

Cantax FormMaster

Troubleshooting

2016 Versions

Publication	Problem	Affected Version	Corrected Version
Week of January 8, 2017	Inaccurate calculation of the Québec tax credit for ordinary dividends (RL-3 slip, RL-15 slip and RL-25 slip)	Version 2016 1.0	Version 2016 1.1
Week of November 13, 2016	New calculation rules for Ontario additional tax for minimum tax purposes	Versions 2015 1.0, 2.0, 3.0, 4.0, 5.0 and 6.0	Version 2016 2.0

Ontario

New calculation rules for Ontario additional tax for minimum tax purposes

Problem:

How do I make sure that the Ontario additional tax for minimum tax purposes is calculated according to the new rules applicable to the 2016 taxation year while waiting for the release of version 2.0 of *Cantax FormMaster 2016*?

Solution:

If you are filing a 2016 tax return for a trust residing in Ontario that has to pay an additional tax for minimum tax purposes, a surtax amount might apply on the additional tax amount. Furthermore, the total of the additional tax and the surtax on the additional tax cannot be reduced by the dividend tax credit.

In this situation, proceed as follows:

First, make sure that a minimum tax amount is shown on line E of table 3 in Schedule 12.

If no amount is shown on line E of table 3 in Schedule 12, you are not required to modify the calculation done by the program.

If an amount is shown on line E of table 3 in Schedule 12, you have to calculate a surtax amount on the additional tax, as applicable, and enter the total in Form T3ON after the dividend tax credit has been deducted. To facilitate your work, we have prepared an Excel spreadsheet that includes the instructions to follow and calculations to do. You can access this spreadsheet by clicking [here](#).

If you do not have the Excel software, do the following calculation:

<p align="center">Graduated rate estate (GRE) or Qualified disability trust (QDT)</p>	<p align="center">Trust other than GRE or QDT</p>
<p>(T3ON, line 21 - \$4,484) x 20% = _____</p> <p>(T3ON, line 21 - \$5,739) x 36% = _____</p> <p>Total _____</p>	<p>Minimum tax amount on line E of table 3 in Schedule 12: \$_____.</p>
<p>Subtract this total from the amount on line 26 of Form T3ON.</p> <p>Result: \$_____</p>	<p>Multiplied by 1.56.</p> <p>Result (total minimum tax): \$_____</p>
<p>Add this result to the minimum tax amount shown on line E of table 3 in Schedule 12.</p> <p>Total minimum tax: \$_____</p>	<p>If applicable, override the amount on line 29 of Form T3ON by entering the total of the following two amounts:</p>
<p>If applicable, override the amount on line 29 of Form T3ON by entering the greater of the following amounts:</p> <ul style="list-style-type: none"> • the total minimum tax calculated above; • the amount by which the amount on line 27 of Form T3ON exceeds the amount on line 28 of Form T3ON. 	<ul style="list-style-type: none"> • the total minimum tax calculated above; • the amount by which the amount on line 21 of Form T3ON exceeds the amount on line 28 of Form T3ON.

The calculation of the Ontario additional tax for minimum tax purposes and Form T3ON will be updated for the 2016 taxation year in version 2016 2.0 of *Cantax FormMaster*.

Québec

Inaccurate calculation of the Québec tax credit for ordinary dividends (RL-3 slip, RL-15 slip and RL-25 slip)

Problem:

Cantax FormMaster calculates the tax credit for ordinary dividends by applying an 8.248% rate, while the rate used should be 8.2485%. This problem affects box C of the RL-3 slip, box 44 of the RL-15 slip and box G of the RL-25 slip.

However note that the calculation of the tax credit for eligible dividends is correct. Therefore, if you are only reporting eligible dividends, there is nothing to change.

Solution:

Consult the table below:

RL slip	If only ordinary dividends are reported on the RL slip	If ordinary dividends and eligible dividends are reported on the same RL slip
RL-3 slip	Override the amount in box C so it equals the following amount: Box A2 x 8.2485%	Override the amount in box C so it equals the following amount: Box A2 x 8.2485% + Box A1 x 16.422%
RL-15 slip	Override the amount in box 44 so it equals the following amount: Box 6b x 8.2485%	Override the amount in box 44 so it equals the following amount: Box 6b x 8.2485% + Box 6a x 16.422%
RL-25 slip	Override the amount in box G so it equals the following amount: Box A2 x 8.2485%	Override the amount in box G so it equals the following amount: Box A2 x 8.2485% + Box A1 x 16.422%

This problem will be corrected in Cantax FormMaster 2016 v.1.1.