Corporate Taxprep

Release Notes

Corporate Taxprep 2017 v.2.0 (January 2015 – May 2018)

Contents

Overview

Corporate Taxprep 2017 v.2.0 includes several technical and tax changes. Here is a summary of the main topics addressed in this document.

Transmission of supporting documents accompanying T2 returns

Supporting documents accompanying the T2 return can now be electronically transmitted. For more information, please consult the note about this subject.

TaxprepConnect Download (Jump Code: CONNECT)

The **TaxprepConnect** functionality is now available in *Corporate Taxprep*, therefore allowing you to download data via the CRA's *T2 Auto-fill* service. For more information, please consult the note about this subject.

Update of Schedule 10 (Jump Code: 10)

Schedule 10 has been updated and two parts have been added to calculate the undepreciated capital cost of class 14.1 on January 1, 2017, as well as the amounts under paragraph 13(38)(d) ITA. For more information, please consult the note about Schedule 10.

Electronic transmission of Forms T106 (Jump Code: 106) and T1134 (Jump Code: 1134)

Starting this year, the CRA allows for the electronic transmission of Form T106 (summary and slips) and Form T1134 (summary and supplements). For more information, please consult the note about Form T106 and the note about Form T1134.

Mandatory EFILE for Alberta AT1 returns

Corporations with a permanent establishment in Alberta must now file electronically their Alberta AT1 returns when the corporation's taxation year is ending after December 31, 2017. For more information, please consult the note about this subject.

Corporate Taxprep Seminar Tour - Fall 2017

Attend our fall *Corporate Taxprep* seminar for an in-depth look at all of the tax and form changes implemented in *Corporate Taxprep* 2017 v.2.0. In this informative and interactive full-day session, our expert presenters will guide you through what's new in corporate tax compliance and highlight features in *Corporate Taxprep* to help you prepare your corporate returns more efficiently. In addition, we will discuss new EFILE options announced by the CRA, which have been implemented in this version, and that will allow you to electronically transmit supporting documentation, T1134 forms and T106 returns! The seminar will also include an update on the July 18 tax planning using private corporations' proposals. Seminars start on November 28 and run until December 8.

Register for the seminar today!

We are also offering the Webinar on Demand version, available for pre-order now!

Pre-order the Webinar on Demand now!

Improve Your Productivity

TaxprepConnect Download (Jump Code: CONNECT)

The **TaxprepConnect** functionality is now available in *Corporate Taxprep*. This functionality allows you to download certain tax data of corporations using the CRA's *T2 Auto-fill* service. For more details, consult the Help as well as the note relating to the TaxprepConnect functionality in the "Technical Changes" section.

The *T2 Auto-fill* service gives you access to data in the returns for the five most recent assessed years. However, note that it is possible to transfer the downloaded data to the return only if the taxation year covered by the return starts immediately after the taxation year relating to the downloaded data or if the data and the return refer to the same taxation year. You can still download data for the other available taxation years using the **TaxprepConnect** functionality for consultation purposes.

To determine if the taxation year covered by the return starts immediately after the taxation year relating to the downloaded data, *Corporate Taxprep* verifies if the taxation year start date covered by the return is the day after the taxation year end date relating to the downloaded data, or, on an amalgamation or a wind-up, if the taxation year start date covered by the return corresponds to the taxation year end date relating to the downloaded data. Because no verification is made with respect to the time of the taxation year start or the taxation year end date, make sure that the correspondence between the taxation years is correctly established.

In addition, note that the taxation year start and taxation year end dates downloaded using the *T2 Auto-fill* service always include time, even if this information had not been entered when the return was filed, because the CRA adds this information when it assesses the return. When the corporation is not in one of the situations in which time must be added to the taxation year start or end date, it is then normal that the taxation year comprised in the downloaded data includes time and that this data is not indicated in the client file.

The **TaxprepConnect** functionality will be enhanced in the next versions of *Corporate Taxprep*, in particular to allow for the download and the transfer to the return of a greater number of tax data. We also plan on adding diagnostics and functionalities that will make it easier to manage the transferred data.

Preparer Profiles

EFILE tab

Subsections have been added to the "Canada Revenue Agency" section. These new subsections allow you to select all applicable T106 (Jump Code: **106S**) and T1134 (Jump Code: **1134**) forms for EFILE. Note that the boxes in this subsection are selected by default if you create a new preparer profile or if you roll forward an existing profile.

CLIENT LETTER tab

A modification has been made to line *Québec (COZ-1027.P)* in Section 2, "Covering letter to accompany a payment of corporate income tax." The box on this line is now selected by default as per a *Revenu Québec* requirement.

EFILE Information (Jump Code: EFILE INFO)

Two sections entitled "T106" and "T1134" have been added to this form. In this form you will find key information relating to the electronic filing of all applicable T106 (Jump Code: **106S**) and T1134 (Jump Code: **1134**) for the active corporation, as well as the information required to correct the form for electronic transmission purposes in case of rejection.

A new section, named "T2 – Docs," has been added to this form. It presents key information relating to the electronic transmission of supporting documents accompanying the T2 return, as well as the information required to correct the supporting documents for electronic filing purposes in case of rejection. For more information, consult the note relating to the transmission of supporting documents in the "Technical Changes" section.

Client Filters

T106 EFILE Eligible and T1134 EFILE Eligible

Two new filters entitled *T106 EFILE Eligible* and *T1134 EFILE Eligible*, have been created to allow you to create a list of all clients whose T106 or T1134 forms can be EFILED. In order to EFILE several T106 or T1134 forms at the same time, access the Client Manager, then in the **Current View** menu, select the filter *T106 EFILE Eligible* or *T1134 EFILE Eligible*. You will then obtain the list of clients whose T106 or T1134 form is applicable and selected for EFILE.

T2 – Docs EFILE Eligible

A new filter, entitled *T2 – Docs EFILE Eligible*, has been created to allow you to generate a list of all clients for whom at least one supporting document for which the status is "Eligible" is selected for the T2 transmission and for which none of these supporting documents is "Not eligible."

To transmit the supporting documents of several clients at the same time, go to the Client Manager, then, in the **Current View** menu, select the *T2 – Docs EFILE Eligible* client filter. You will obtain the list of clients for which the value of the T2 – Docs status is "Eligible" (i.e. the clients who comply with the above-listed conditions.

Predefined Filters

The *T106* and *T1134* predefined filters have been created to generate a list of all clients whose T106 or T1134 forms are applicable.

“Office” print format

From now on, the list of all diagnostics will no longer be printed when the "Office" print format is used. However, if you want to print the diagnostics list, you can create a custom print format. For more information on creating a customized print format, see the **Create a Print Format** help topic.

Federal

Transmission of supporting documents accompanying T2 returns

The electronic transmission of supporting documents accompanying the T2 return is now available for all types of corporations. For more information, consult the note relating to the transmission of supporting documents in the “Technical Changes” section.

T106 Summary, Information Return of Non-arm’s Length Transaction with Non-residents (Jump Code: 106S) and T106, T106 Slip (Jump Code: 106)

Starting this year, the CRA allows for the electronic transmission of Form T106 (summary and slips) for preparers who have an EFILE number (a Web access code (WAC) is not sufficient). For more information, consult the note relating to the transmission of the T106 form in the “Technical Changes” section.

The T106 form included in *Corporate Taxprep* can only be transmitted electronically for a corporation. Therefore, you can no longer use the T106 Summary and the T106 Slip included in *Corporate Taxprep* for an individual, a trust or a partnership. For this reason, the fields that allowed you to indicate for whom you were filing the form have been removed from Section 1.

The **Date locked** check box has been added at the bottom of the T106 Summary. When this box is selected, the date in the “Certification” section becomes locked. This mechanism ensures that the signature date filed is the same as the one on Form T106.

To prevent Form T106 from being mailed to the CRA after having been EFILED, the program prints a “Duplicate” watermark on the T106 form when it is printed after having been successfully EFILED.

In addition, in order to comply with electronic filing requirements, in the T106 Summary, we have added the field “Type of return” on screen only, to identify the type of return. We have also added fields in the T106 Slip on screen only, to identify the type of slip and allow for the cancellation of a slip. These fields display when the **Select this box for electronic filing** option is set to “Yes.” For more information, consult the Help.

In Section 1 of the T106 Summary, “PE” and “NR” can no longer be entered in the “Business Number (BN)” field. When opening a client file prepared with a prior version of *Corporate Taxprep*, “PE” and “NR” will not be retained. The fields “No.” and “Street” of the reporting person have been merged and now constitute a single field. When opening a client file prepared with a prior version of *Corporate Taxprep*, if a number or a street had been entered in these fields using an override, data entered in those fields will be retained as an overridden address. Note that the fields “Country code” and “Zip code” have also been added.

In Section 2 of the T106 Summary, you can no longer enter a negative amount on lines 4 and 5. When opening a client file prepared with a prior version of *Corporate Taxprep*, if negative amounts had been entered on those lines, they will not be retained.

In the “Certification” section of the T106 Summary, the field “First name Last name” has been split into two separate fields. As a result, this information must now be entered separately. When opening a client file prepared with a prior version of *Corporate Taxprep*, this data will not be retained. The field “Area code Telephone number” is now an input field. When opening a client file prepared with a prior version of *Corporate Taxprep*, the phone number will be retained. Note that the “Extension” field has also been added.

In Part II of the T106 Slip, the address on line 2 is now entered in a single field. When opening a client file prepared with a prior version of *Corporate Taxprep*, this data will be retained.

In Part V of the T106 Slip, the number of characters that can be entered in the **Number of contracts** column has been reduced to 9. When opening a client file prepared with a prior version of *Corporate Taxprep*, if an entry of more than 9 characters had been made, it will not be retained.

T1134, Information Return Relating to Controlled and Not-Controlled Foreign Affiliates (Jump Code: 1134)

Starting this year, the CRA allows for the electronic transmission of Form T1134 (summary and supplements) for preparers who have an EFILE number (a Web access code (WAC) is not sufficient). For more information, consult the note relating to the transmission of the T1134 form in the "Technical Changes" section.

The T1134 form included in *Corporate Taxprep* can only be transmitted electronically for a corporation. Therefore, you can no longer use the T1134 form included in *Corporate Taxprep* for an individual, a trust or a partnership. For this reason, the fields that allowed you to indicate for whom you were filing the form have been removed from the "Identification" section.

The **Date locked** check box has been added to section 2 in Part 1. When this box is selected, the date in the "Certification" section becomes locked. This mechanism ensures that the signature date filed is the same as the one on Form T1134.

To prevent Form T1134 from being mailed to the CRA after having been EFILED, the program prints a "Duplicate" watermark on the T1134 summary and supplement when it is printed after having been successfully EFILED.

In addition, in order to comply with electronic filing requirements, in the T1134 Summary, we have added the field "Type of return" on screen only, to identify the type of return. We have also added fields in the T1134 Supplement on screen only, to identify the type of supplement and allow for the cancellation of a supplement. These fields display when the **Select this box for electronic filing** option is set to "Yes." For more information, consult the Help.

In Part 1 of Section 1, "PE" and "NR" can no longer be entered in the "Business Number (BN)" field. When opening a client file prepared with a prior version of *Corporate Taxprep*, "PE" and "NR" will not be retained. In addition, the fields "No." and "Street" of the reporting entity have been merged and now constitute a single field. When opening a client file prepared with a prior version of *Corporate Taxprep*, if a number or a street had been entered in these fields using an override, data entered in those fields will be retained as an overridden address. Note that the fields "Country code" and "Zip code" have also been added.

The "Extension" field has also been added in Section 2.

In Section 3, on screen only, we have added validation screens to enter the business number for a corporation, the social insurance number for an individual, the account number for a trust or the account number for a partnership. When opening a client file prepared with a prior version of *Corporate Taxprep*, if a number was entered in the "SIN / BN / Other account number" field, the number will be retained if it complies with the validations.

Moreover, in Section 2 of Part II the two fields for the address of the head office have been replaced by an 80-character field. When opening a client file prepared with a prior version of *Corporate Taxprep*, the first 80 characters of the two address lines for the head office will be retained in this new field.

INTEREST, Interest and Late-filing Penalty (Jump Code: INTEREST)

As per paragraph 162(1)(a), 5% of the income tax payable under Part I that was unpaid on the date on which, at the latest, the return had to be filed, must be calculated for the year. In the situation where the balance due was paid in full before the filing deadline, *Corporate Taxprep* was calculating a late-filing penalty, which was incorrect. This problem has therefore been corrected in this version of the program.

When opening a client file prepared with a prior version of *Corporate Taxprep*, if the corporation was in the above-mentioned situation, the late-filing penalty will be equal to zero.

Alberta

Mandatory EFILE for Alberta AT1 returns

As defined under subsection 36.1(2.3) of the ACTA, a tax preparer must now electronically transmit any income tax return filed in exchange for consideration. Penalties will apply if you file more than ten corporate tax returns in exchange for consideration by means other than by way of electronic filing. A diagnostic has been created to notify you.

In addition, the line *Must this return be electronically filed with Alberta Tax and Revenue Administration?* has been added to Form *RSI, Electronic Filing and Bar Codes Control Workchart* (Jump Code: **RSI-EFILE-BAR CODES**). This line indicates whether the corporation has the obligation to file its return electronically under subsection 36.1(2.1) of the ACTA. If the corporation is subject to this obligation and it files its return by means other than by way of electronic filing, the corporation may be subject to a $1,000 penalty under section 37.3 of the ACTA. The obligation to file electronically applies to corporations with a taxation year ending after December 31, 2017.

New Forms

Alberta

AT1 Schedule 14 Supplemental Worksheet, Alberta Cumulative Eligible Capital Deduction (Jump Code: A14S)

This new form is to be used when the corporation has eligible capital property in a taxation year that includes December 31, 2016, and ends on or after January 1, 2017. It allows you to calculate the undepreciated capital cost of class 14.1 at the beginning of January 1, 2017, as well as the effects of the elections made under subparagraphs 13(38)(d)(iii) and (iv) ITA.

When the form is applicable, the AT1 Schedule 14 Supplemental Worksheet must be filed with the AT1 Schedule 14. If the tax return is transmitted electronically (NetFile), the AT1 Schedule 14 Supplemental Worksheet must be printed and sent separately to the Alberta Treasury Board and Finance.

Deleted Forms

Québec

CO-1029.8.36.CP, Tax Credit for the Construction of Public Access Roads and Bridges in Forest Areas (Jump code: 1029836CP)

QC L393 code 07, Deduction Respecting an IFC (Jump Code: L393-07)

Updated Forms

* Note that form titles followed by an asterisk (*) have been updated according to the most recent version issued by the applicable tax authority.

Preparer Profiles

AUTHORIZATION FORMS tab

The option that allowed you to print part of or the entire MR-69 form has been removed.

Federal

Corporate Identification and Other Information (Jump Code: ID)

The Québec enterprise number (NEQ) and the identification number are now validated by the program. When opening a client file prepared with a prior version of *Corporate Taxprep*, if an invalid number had been entered for the NEQ or the identification number, it will not be retained.

Also note that the check box **Use the address of head office** has been removed from the “Corporate addresses” section. When opening a client file prepared with a prior version of *Corporate Taxprep*, if this check box was selected and one of lines 031, 032, 035, 036, 037 and 038 was overridden, the address will be retained as an input value. Otherwise, it will not be retained.

The question *Does the corporation make distributions that could be considered “income sprinkling” under the proposed changes to section 120.4 of the ITA?* has been added to the form to allow you to identify corporations affected by these proposed measures and generate reports.

Schedule 200, T2 Corporation Income Tax Return (Jump Code: J)

On October 24, 2017, the federal government announced, in the *Notice of Ways and Means Motions to Amend the Income Tax Act*, that the deduction rate for the small business would increase from 17.5% to 18% on January 1, 2018. Note that this deduction will be calculated proportionally if the taxation year straddles January 1, 2018. To take this measure into account, custom line 3 has been added to the “Small business deduction” section of this schedule.

Schedule 1, Net Income (Loss) for Income Tax Purposes (Jump Code: 1)*

Lines 605 and 295 in respect of the income inclusions under subparagraph 13(38)(d)(iii) ITA have been removed. Line 418, *Incorporation expenses under paragraph 20(1)(b)* has been added to the form.

When opening a client file prepared with a prior version of *Corporate Taxprep*, if an amount relating to an income inclusion under subparagraph 13(38)(d)(iii) ITA was entered on line 295 using an override, this amount will be retained on line 108 as an overridden amount.

Schedule 2, Charitable Donations and Gifts (Jump Code: 2)*

Schedule 5, Tax Calculation Supplementary - Corporations (Jump Code: 5)*

The validation of the certificate number on line 834 has been modified with the result that only certificate numbers of four numerical characters are accepted, in accordance with the CRA’s specifications. When opening a client file prepared with a prior version of *Corporate Taxprep*, if an invalid certificate number had been entered on line 834, it will not be retained.

Schedule 8, Capital Cost Allowance (CCA) (Jump Code: 8)*

Schedule 8 WORKCHART, Capital Cost Allowance (CCA) (Jump Code: 8 WORKCHART)

New asset codes 23 and 24 have been added to the eligible property list for CCA classes 43.1 and 43.2 when there is an addition in the year. These codes allow you to identify geothermal energy equipment and thermal energy sources acquired after March 21, 2017.

Schedule 10, Cumulative Eligible Capital Deduction (Jump Code: 10)*

Part 3 has been added to this schedule to calculate the undepreciated capital cost (UCC) of the new class 14.1 which came into effect on January 1, 2017. Part 4 has also been added in order to calculate the adjustments required when either one of the two elections allowed under the transitional rules in paragraph 13(38)(d) ITA is made in a taxation year that includes December 31, 2016, and ends on or after January 1, 2017.

The check box **The corporation makes the election under subparagraph 13(38)(d)(iii) ITA.** has been moved to line 102 of Part 4 and has been renamed **Is the corporation electing under subparagraph 13(38)(d)(iii) ITA to report an income inclusion instead of a capital gain?**

Note that Schedule 10 will no longer be applicable for a taxation year that begins on or after January 1, 2017.

Schedule 17, Credit Union Deductions (Jump Code: 17)

The rate used to calculate the small business deduction (SBD) has been modified: it will be 18% for 2018, as announced in the *Notice of Ways and Means Motions to Amend the Income Tax Act* tabled on October 24, 2017. As the preferred-rate amount at the end of the tax year should be calculated using the same rate used to calculate the SBD, the 18% rate should also be used to calculate the preferred-rate amount at the end of the tax year for days after 2017. Custom line 6 has been added to Part 4 to take this change into account.

For more information, consult the note relating to Schedule 200.

Schedule 20, Part XIV - Additional Tax on Non-Resident Corporations (Jump Code: 20)*

Schedule 27, Calculation of Canadian Manufacturing and Processing Profits Deduction (Jump Code: 27)*

Schedule 31, Investment Tax Credit - Corporations (Jump Code: 31)*

Schedule 46, Part II - Tobacco Manufacturers' Surtax (Jump Code: 46)*

As announced in the Federal Budget tabled on March 22, 2017, the tobacco manufacturers' surtax is eliminated as of March 23, 2017. Consequently, this schedule has been modified to reflect this measure.

T661, Scientific Research and Experimental Development (SR&ED) Expenditures Claim (Jump Code: 661)

The year's maximum pensionable earnings amount for purposes of the Canada pension plan has been updated for the 2018 calendar year (and is now $55,900). This amount is used to determine the specified employees' salary or wages when the proxy method is selected to calculate the SR&ED expenditures.

T2054, Election for a Capital Dividend Under Subsection 83(2) (Jump Code: 2054)*

All parts of the form are now numbered and Part 3 has been added for capital dividends received from another corporation. In addition, the line *Postal code* has been added to Part 1. Also note that line D in the old version of the form, which relates to the total payment accompanying the election, has been moved: it is now line O in Part 6.

RC59, Business Consent for Access by Telephone and Mail (Jump Code: RC59)*

RC366, Direct Deposit Request for Businesses (Jump Code: RC366)*

The following changes have been made to the list of financial institutions provided in the "Institution Number" fields in Part B of the form.

Items added to the list;

239 - Desjardins Credit Union Inc.

267 - Credit Lyonnais Canada

281 - JP Morgan Bank Canada

289 - Paribas Bank of Canada

337 - Bank West

371 - Bank of Tokyo-Mitsubishi UFJ (Canada)

378 - Cidel Bank Canada

619 - M.R.S. Trust Company

850 - Lambton Financial Credit Union Limited

Items removed from the list;

248 - BARCLAYS BANK OF CANADA

367 - BNP Paribas (Canada)

821 - Credit Unions in Nova Scotia

831 - Credit Unions in New Brunswick

841 - Credit Unions in Québec

851 - Credit Unions in Ontario

Items modified in the list;

Code "343 - Hollis Canadian" has been replaced with code "343 - Dundee Bank of Canada."

Code "361 - Home Bank" has been replaced with code "361 - CFF Bank."

Code "373 - Sumitomo Mitsui Banking Corporation of Canada" has been replaced with code "373 - Sumitomi Mitsui Banking Corporation of Canada."

Code "507 - Community Trust Company LTD" has been replaced with code "507 - Community Trust Company."

Code "839 - Credit Union Central of Nova Scotia" has been replaced with code "839 - Atlantic Central."

Code "846 - Rapport Credit Union" has been replaced with code "846 - Ontario Civil Service Credit Union Limited."

Code "849 - Brunswick Credit Union Federation Limited" has been replaced with code "849 - Atlantic Central."

Inducement, Inducement Calculation Workchart (Jump Code: INDUCEMENT)

The field "Tax credit for the production of biodiesel in Québec" has been added to the "Tax credits whose amount should be added to income" section.

AgriStability and AgriInvest - Programs (Jump Code: AGRI/HAGRI) – Ontario*

AgriStability and AgriInvest - Programs (Jump Code: AGRI/HAGRI) - Alberta*

AgriStability and AgriInvest - Programs (Jump Code: AGRI /HAGRI) - Saskatchewan*

As a result of the update of this form, the check boxes **Perishable Commodities Worksheet**, **CWB Receivables Adjustment Worksheet** and **T2 Schedule 1** have been removed from the "Supporting Documentation" section. Conversely, the check boxes **Greenhouses and Nurseries Productive Capacity Form** and **Purchase Agreement** have been added to this section.

In addition, in the "To be completed by AgriStability Participants only" section, it is now possible to enter a maximum of three contract numbers (in the "contract number fields), while it was previously possible to enter up to four. Furthermore, you must now enter the corporation's share for each contract number.

When opening a file prepared with a prior version of *Corporate Taxprep*, the program does not retain the values of the fields that have been removed from the "Supporting Documentation" and "To be completed by AgriStability Participants only" sections.

AgriStability and AgriInvest Programs (Jump Code: AGRI/HAGRI) – Harmonized provinces* and British Columbia*

As a result of the update of the form, the layout of Sections 1 and 2 has been modified. Section 1 is now split into five subsections, i.e. "Participant information," "Contact person information," "Your farming information," "Farm Type," and "Federal public office holder or employee of AAFC." The fields "Telephone (evenings)," "First Name" and "Last Name" have been removed from Section 1.

When the operation is combined with another, it is now possible to enter a maximum of three PINs (and indicate, for each of these PINs, if the operation is added to or removed from the group) in Section 2, while it was previously possible to enter up to four. In addition, in this section, the fields that related to Legal Land Description as well as the fields that related to the question *Are you sending in any of the following to your Administration?* have been removed.

Also note that the layout of the information for the farming activities statement has been modified and the input fields that allowed you to enter another income amount have been removed from Section 6. Furthermore, the fields "AgriStability/AgriInvest Participant Identification Number (PIN)," "Your first name," "Your last name" and "Only enter the corporation name if the partner is a corporation" have been removed from the first line of the table in Section 6 relating to information on the partners of the partnership, because the first line of this table is used to indicate the filing corporation's share in the partnership.

When opening a client file prepared with a prior version of *Corporate Taxprep*, the program does not retain the values of the fields deleted in Sections 1, 2 and 6.

AgriStability and AgriInvest Additional Information and Adjustment Request (Jump Code: HAGRI ADD)*

LABELS, Label Worksheet (Jump Code: LABELS)

In the "Tax return mailing address" section, the fourth line of the mailing address for the Québec return has been removed. When opening a client file prepared with a prior version of *Corporate Taxprep*, if a value had been entered using an override on this line, it will not be retained.

Ontario

Schedule 500, Ontario Corporation Tax Calculation (Jump Code: 500)*

The “Ontario business limit reduction” subsection of Part 3 has been removed.

When opening a client file prepared with a prior version of *Corporate Taxprep*, if any of lines a to d and line 4 of Part 3 had been overridden, the amount on line 3 will be overridden with the amount from line 4.

In addition, in Bill 177, tabled on November 14, 2017, the Government of Ontario announced an increase in the Ontario Small Business Deduction rate (OSBD). The deduction rate increases from 7% to 8%, and this rate will have to be calculated proportionately when the corporation’s taxation year straddles January 1, 2018. Line G in Part 3 of the schedule has been modified to take this change into account.

Ontario Resource Tax Credit and Ontario Additional Tax re Crown Royalties (Jump Code: 504)*

Schedule 508, Ontario Research and Development Tax Credit (Jump Code: 508)*

Schedule 525, Ontario Political Contributions Tax Credit (Jump Code: 525)*

Schedule 554, Ontario Computer Animation and Special Effects Tax Credit (Jump Code: 554)*

Annexe 556, Ontario Film and Television Tax Credit (Jump Code: 556)*

Schedule 558, Ontario Production Services Tax Credit (Jump Code: 558)*

Schedule 560, Ontario Interactive Digital Media Tax Credit (Jump Code: 560)*

Lines 410, 415, 420, 425, 470, 471, 472, 575, 576, 577, 606, 607, 605, 609, 611 and 612 have been removed from this schedule, because they related to expenditures incurred before March 27, 2009. When opening a client file prepared with a prior version of *Corporate Taxprep*, data that had been entered or calculated on these lines will not be retained.

Line 465, which was used to calculate the eligible labour expenditures for the eligible product, has been replaced by line 473, which was previously used to indicate the portion of these expenditures that was incurred after March 26, 2009. When opening a client file prepared with a prior version of *Corporate Taxprep*, if an amount was entered using an override on line 465 and this amount was the same as the amount entered on line 473, it will be retained as an overridden amount on line 473. In addition, if the value on line 465 differed from the value entered on line 473, the value on line 473 will be retained as an overridden value.

Similarly, line 570, which was used to calculate the eligible marketing and distribution expenditures for the tax year, has been replaced by line 578, which was previously used to indicate the portion of these expenditures that was incurred after March 26, 2009. When opening a client file prepared with a prior version of *Corporate Taxprep*, if an amount was entered using an override on line 570 and this amount was the same as the amount entered on line 578, it will be retained as an overridden amount on line 578. In addition, if the value on line 570 differed from the value entered on line 578, the value on line 578 will be retained as an overridden value.

Finally, line MM of Part 8 has been removed. When opening a client file prepared with a prior version of *Corporate Taxprep*, if an amount was entered using an override on this line, it will be retained as an overridden amount on line 608.

Schedule 566, Ontario Innovation Tax Credit (Jump Code: 566)*

Québec

Québec enterprise number (NEQ) and identification number

In accordance with *Revenu Québec* requirements, the Québec enterprise numbers (NEQ) entered in the program must start with 11, 22, 33 or 88, and, conversely, the identification numbers must not start with 11, 22, 33 or 88. When opening a client file prepared with a prior version of *Corporate Taxprep*, if an invalid NEQ or identification number had been entered, it will not be retained.

CO-17, Corporation Income Tax Return (Jump Code: QJ)*

Note that the following tax code can now be selected on lines 425ai and 425bi:

- 91, *Additional CCA (property used in M&P or that constitutes computer equipment)*

In addition, the amount of registration fees for corporations, mutual insurance corporations and other entities, entered on line 441b, will be indexed on January 1, 2018. This amount will increase from $87 to $88. The amount of registration fees for cooperatives as well as the amount for non-profit legal persons (incorporated association), syndicate of co-ownerships and fraternal benefit societies will remain at $40 and $34 respectively.

QC L440P-Y, Additional Québec Credits (Jump Code: L440P)

The following credit code has been removed from the form:

- 077, *Tax credit for the construction of public access roads and bridges in forest areas (CO-1029.8.36.CP)*.

When opening a client file prepared with a prior version of *Corporate Taxprep*, if there was an amount on the line for this code, it will not be retained.

Also note that the following code has been added to the form:

- 103, *Tax credit for the production of biodiesel in Québec*.

CO-17.A.1, Net Income for Income Tax Purposes (Jump Code: Q1)*

On the line *Additional Deductions*, lines 129d to 129k have been added under line 129c, and, on the line *Non-taxable tax credits*," lines 140c to 140j have been removed.

When opening a client file prepared with a prior version of *Corporate Taxprep* in which amounts had been overridden on lines 140c to 140j, only the amounts with which codes are associated (lines 140ci to 140ji) will be added, and the total of these amounts will be entered on line 140b using an override. The overridden amounts for which no code is defined will not be retained.

Also note that the following two codes have been added to the code list for lines 129bi to 129ki;

- 03, *Additional deduction for transportation costs of an SMB located in a particular remote zone;*
- 04, *Additional deduction for capital cost allowance of a property used in manufacturing or processing activities or that constitutes computer equipment*.

In addition, lines 129bi and 129b are now dedicated to new code 4, *Additional deduction for capital cost allowance of a property used in manufacturing or processing activities or that constitutes computer equipment*. When opening a client file prepared with a prior version of *Corporate Taxprep*, if a code had been entered on line 129bi, it will be moved to line 129di, and, if an amount had been entered on line 129b, it will be moved to line 129d. The corresponding values in the **Prior year** column will also be moved in the same manner.

Also note that, in the "Additional list" section located at the bottom of the form, the line *Additional capital cost allowance* has been removed under "Deduct." When opening a client file prepared with a prior version of *Corporate Taxprep* in which an amount had been overridden on this line, it will be retained as an overridden amount on line 129b.

Q1L70A, Taxable Tax Credits (Jump Code: L70A)
Q1L140A, Non-taxable Tax Credits (Jump Code: L140A)

The following credit code has been added to the forms:

- 103, *Tax credit for the production of biodiesel in Québec*

CO-156.TR, Additional Deduction for Transportation Costs of Small and Medium-Sized Manufacturing Businesses (Jump Code: 156TR)*

CO-1029.8.33.6, Tax Credit for an On-the-Job Training Period (Jump Code: 10298336)

As per new *Revenu Québec* requirements, you can now enter fractions of hours on lines 28, 37, 79d and 79i of the form.

However, decimals can no longer be entered on lines 29, 38, 79e and 79j. When opening a client file prepared with a prior version of *Corporate Taxprep*, if an amount was overridden on one of these lines, it will be retained but rounded to the nearest dollar.

CO-1029.8.33.13, Tax Credit for the Reporting of Tips (Jump Code: 102983313)*

This form has been updated in order to integrate the various applicable rates for 2017 and 2018.

CO-1029.8.36.DA, Tax Credit for the Development of E-Business (Jump Code: 1029836DA)*

CO-1029.8.36.IN, Tax Credit for Investment (Jump Code: 1029836IN)*

For taxation years beginning after March 26, 2015, when the corporation claims the tax credit as a member of a qualified partnership or as a member of an interposed partnership that is a member of a qualified partnership, the paid-up capital of this qualified partnership, calculated on a consolidated basis, must be used to determine the increase in the basic rate in Section 5.1.2 and the additional increase in the basic rate in Section 5.1.5 of the form.

When opening a client file prepared with a prior version of *Corporate Taxprep*, if a value is overridden on line 35d or 35s, this value will not be retained when the eligible entity is a partnership and the corporation's taxation year begins after March 26, 2015.

CO-1029.8.36.5, Tax Credit for a Design Activity Carried Out by an Outside Consultant (Jump Code: 10298365)*

Check boxes 05aa and 05bb have been removed from the form. When opening a client file prepared with a prior version of *Corporate Taxprep*, values in these boxes will not be retained.

For taxation years beginning after March 26, 2015, when the corporation claims the tax credit as a member of a qualified partnership or as a member of an interposed partnership that is a member of a qualified partnership, the total assets from the preceding fiscal period of this qualified partnership must be entered on line 66 in order to determine the applicable tax credit rate.

In addition, lines 76 and 77 which were used to calculate the tax credit related to an assistance, a benefit or an advantage repaid in the taxation year on line 78 have been removed from the form.

When opening a client file prepared with a prior version of *Corporate Taxprep*, if a value is overridden on line 66, it will not be retained when the eligible entity is a partnership and the corporation's taxation year begins after March 26, 2015. Also, values entered on lines 76 and 77 will not be retained. As a result, when an amount is calculated or overridden on line 78, it will be retained as a value entered manually.

CO-1029.8.36.7, Tax Credit for an In-House Design Activity (Jump Code: 10298367)*

Boxes 05a and 05b, which were used to determine in which period the wages were incurred, have been removed from the form.

Also, for taxation years beginning after March 26, 2015, when the corporation claims the tax credit as a member of a qualified partnership or as a member of an interposed partnership that is a member of a qualified partnership, the total assets from the preceding fiscal period of that qualified partnership, calculated on a consolidated basis, must be entered on line 56 in order to determine the applicable tax credit rate.

Finally, lines 66 and 67, which were used to calculate the tax credit related to an assistance, a benefit or an advantage repaid in the taxation year on line 68, have been removed from the form.

When opening a client file prepared with a prior version of *Corporate Taxprep*, if a value is overridden on line 56, it will not be retained when the eligible entity is a partnership and the corporation's taxation year begins after March 26, 2015. Also, values entered in boxes 05a and 05b as well as on lines 66 and 67 will not be retained. As a result, when an amount is calculated or overridden on line 68, it will be retained as a value entered manually.

TP-1029.9, Tax Credit for Taxi Drivers or Taxi Owners (Jump Code: 10299)*

This form is now a multiple copy form, because a corporation member of a partnership or an interposed partnership can now benefit from the tax credit for taxi owners. The custom section "Identification" has been added, on screen only, above Part 1. Select the eligible entity that incurred the qualified expenditures. When opening a client file prepared with a prior version of *Corporate Taxprep*, if box 12 was selected, the box **The corporation incurred qualified expenditures** will be selected.

If the corporation claims the tax credit for taxi owners both as a corporation and as a member of a partnership, complete two copies of the form. When the corporation claims the tax credit for taxi owners as a member of a partnership or as a member of an interposed partnership, complete the table in Section 3.3.

Previously, the calculation of the tax credit for taxi drivers and the tax credit for taxi owners were both performed in Part 6. Now, the tax credit for taxi drivers is calculated in Part 2 while the tax credit for taxi owners is calculated in Section 3.4.

Note that former lines 22, 23 and 24, *Taxi owner's permit number or numbers (if applicable)* have been removed from the form, as well as the field for the telephone number in the "Certification" section. If data had been entered in those fields in a prior version of *Corporate Taxprep*, it will not be retained.

Also note that the line *Name of authorized representative or individual* has been added to the "Certification" section.

Finally, the indexed base amount that should be indicated on line 53 for the 2018 taxation year is $574.

CO-1136, Calculation of Paid-Up Capital (Jump Code: 1136)

CO-1136.CS, Paid-Up Capital for Purposes of Calculating the Income Tax of Certain Corporations (Jump Code: 1136CS)

A corporation that operates an international financial centre (IFC) could claim, until December 31, 2012, the deduction respecting an IFC in calculating its paid-up capital. Similarly, a corporation member of a partnership that operates an IFC could claim this deduction until December 31, 2013. Because this deduction is no longer allowed for taxation years covered by *Corporate Taxprep* 2017 v.2.0, code 07, which related to the deduction respecting an IFC, has been removed from the choices available on lines 393i and 394i in Part 5 of these forms.

CO-1159.2, Compensation Tax for Financial Institutions (Jump Code: 11592)*

As a result of the update of the form, the first column, which related to the salaries and wages paid before January 1, 2013, has been deleted in Parts 2, 4 and 7. Line 68 in Part 7, which related to the rate of the salaries and wages paid before January 1, 2013, has also been deleted. Note that the first line of columns A in Parts 2, 4 and 7 now has to be used to enter the salaries and wages paid before December 3, 2014. In addition, the first line of columns B in Parts 2, 4 and 7 now has to be used to enter the salaries and wages paid after December 2, 2014, and before April 1, 2022. Finally, the first line of columns C in Parts 2, 4 and 7 now has to be used to enter the salaries and wages paid after March 31, 2022, and before April 1, 2024.

The calculation on line 30 has been adjusted to take into account the amount of premiums payable from line 41 of Form CO-1167 (Jump Code: **1167**).

In Part 8, lines 72a to 72c and 73, which related to the calculation of the rate applicable to premiums for the days in the taxation year before January 1, 2013, have been deleted.

Former Section 2.1 as well as lines 25b and 25c have been removed from the form. When opening a client file prepared with a prior version of *Corporate Taxprep*, if the amount on line 26 of former Section 2.3 is overridden, it will be retained as an overridden amount on the line 26 of Part 2. However, if this overridden amount is negative, it will not be retained.

RD-1029.7, Tax Credit for Salaries and Wages (R&D) (Jump Code: 10297)*

RD-1029.8.6, Tax Credit for University Research or Research Carried Out by a Public Research Centre or a Research Consortium (Jump Code: 102986)*

RD-1029.8.9.03, Tax Credit for Fees and Dues Paid to a Research Consortium (Jump Code: 10298903)*

RD-1029.8.16.1, Tax Credit for Private Partnership Pre-Competitive Research (Jump Code: 10298161)*

MR-69, Power of Attorney, Authorization to Communicate Information, or Revocation (Jump Code: MR69)

At the request of *Revenu Québec*, the printing order of the MR-69 form has been modified: when the **Print Tax Return** command (Ctrl+R) is used, this form is now the first Québec form to print.

In addition, the option that allowed you to print part of or the entire MR-69 form has been removed in the Preparer Profile as well as in Form MR-69, because from now on, you can only print the entire form.

CO-786, Patronage Dividend Deduction (Jump Code: Q16)

Per a *Revenu Québec* request, the “Other information” section will now be presented on a separate page when the form is printed.

CO-1029.8.35, Tax Credit for Québec Film Productions (Jump Code: 1029835)*

Box 10h, which allows you to indicate if the application for the advance ruling or certificate in respect of the production was filed with SODEC after March 28, 2017, has been added to Part 2 of the form. When this box is selected, the rates of the increases on lines 322b, 324 and 327, the maximum rate of the tax credit on line 340 and the multiplication factors on lines 48, 88, 160, 170b, 260 and 270b are adjusted to take into account the changes announced in the Québec Budget tabled on March 28, 2017.

As a result of the addition of box 10h, the custom question BB, which was also located in Part 2 of the form, has been removed. When opening a client file prepared with a prior version of *Corporate Taxprep*, if box 10f was selected and the answer to question BB was “Yes,” box 10h will be selected instead of box 10f.

In addition, the new Section 7.2.2 allows you to calculate the rate of the increase determined based on the public financial assistance received. The custom Section “Increase determined by public financial assistance,” which was located in Part 2, has therefore been removed. When opening a client file prepared with a prior version of *Corporate Taxprep*, data in this section will be transferred to the corresponding lines in Section 7.2.2.

CO-1029.8.36.SM, Tax Credit for the Production of Performances (Jump Code: 1029836SM)*

The descriptions of boxes 10c to 10e have been greatly modified in order to identify all relevant possible situations. As a result, box 10f, which was related to the claim of the tax credit, not included in box 10c, for at least one of the eligibility periods covered in boxes 08 and 09, has been removed from the form.

When opening a client file prepared with a prior version of *Corporate Taxprep*, in cases where box 10f was selected, the following situations can happen:

- when boxes 08 and 09 are both selected, box 10e will also be selected; and
- when box 08 or box 09 is selected, box 10d will also be selected.

CO-1029.8.36.SP, Tax Credit for Film Production Services (Jump Code: 1029836SP)*

As announced in the Québec Budget tabled on March 28, 2017, the class of qualified low-budget productions will be eliminated for productions in respect of which an application for an approval certificate was filed with SODEC after March 28, 2017. The text of box 06b has therefore been modified to take this date into account.

CO-1029.8.36.EM, Tax credit Relating to Resources (Jump Code: 1029836EM)*

In Part 2 of Form CO-1029.8.36.EM PARTS 2 to 9, box 05m, which related to the eligible expenses incurred before June 5, 2014, has been removed. As a result, all references to box 05m on lines 74, 75b, 79, 80b, 84 and 89 in Parts 7 to 9 have also been removed.

When opening a client file prepared with a prior version of *Corporate Taxprep*, if box 05m was selected, the value will not be retained.

QC Instalment, Québec Tax Instalments (Jump Code: IQC)

A field entitled "Payment Code for Instalments" has been added at the top of the form.

The payment code indicated in the form must be used by the corporation when instalment payments are made **online**, using a financial institution's online payment services. The corporation must select the invoice labelled "Revenu Québec - Payment code" and enter the code in the field for that purpose.

COZ-1027.P, Payment of Income Tax, Capital Tax, Registration Fee or Compensation Tax of a Corporation (Jump Code: 1027P)

As per a *Revenu Québec* requirement, the default answer to the question *Do you want to complete the remittance slip?* is "Yes." When opening a client file prepared with a prior version of *Corporate Taxprep*, if this line had been overridden, the override will be retained.

In addition, the calculation in the field "Amount remitted" has been modified. When the CO-17 return (Jump Code: **QJ**) is applicable and no amount is entered on line 435 of the return, the amount in the field "Amount remitted" will now be equal to the amount on line 444 of the CO-17 return. Furthermore, if the CO-17.SP return (Jump Code: **QJSP**) is applicable and no amount is entered 435 of the return, the amount in the field "Amount remitted" will be equal to the amount on line 441b of the CO-17.SP return.

Indicate to your clients that they can use the payment code shown on Form COZ-1027.P to pay their income tax balance from the Web site of their financial institution and, if they make a payment by cheque or money order, it is recommended that they attach Form COZ-1027.P to their payment.

Alberta

AT1 Schedule 12, Alberta Income/Loss Reconciliation (Jump Code: A12)

Lines 041h and 40h in respect of the income inclusions under subparagraph 13(38)(d)(iii) ITA have been removed.

When opening a client file prepared with a prior version of *Corporate Taxprep*, if an amount was entered, using an override, on either line 041h and/or 040h, this amount will be retained as an overridden amount on lines 013 and/or 012 respectively.

AT1 Schedule 14, Alberta Cumulative Eligible Capital Deduction (Jump Code: A14)*

Saskatchewan

Schedule 402, Saskatchewan Manufacturing and Processing Investment Tax Credit (Jump Code: 402)*

Lines 123, 130, 140, 150 and 220, which related to the non-refundable tax credit earned before April 7, 2006 (before October 28, 2006, for line 220), have been removed, just as lines 901, 902 and 903 of Part 4, which were used to request a carryback of the non-refundable tax credit earned before April 7, 2006. Note that line 225 is now only used to calculate the refundable tax credit earned for property acquired before March 23, 2017. Line 226 has been added to calculate the refundable tax credit earned for property acquired after March 22, 2017.

When opening a client file prepared with a prior version of *Corporate Taxprep*, all values that were entered on the removed lines will not be retained. In addition, if the value that was entered on line 225 was different from the total of the amounts on the lines used to calculate the tax credit at rates of 5% and 6%, this value will be overridden on line 225.

Schedule 403, Saskatchewan Research and Development Tax Credit (Jump Code: 403)*

As a result of the update of this form, custom lines AA to FF have been replaced by lines 216, 217, 219, 221 and 107.

When a Canadian-controlled private corporation (CCPC) incurs eligible expenditures after March 31, 2017, you will have to enter these expenditures on line 216. When opening a client file prepared with a prior version of *Corporate Taxprep*, the amount on line BB will be retained on line 216.

The expenditure limit, which is calculated on line 217, is now prorated on the number of days in the taxation year after March 31, 2017. For this reason, the amount of Saskatchewan R&D refundable tax credit might be different from the amount calculated with a prior version of *Corporate Taxprep*. When opening a client file prepared with a prior version of *Corporate Taxprep*, if the taxation year straddles April 1, 2017, and line CC had been overridden, the overridden value will be retained on line 217.

The calculation of the refundable tax credit for the expenditures of a CCPC incurred after March 31, 2017, is now calculated on line 221. When opening a client file prepared with a prior version of *Corporate Taxprep*, if the amount on line 215 had been overridden, the overridden amount will be retained on line 221 and the override will be cancelled on line 215.

Line 101, which should be used for a corporation other than a CCPC, has been split into two custom lines. Line E.1 should be used for eligible expenditures incurred before April 1, 2015, and line E.2 should be used for eligible expenditures incurred after March 31, 2017. When opening a client file prepared with a prior version of *Corporate Taxprep*, if an amount had been entered on line 101, it will be retained on line E.1. Similarly, if an amount had been entered on line AA, it will be retained on line E.2.

Previously, line 106 had to be used by all corporations' types for expenditures incurred after March 31, 2015. This line is now used to enter expenditures incurred after March 31, 2015, and before April 1, 2017, by all corporations' types. When opening a client file prepared with a prior version of *Corporate Taxprep*, if the corporation's taxation year ends before April 1, 2017, the value that had been entered on line 106 will be retained on that line. If the taxation year ends after March 31, 2017, the amount that will be entered on line 106 will be equal to the amount entered on line 106 in the prior version, reduced by the amount shown on former line AA.

Line 122 has been added to Part 3 to calculate the non-refundable tax credit earned in the year after March 31, 2017. When opening a client file prepared with a prior version of *Corporate Taxprep*, if the taxation year ends after March 31, 2017, and line 121 had been overridden, the overridden value will be retained on line 121 and the "0" value will be entered on line 122, using an override, in order for the result obtained to be the same as in the prior version of *Corporate Taxprep*.

Schedule 411, Saskatchewan Corporation Tax Calculation (Jump Code: 411)*

Two lines have been added to Part 1 to take into account the phasing out of the credit unions deduction. This deduction is decreased to 50% for days in the taxation year included in the 2018 calendar year, and 25% for days in the taxation year included in the 2019 calendar year.

As a result of the tabling of Bill 84, on November 6, 2017, the Government of Saskatchewan announced that the business limit for the province would be increased to $600,000 as of January 1, 2018. To take this increase into account, a new period has been included in Part 1, and Part 2 has been added to calculate income from a business actively carried out when there is partnership income. Note that because of the addition of this part, Part 2 of the previous version of the form has been renumbered and now corresponds to Part 3.

At the same time, the government announced an increase in the higher rate from 11.5% to 12%. In the section relating to the calculation of income at the higher rate of Part 3, line R has been added to take this increase into account. This rate will need to be applied proportionally when the taxation year straddles January 1, 2018.

Manitoba

MCT1, Corporation Capital Tax Return (Jump Code: MJ)*

The corporation capital tax return for banks, trusts and loan corporations as well as the corporation capital tax return for crown corporations have been updated to reflect the elimination of the capital tax deduction. In addition, line 25 has been added to the corporation capital tax return for crown corporations to indicate the amounts deducted for income tax purposes in excess of the amounts booked.

Schedule 380, Manitoba Research and Development Tax Credit (Jump Code: 380)*

As a result of the update of this form, custom lines AA to JJ have been replaced by lines 107, 109, 117, 124, 126, 206 and 216.

In Part 1, the eligible expenditures incurred after April 11, 2017, under an R&D contract should be entered on line 109. As for the eligible expenditures incurred after April 11, 2017, not under an R&D contract, they should be entered on line 117. When opening a client file prepared with a prior version of *Corporate Taxprep*, the amount shown on line AA will be retained on line 109 and the amount on line 108 will be reduced from the amount on line AA. Similarly, the amount shown on line BB will be retained on line 117, and the amount on line 116 will be reduced from the amount on line BB.

In Part 2, repayment of assistance received after April 11, 2017, which was previously calculated on line DD, is now calculated on line 124. As for the credit earned in the current year after April 11, 2017, which was previously calculated on line FF, it is now calculated on line 126. When opening a client file prepared with a prior version of *Corporate Taxprep*, if line 123 had been overridden, the overridden amount will be retained on this line and the “0” value will be entered on line 124, using an override. In addition, if line 121 had been overridden, the overridden amount will be retained on this line and the “0” value will be entered on line 126, using an override.

In Part 5, the current-year refundable credit earned relating to eligible expenditures under an R&D contract incurred after April 11, 2017, which was previously calculated on line HH, is now calculated on line 206. As for the amount of refundable credit earned in the current year relating to eligible expenditures incurred after April 11, 2017, that are not under an R&D contract, which was previously calculated on line JJ, it is now calculated on line 216. When opening a client file prepared with a prior version of *Corporate Taxprep*, if line 205 had been overridden, the overridden amount will be retained on this line and the “0” value will be entered on line 206, using an override. In addition, if line 215 had been overridden, the overridden amount will be retained on this line and the “0” value will be entered on line 216, using an override.

Schedule 381, Manitoba Manufacturing Investment Tax Credit (Jump Code: 381)

On the line *Credit earned after April 11, 2017*, the 88.89% rate has been replaced by a rate of 8/9. When opening a client file prepared with a prior version of *Corporate Taxprep*, if an amount had been entered on this line using an override, it will not be retained.

Schedule 383, Manitoba Corporation Tax Calculation (Jump Code: 383)*

In Part 2, three lines have been added for each of the periods to take into account the measure aimed at preventing the multiplication of the business limit under subsection 125(7) of the federal *Income Tax Act*.

Note that the amounts in column M2 are calculated using the values in column K1 of Schedule 7 (Jump Code: **7**) to take this measure into account. When opening a client file prepared with a prior version of *Corporate Taxprep*, if an amount was entered in one of these columns using an override, it will be retained.

Schedule 384, Manitoba Paid Work Experience Tax Credit (Jump Code: 384)*

Schedule 385, Manitoba Odour-Control Tax Credit (Jump Code: 385)*

Schedule 389, Manitoba Book Publishing Tax Credit (Jump Code: 389)*

In Part 3, the amount on line D is now calculated by the program. This amount is equal to the amount on line A of Part 1. When opening a client file prepared with a prior version of *Corporate Taxprep*, if the amount entered on line D is different from the amount entered on line A, the amount on line D will be retained as an overridden amount.

Schedule 390, Manitoba Cooperative Development Tax Credit (Jump Code: 390)*

Schedule 391, Manitoba Neighbourhoods Alive! Tax Credits (Jump Code: 391)*

Schedule 392, Manitoba Data Processing Investment Tax Credits (Jump Code: 392)*

Schedule 393, Manitoba Nutrient Management Tax Credit (Jump Code: 393)*

British Columbia

Schedule 421, British Columbia Mining Exploration Tax Credit (Jump Code: 421)*

Schedule 422 (T1196), British Columbia Film and Television Tax Credit (Jump Code: 1196)*

Schedule 423 (T1197), British Columbia Production Services Tax Credit (Jump Code: 1197)*

It is no longer possible to enter a negative value using an override in the fields that indicate the tax credit rate on the following lines:

- line 1 in Part 6;
- line 830 in Part 7;
- line 845 in Part 8; and
- line 1 in Part 9.

When opening a client file prepared with a prior version of *Corporate Taxprep*, if a negative value was entered in one of these fields, it will not be retained.

Schedule 425 (T666), British Columbia (BC) Scientific Research and Experimental Development Tax Credit (Jump Code: 425)*

Schedule 427, British Columbia Corporation Tax Calculation (Jump Code: 427)*

Modifications have been made to this schedule as a result of the tabling of British Columbia Bill 2 on September 11, 2017. Line 6 has been added to Part 1 to take into account the abolishment of the reduction for credit unions for days in the taxation year that are after December 31, 2016. In addition, in Part 2, in the section relating to the calculation of the tax at the higher rate, a line has been added to take into account the increase in the higher rate of income tax, which will increase from 11% to 12% on January 1, 2018. The higher rate of income tax will be prorated if the taxation year straddles January 1, 2018.

Schedule 428, British Columbia Training Tax Credit (Jump Code: 428)*

Schedule 429, British Columbia Interactive Digital Media Tax Credit (Jump Code: 429)*

The answer provided on line 345 in Part 3, which is used to indicate if the corporation is an eligible business corporation registered under Part 2 of the *Small Business Venture Capital Act*, should now be "Yes" only if the corporation was registered before February 22, 2017.

New Brunswick

Schedule 366, New Brunswick Corporation Tax Calculation (Jump Code: 366)*

On November 14, 2017, the Government of New Brunswick announced, in Bill 23, that the lower rate for corporate tax would be decreased from 3% to 2.5% for corporations whose taxation year ends after March 31, 2018. Custom line I1 was added in Part 2 to take this decrease into account.

NB-Capital Tax, Financial Corporation Capital Tax Return (Jump Code: NB-CAP TAX)*

Sections "CALCULATION OF TAX FOR BANKS" and "CALCULATION OF TAX FOR A TRUST OR LOAN COMPANY"

In the most recent update of this form, the capital tax calculation has been adjusted in Sections "CALCULATION OF TAX FOR BANKS" and "CALCULATION OF TAX FOR A TRUST OR LOAN COMPANY" to take into account situations where the taxation year is a short taxation year. Therefore, the custom line *If the tax year is less than 362 days, complete the following calculation* has been removed from these sections.

When opening a client file prepared with a prior version of *Corporate Taxprep*, in which an amount had been overridden on line *If the tax year is less than 362 days, complete the following calculation*, the result on this line will be retained as an overridden amount in the field "TOTAL OF 1 & 2" of the "CALCULATION OF TAX FOR BANKS" section or in the field "TAX PAYABLE" of the "CALCULATION OF TAX FOR A TRUST OR LOAN COMPANY" section.

Schedule 6

In Schedule 6, the calculation of the New Brunswick employment tax credit has also been adjusted to take into account the situation where the taxation year is a short taxation year.

Nova Scotia

Schedule 346, Nova Scotia Corporation Tax Calculation (Jump Code: 346)*

In Part 2, three lines have been added to take into account the measure aimed at preventing the multiplication of the business limit under subsection 125(7) of the federal *Income Tax Act*.

Note that the amounts in column K are calculated using the values in column K1 of Schedule 7 (Jump Code: **7**) to take this measure into account. When opening a client file prepared with a prior version of *Corporate Taxprep*, if an amount was entered in this column using an override, it will be retained.

Schedule 348, Additional Certificate Numbers for the Nova Scotia Digital Animation Tax Credit (Jump Code: 348)*

Newfoundland and Labrador

Schedule 303, Newfoundland and Labrador Direct Equity Tax Credit (Jump Code: 303)*

Schedule 308, Newfoundland and Labrador Venture Capital Tax Credit (Jump Code: 308)*

Schedule 309, Additional Certificate Numbers for the Newfoundland and Labrador Interactive Digital Media Tax Credit (Jump Code: 309)*

Nunavut

Schedule 481, Nunavut Corporation Tax Calculation (Jump Code: 481)*

Yukon

Schedule 440, Yukon Manufacturing and Processing Profits Tax Credit (Jump Code: 440)*

Schedule 443, Yukon Corporation Tax Calculation (Jump Code: 443)*

Guides

Updated Guides

AgriStability and AgriInvest

- 2017 AgriStability and AgriInvest Programs, Corporation/Co-operative and Special Individual Harmonized Guide
- Saskatchewan Commodity Code Guide (2016)
- Saskatchewan Corporations, Co-operatives, Other Entities Guide (2016)

Federal

- RC4385, Film or Video Production Services Tax Credit - Guide to Form T1177

Technical Changes

Transmission of supporting documents accompanying the T2 return

The CRA now allows preparers to transmit supporting documents electronically to accompany the T2 return. You can transmit several documents to accompany a T2 return, but the total size of these documents cannot exceed 150 MB. In addition, the supporting documents should be transmitted no later than 24 hours after transmitting the T2 return. Also note that a Web access code (WAC) cannot be used to transmit supporting documents electronically with *Corporate Taxprep*; an EFILE number must be used to transmit such documents.

Several modifications have been made in the **Attached Files** tab of the **Properties** box so you can select the supporting documents to transmit. The **To transmit** column allows you to select the type of return (i.e. T2 or CO-17) to which you want to attach a supporting document. When you select the T2 transmission, you must select the type of document that you want to transmit and provide the file description, i.e., the reason why the supporting document is accompanying the T2 return. The **EFILE Status** column allows you to keep track of the supporting documents transmission. Finally, the **T2** tab allows you to display all supporting documents accompanying the return.

To transmit all supporting documents accompanying the T2 return, click **Transmit** in the **Transmission** menu, and select the **T2 - Docs** box in the **Transmit** dialog box.

When the EFILE status of all supporting documents of a T2 return is "Eligible," the check box **T2 - Docs** is automatically selected in the **Transmit** dialog box. However, if the EFILE status of one or more supporting documents is "Not eligible," the box **T2 - Docs** is not selected. If you want to transmit supporting documents with an "Eligible" EFILE status, you will have to manually select the box **T2 - Docs** for these supporting documents.

If the transmission of the T2 return is rejected, no supporting documents will be transmitted, and the EFILE status of the supporting documents will remain "Eligible."

Consult the Help for more information about the document types that can be transmitted, the EFILE statuses and the procedure to follow to transmit supporting documents.

Information Return of Non-arm's Length Transactions with Non-residents (Jump Code: 106S) and T106, T106 Slip (Jump Code: 106)

The CRA allows preparers to transmit T106 forms (summary and slips) electronically for corporations. Form T106 is transmitted separately from the T2 return, but, in *Corporate Taxprep*, the electronic filing feature for Form T106 was implemented so you can transmit the T2 return (as well as the CO-17 and AT1 returns, if applicable) at the same time as Form T106. Note that you can also transmit returns without Forms T106, and vice versa.

Filing a Form T106

When a Form T106 (summary and slips) has to be filed for a client and you want to transmit it electronically, answer "Yes" on line *Select this form for electronic filing* in the "Electronic Filing" section of Form T106 Summary (Jump Code: **106S**) of this client. For more information, consult the note about this topic.

To transmit the T106 form once it is ready, use the command used to transmit returns, i.e., the **Transmit** command of the **Transmission** menu. Because you can transmit T106 forms and returns at the same time, make sure that you select the returns and forms that you want to transmit before filing. Note that Form T106 cannot be transmitted electronically using a Web access code (WAC).

T1134, Information Return Relating to Controlled and Not Controlled Foreign Affiliates (Jump Code: 1134)

The CRA allows preparers to transmit Form T1134 (summary and slips) electronically for corporations. Form T1134 is transmitted separately from the T2 return, but, in *Corporate Taxprep*, the electronic filing feature for Form T1134 was implemented so you can transmit the T2 return (as well as the CO-17 and AT1 returns, if applicable) at the same time as Form T1134. Note that you can also transmit returns without Forms T1134, and vice versa.

Filing a Form T1134

When a Form T1134 (summary and slips) has to be filed for a client and you want to transmit it electronically, answer "Yes" on line *Select this form for electronic filing* in the "Electronic Filing" section of Form T1134 of this client. For more information, consult the note about this topic.

To transmit the T1134 form once it is ready, use the command used to transmit returns, i.e., the **Transmit** command of the **Transmission** menu. Because you can transmit T1134 forms and returns at the same time, make sure that you select the returns and forms that you want to transmit before filing. Note that Form T1134 cannot be transmitted electronically using a Web access code (WAC).

TaxprepConnect for the 2017 taxation year

We are happy to announce that the **TaxprepConnect** functionality is now available in *Corporate Taxprep*. You can use this functionality to download corporate tax data using the new CRA's T2 *Auto-fill* service.

Here is some important information with regards to tax data download:

- The T2 *Auto-fill* service allows for instant download.
- Form *TaxprepConnect Download* (Jump Code: **CONNECT**) groups together all tax data downloaded from the CRA and is split into four sections: "Corporation's addresses," "Return Balances," "Account Balances" and "Return Data." Each section includes tax data relating to download options selected in the **Download Options** dialog box. Consult the Help for more information about the available download options.
- Form *TaxprepConnect Download* allows you to compare downloaded data with data in the return, and transfer downloaded data into the appropriate forms. To transfer data, select the **Transfer** check box for data that you want to transfer to the return, and then click **Transfer** in the top portion of the form.

Using the CRA's T2 Auto-fill service

When using its secure electronic service, the CRA requires that you manually enter, in a Web browser, your credentials for *My Business Account* or the *Represent a Client* service.

Please read the information provided carefully during tax data download with **TaxprepConnect**.

Converting Templates

Converting Template Files

All templates (i.e. client letter templates, client filters, preparer profiles and print formats) created in a prior version must be converted to be used with *Corporate Taxprep* 2017 v.2.0.

Templates can be converted using the **Convert** function which is available in each template view.

Corrected Calculations

The following problems have been corrected in this release:

Federal

- Schedule 8 WORKCHART, *Capital Cost Allowance (CCA) Workchart* (Jump Code: **8 WORKCHART**) – The rolled forward amount on line N, *CCA claimed with respect to this UCC balance in preceding taxation years for a CCA class 14.1*, will be incorrect when the rolled forward client file relates to a short taxation year ending on or after January 1, 2017
- Schedule 8, *Fixed Assets Reconciliation* (Jump Code: **8 REC**) – Incorrect calculation of line *Depreciation and amortization per accounts – Schedule 1* when Schedule 8 contains at least one CCA class 14.1

Québec

- CO-17, *Corporation Income Tax Return* (Jump Code: **QJ**) – Partnership identification number entered on one of lines 43b of the CO-17 return incorrectly updated to Form COR-17.W, Keying Summary for the Corporation Income Tax Return (Jump Code: **QKS**)
- TP-1029.9, *Tax Credit for Taxi Drivers or Taxi Owners* (Jump Code: **10299**) – A corporation member of a partnership will be able to claim the tax credit for holders of a taxi owner's permit starting with its 2017 taxation year

British Columbia

- Schedule 427, *British Columbia Corporation Tax Calculation* (Jump Code: **427**) – The reduction for the credit unions deduction is abolished starting in 2017

Essential Program Information

Taxation Years Covered

Corporate Taxprep 2017 v.2.0 is designed to process corporate tax returns with taxation years beginning on or after January 1, 2015, and ending on or before May 31, 2018.

You must use the appropriate prior version of *Corporate Taxprep* to prepare returns relating to a taxation year that begins before that period. To obtain a list of prior *Corporate Taxprep* versions and corresponding taxation years, consult the "Version Coverage" topic available in the program's Help.

Default Taxation Year

The default taxation year for a new client file is January 1, 2017, to December 31, 2017.

Specialized Information, Advanced Network and Corporation Internet Filing Modules

The modules **Specialized Information** (SI), **Advanced Network** and **Corporation Internet Filing** are options sold separately from the program.

Where to Find Help

If you have any questions regarding the installation or use of the program, there are several options for getting help. Refer to the *Quick Start Guide* in the **Professional Centre** for tips and useful information on how to use the program. If you are in the program and need help, press F1 to get help on a specific topic.

Taxprep e-Bulletin

For your convenience, you are automatically subscribed to **Taxprep e-Bulletin**, a free e-mail service that ensures you receive up-to-date information about the latest version of *Corporate Taxprep*. If you wish to review your subscription to **Taxprep e-Bulletin**, visit www.taxprep.com. In the **Support** menu, select **Taxprep e-Bulletin**. Click **My e-Bulletin** in the "Taxprep e-Bulletin" section. You can also send an e-mail to cservice@wolterskluwer.com to indicate the products for which you wish to receive general information or information on our CCH software (*Personal Taxprep*, *Corporate Taxprep*, *Taxprep for Trusts*, *Taxprep Forms* or *CCH Accountants' Suite*).

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