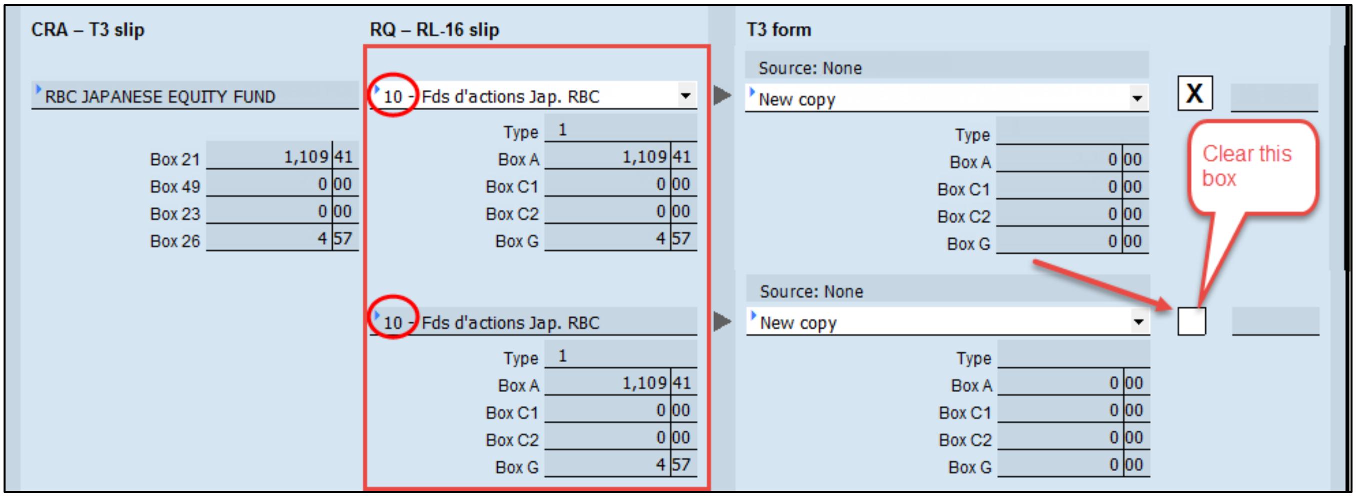
Problem:

When the number of RL slips of the same type downloaded from *Revenu Québec* is greater than 9 and the RL slips of this type are **manually** linked by the preparer to slips downloaded from the CRA, those RL slips are duplicated in the *TaxprepConnect Download* form. Because the program selects by default all of the slips for transfer to the return, certain amounts might be duplicated in the return.



Solution:

To prevent data to be duplicated during the transfer to the return, make sure to clear the transfer boxes for the duplicated RL slip, as depicted below.



This problem will be corrected in *Personal Taxprep* 2015 v.4.0.

Electronic Transmission

Troubleshooting memo T12015-001

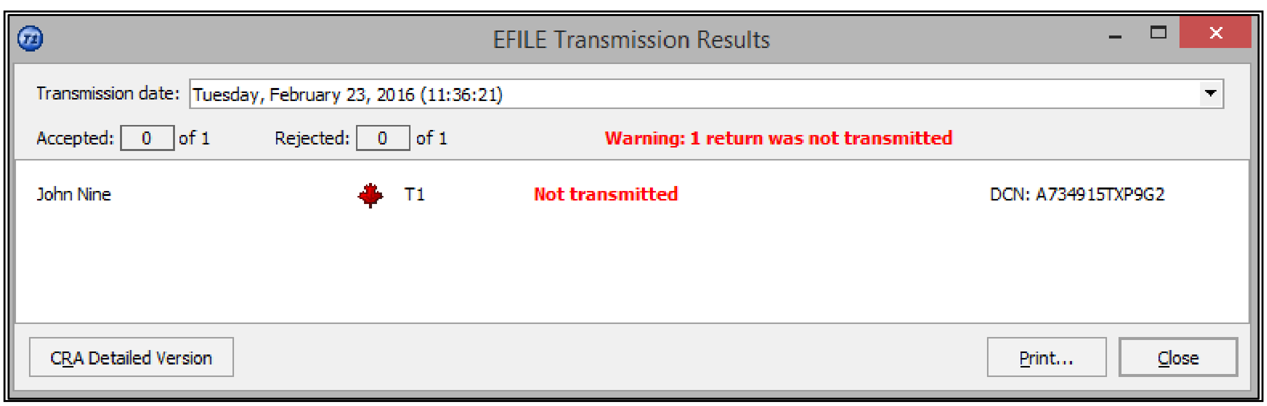
EFILE - Result code 183

Download the client filter and diagnostic templates

Problem:

I transmitted a T1 return with *Personal Taxprep* 2015 v.2.0 and received a “Not transmitted” message with no description. My return is still eligible and there is no confirmation number in the client file.

When I contacted the CRA EFILE helpdesk, they confirmed that the return had been accepted with a Result code 183.



Solution:

You can now EFILE a return in which a disability amount is claimed even if Form T2201, *Disability Tax Credit Certificate* has not yet been received by the CRA or if a new Form T2201 is required.

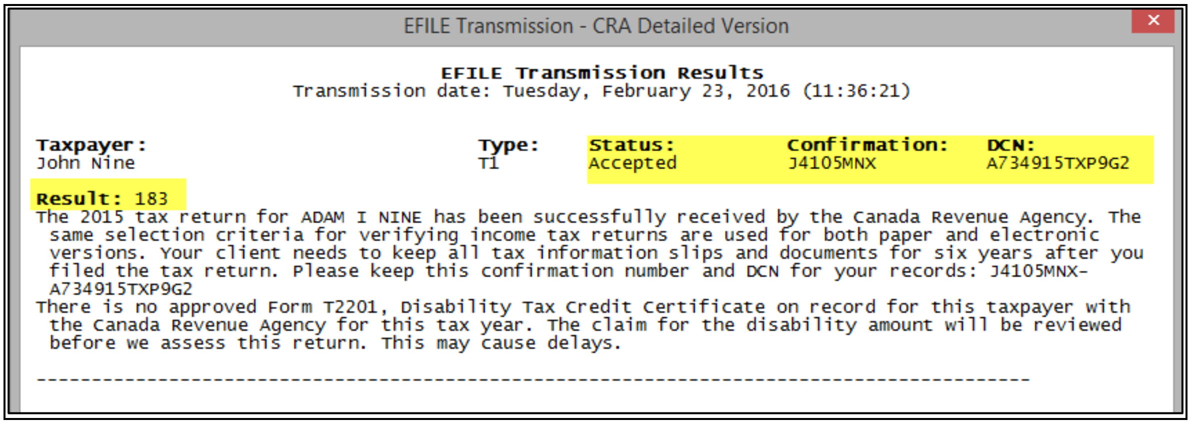
In those situations, the Result code 183 is returned by the CRA and the return is accepted, but the following CRA message should have been displayed in *Taxprep*:

> The <tax year> for <taxpayer's name> has been successfully received by the Canada Revenue Agency. The same selection criteria for verifying income tax returns are used for both paper and electronic versions. Your client needs to keep all tax information slips and documents for six years after you filed the tax return. Please keep this confirmation number and DCN for your records: ####### - #############
>
> There is no approved Form T2201, Disability Tax Credit Certificate on record for this taxpayer with the Canada Revenue Agency for this tax year. The claim for the disability amount will be reviewed before we assess this return. This may cause delays.

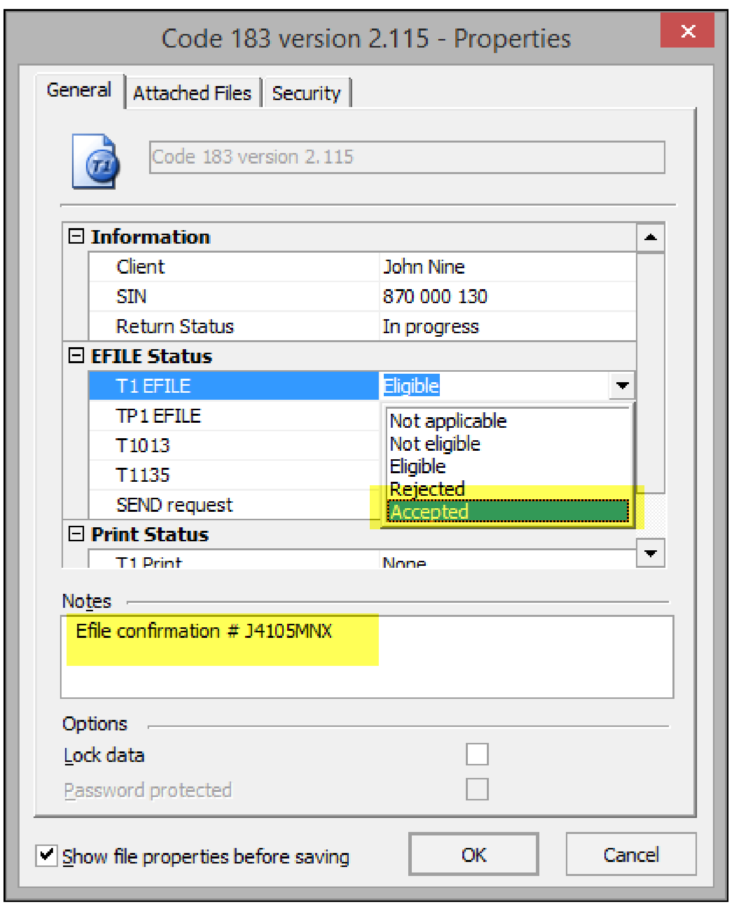
Note that for technical reasons, this specific message cannot be displayed in the **EFILE Transmission Results** dialog box and the EFILE status cannot be updated correctly in *Personal Taxprep* 2015 v.2.0.

However, you can view the message and your confirmation number if you click the **CRA Detailed version** button located at the bottom left-hand corner of the **EFILE transmission Result** dialog box.

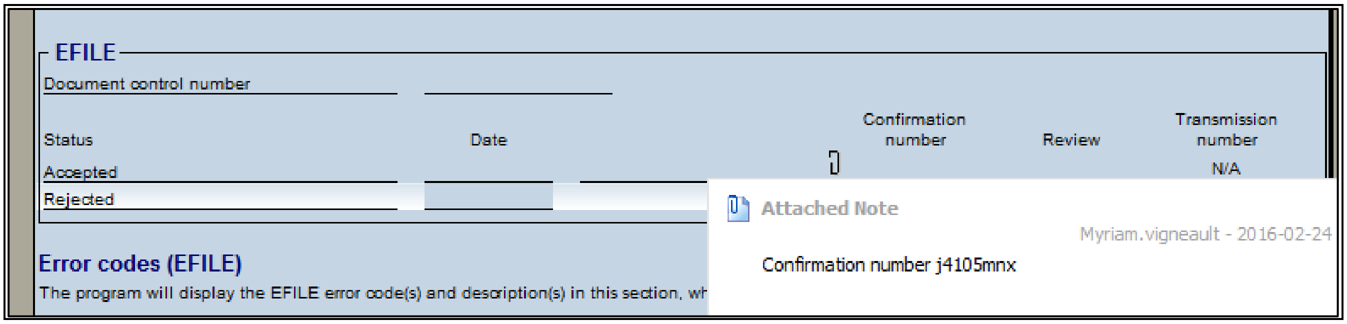
If you want, you can also contact the CRA EFILE helpdesk to receive the confirmation number over the phone.



Once you have this information, you can manually change the EFILE status from "Eligible" to "Accepted" and enter the confirmation number in the "Notes" field of the **Properties** dialog box (F11).



Alternatively, you can also enter the confirmation number as an “attached note” in the confirmation number cell in Form EFILE INFO (Jump Code: **EFILE INFO**).



Although all returns in which a disability tax credit has been claimed will be correctly transmitted to the CRA with version 2, we suggest that you wait, if possible, for version 3 before transmitting such returns (especially if you are unsure whether or not the CRA has an approved Form T2201 on record) in order to have your file automatically updated with the proper EFILE status and confirmation number.

This problem will be corrected in *Personal Taxprep* 2015 v. 3.0.

Roll forward

Troubleshooting T12015-010

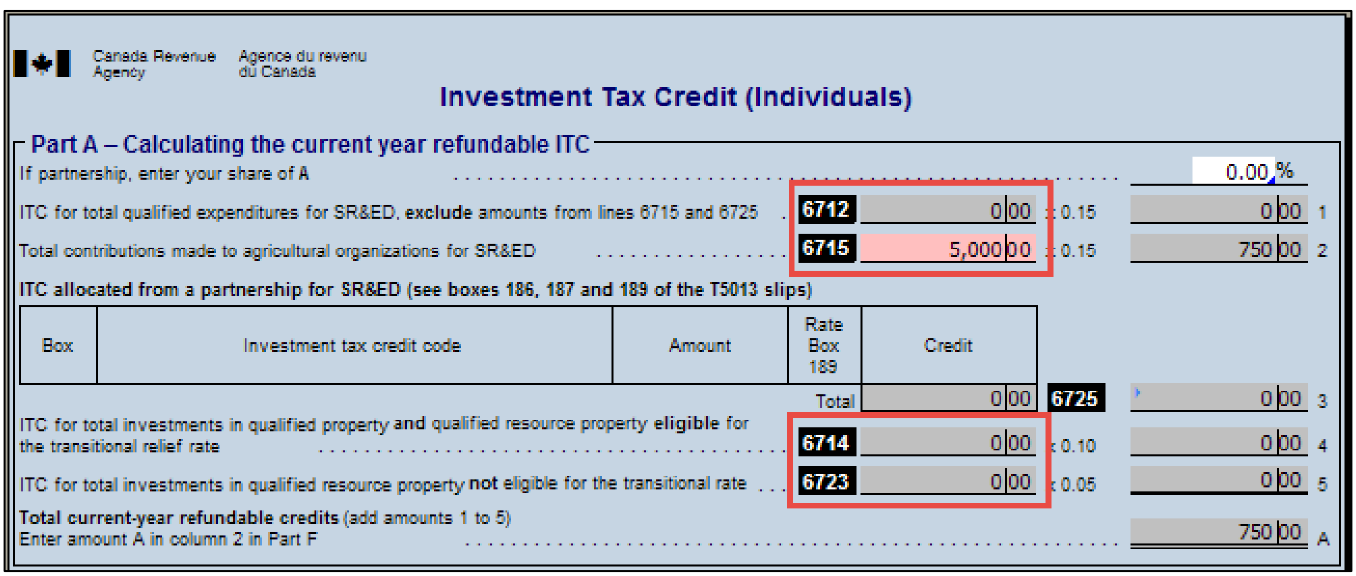
T2038 - The investment tax credit balance carried forward is incorrect in certain situations when the credit has been claimed or refunded in 2014

Download the client filter and diagnostic template

Problem:

An investment tax credit balance carried forward can be rolled forward by error into Form T2038 when the credit has been claimed or refunded in 2014. This problem occurs when, in 2014, an investment tax credit has been calculated with amounts that had been overridden on lines 6712, 6715, 6714 or 6723 in Part A of Form T2038 of 2014.

Personal Taxprep 2014



Even if part or all of this credit has been claimed on line 412 of Schedule 1 or refunded on line 454 of the 2014 tax return, the program rolls forward a balance carried forward from 2014 to the “Analysis of ITC claimed/carried forward” section of Form T2038 rather than deem the credit claimed.

Personal Taxprep 2014

Analysis of ITC claimed/carried forward

From	Balance carried forward	Current year credits	Adjustments	Claimed/expired	Balance carried forward
T2038S	0 00	750 00	0 00	0 00	750 00
T5013 (boxes 186 and 187)	0 00	0 00	0 00	0 00	0 00
T3 (box 41)	0 00	0 00	0 00	0 00	0 00
T2038 (code 5)	0 00	0 00	0 00	0 00	0 00
T2038 (code 6)	0 00	0 00	0 00	0 00	0 00
T2038 (code 7)	0 00	0 00	0 00	0 00	0 00
	0 00	0 00	0 00	0 00	0 00
	0 00	0 00	0 00	0 00	0 00
	0 00	0 00	0 00	0 00	0 00
Total	0 00	750 00	0 00	0 00	750 00

When rolling forward such a client file into version 2015 of *Personal Taxprep*, this balance is rolled forward into the "Analysis of ITC claimed/carried forward" section of Form T2038.

Personal Taxprep 2015

Analysis of ITC claimed/carried forward

From	Balance carried forward	Current year credits	Adjustments	Claimed/expired	Balance carried forward
T2038S	0 00	0 00	0 00	0 00	0 00
T5013 (boxes 186 and 187)	0 00	0 00	0 00	0 00	0 00
T3 (box 41)	0 00	0 00	0 00	0 00	0 00
T2038 (Line 6717)	0 00	0 00	0 00	0 00	0 00
T2038 (Line 6718)	0 00	0 00	0 00	0 00	0 00
T2038 (Line 6719)	0 00	0 00	0 00	0 00	0 00
	0 00	0 00	0 00	0 00	0 00
	0 00	0 00	0 00	0 00	0 00
	750 00	0 00	0 00	0 00	750 00
Total	750 00	0 00	0 00	0 00	750 00

Solution:

Verify the opening balance on the "Analysis of ITC claimed/carried forward" worksheet of Form T2038 and, where applicable, use an override to correct this amount.

A client filter has been created to allow you to identify the files in which the investment tax credit balance should be verified.

This problem will be corrected in *Personal Taxprep* 2015 v.4.1.

Troubleshooting Memo T12015-008

T2017 – Roll forward of reserves for dispositions in 2014 of qualified fishing property, qualified farm property and qualified small business corporation shares

Download the client filter and diagnostic templates

Problem:

The amount rolled forward on the line *Other – after March 18, 2007 but before 2014* of section A in Form T2017 is incorrect, as this amount includes reserves for dispositions made after March 18, 2007 but before 2014 **and** reserves for dispositions in 2014. The amount of reserves for dispositions in 2014 should instead be entered on the line *Other – in 2014* (see the screen capture below).

Part 1 – Dispositions of capital property after November 12, 1981

A. Dispositions of qualified farm or fishing property (QFFP)

Amount of 2014 reserve for dispositions of qualified farm property to your child after 2005 and before March 19, 2007, and all dispositions of qualified fishing property to your child after May 1, 2006, and before March 19, 2007 (from line 6681 of Form T2017 for 2014):					
From T5013, box 222[1]		0.00			
Other	+	0.00			
Total reserves on such dispositions	=	0.00	6680	0.00	
Amount of 2015 reserve for dispositions of QFFP to your child after 2006 and before March 19, 2007:					
From T5013, box 223[1]		0.00			
Other	+	0.00			
Total reserves on such dispositions	=	0.00	6681	0.00	
Subtotal: line 6680 **minus** line 6681 (if negative, enter "0")				0.00	A
Amount of 2014 reserve for dispositions of QFFP to your child after March 18, 2007, and all other dispositions of QFFP after 2010, (from line 6684 of Form T2017 for 2014):					
Dispositions after March 18, 2007 but before 2014 – from T5013, box 222[2]		0.00			
Dispositions in 2014 – from T5013, box 222[3]	+	0.00			
Other – after March 18, 2007 but before 2014	+	2,100.00			
Other – in 2014	+	0.00			
Amount of 2014 reserve for qualified farm property or qualified fishing property disposed of after December 2, 2014 — 0.00					
Total reserves on such dispositions	=	2,100.00	6708	2,100.00	

The amount rolled forward on the line *Other – after March 18, 2007 but before 2014* of section B in Form T2017 is incorrect, as this amount includes reserves for dispositions made after March 18, 2007 but before 2014 **and** reserves for dispositions in 2014. The amount of reserves for dispositions in 2014 should instead be entered on the line *Other – in 2014* (see the screen capture below).

B. Dispositions of qualified small business corporation shares (QSBCS)

Amount of 2014 reserve for dispositions of QSBCS to your child after 2005 and before March 19, 2007 (from line 6688 of Form T2017 for 2014):					
From T5013, box 224[1]		0.00			
Other	+	0.00			
Total reserves on such dispositions	=	0.00	6687	0.00	
Amount of 2015 reserve for dispositions of QSBCS to your child after 2006 and before March 19, 2007:					
From T5013, box 225[1]		0.00			
Other	+	0.00			
Total reserves on such dispositions	=	0.00	6688	0.00	
Subtotal: line 6687 **minus** line 6688 (if negative, enter "0")				0.00	D
Amount of 2014 reserve for dispositions of QSBCS to your child after March 18, 2007, and all other dispositions of QSBCS after 2010 (from line 6685 of Form T2017 for 2014):					
Dispositions after March 18, 2007 but before 2014 – from T5013, box 224[2]		0.00			
Dispositions in 2014 – from T5013, box 224[3]	+	0.00			
Other – after March 18, 2007 but before 2014	+	2,300.00			
Other – in 2014	+	0.00			
Total reserves on such dispositions	=	2,300.00	6709	2,300.00	

This problem affects files rolled forward from *Taxprep*, *Cantax*, Profile and DT Max 2014.

Solution:

In both sections affected by the problem, modify the amount rolled forward on the line *Other – after March 18, 2007 but before 2014* in order to include only reserves for dispositions after March 18, 2007 but before 2014. Then, enter the amount of reserves for dispositions in 2014 on the line *Other – in 2014*.

This problem will be corrected in *Personal Taxprep* 2015 v.4.1.

Troubleshooting T12015-004

Line 319 – Carrying forward 2014 interest on student loans – Rolling forward a 2014 DT Max file

Download the client filter and diagnostic template

Problem:

As a result of the roll forward of a 2014 DT Max file, the amount of interest on student loans for 2014 to carry forward to the following years is incorrect when an amount has been claimed on line 323, *Your tuition, education and textbook amounts (**attach** Schedule 11),* of the taxpayer's Schedule 1 for 2014.

When rolling forward the DT Max file in *Personal Taxprep,* the amount that had been claimed on line 323 of Schedule 1 in 2014 is added to the 2014 amounts carried forward to Form Schedule 1 Line 319, *Interest Paid on Student Loan* (Jump Code: **319**), which is incorrect.

Example 1:

A credit of $1,500.00 has been claimed on line 323 of Schedule 1 for 2014, and there is no balance of interest on student loans for 2014 to carry forward to 2015.

As a result of the roll forward to *Personal Taxprep*, an amount of $1,500.00 is indicated as the balance of interest on student loans for 2014, which is incorrect.

Example 2:

A credit of $1,500.00 has been claimed on line 323 of Schedule 1 for 2014, and there is a $600 balance of interest on student loans for 2014 to carry forward to 2015.

As a result of the roll forward to *Personal Taxprep*, an amount of $2,100.00 is indicated as the balance of interest on student loans for 2014, which is incorrect. This error results from the fact that the program currently adds the amount of $1,500 to the amount of $600.

Solution:

In example 1 above, delete the amount rolled forward for interest carried forward for 2014.

In example 2 above, modify the amount rolled forward for interest carried forward for 2014. The amount to enter is $600.

The roll forward problem of DT Max files will be corrected in *Personal Taxprep* 2015 v.4.0. The files rolled forward with this version will therefore not be affected by this problem. However, using version 4.0 to open a client file rolled forward with a prior version will not correct this problem. In this situation, manually modify the balance by subtracting from the balance of interest carried forward for 2014, the amount on line 323 of 2014.

Letter

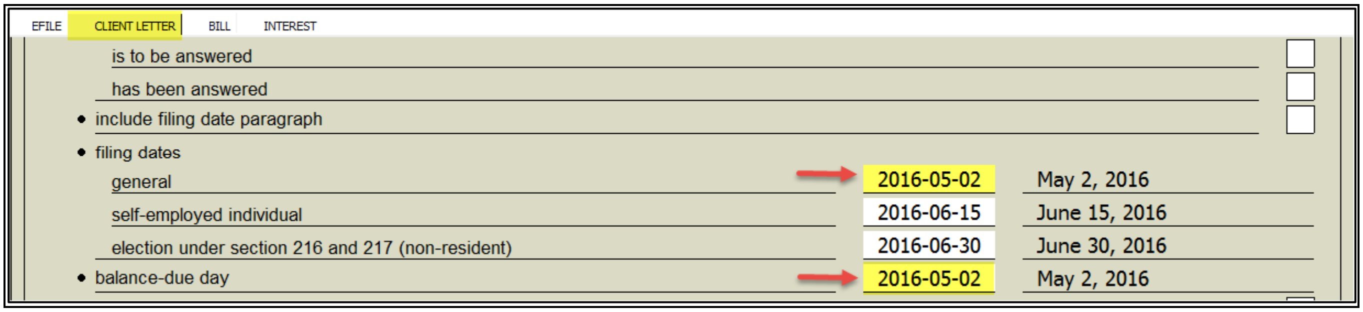
Troubleshooting T12015-007

Filing due date and balance due date

Download the diagnostic template

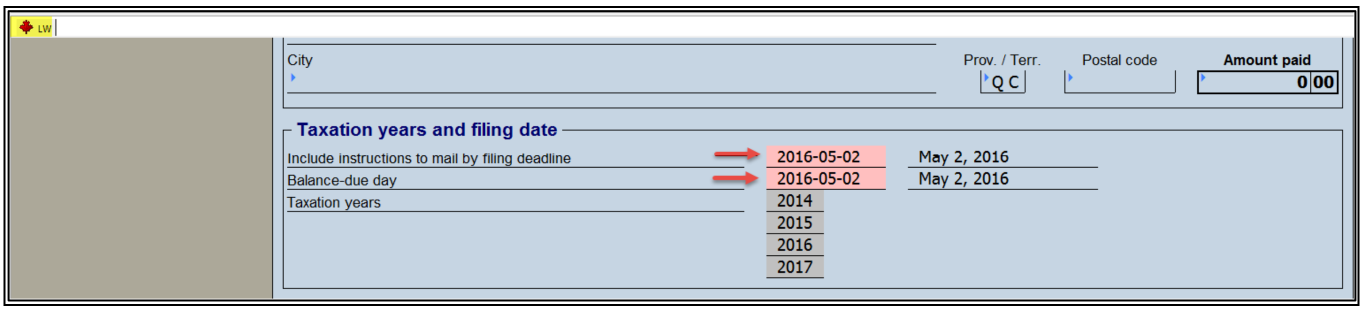
Problem:

When the general filing date and the balance due date have been modified for May 2, 2016, in the **CLIENT LETTER** tab in the preparer profile used, this change is no longer reflected in the client letters as of version 2015 4.0.

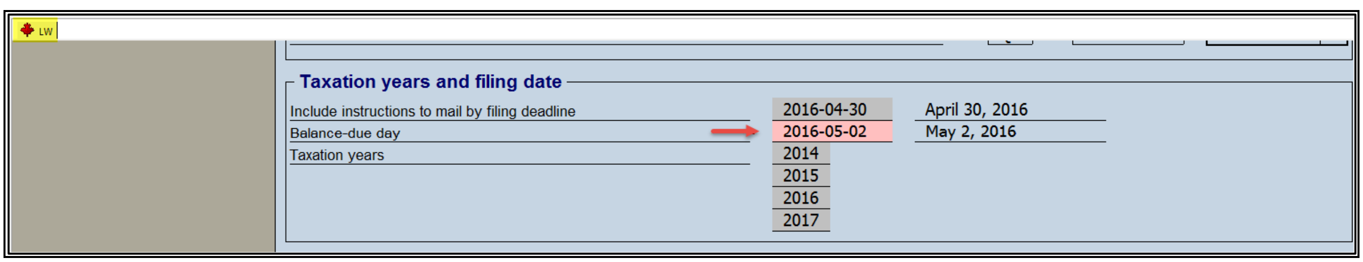


Solution:

If you are preparing the return of a taxpayer who has no spouse and who is not self-employed, access the *Client Letter Worksheet* (Jump Code: **LW**), and modify the dates as follows, using overrides:



If you are preparing the return of a taxpayer and the return of the spouse and the taxpayer and/or the spouse are self-employed, only the balance due date should be modified, as follows, in the return of the taxpayer and the return of the spouse:



Note that this action must be done for each of the returns filed.

This problem will be corrected in *Personal Taxprep* 2016 v.1.0.