

# Cantax T2

## Release Notes

Versions 18.2.3xx.131

December 2018

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### Version Coverage

This release of *Cantax T2* and *T2Plus* can be used to prepare corporation income tax returns for tax years that began on or after **January 1, 2016**, and will end on or before **May 31, 2019**.

Users will be able to prepare up to three returns with *Cantax T2* and an unlimited number of returns with *Cantax T2Plus*. Throughout these *Release Notes*, the programs will be referred to as “*Cantax T2*” including versions with Corporation Internet Filing, unless the description pertains to only one of the software packages, in which case it will be referred to specifically.

If you have not purchased *Cantax T2*, you may install it as a demo version. Note that you will not be able to save or print tax returns with this version. Should you decide to purchase the software, please contact our Customer Service department to obtain an unlock code. You can reach us by the method most convenient for you (see the “[Help](#)” section).

### Training

To consult the different training options available regarding *Cantax T2* (seminars, webinars, tutorials and more), access the [Training](#) section of the *Cantax* Web site. You can also access it from the program, by selecting **Help, Cantax on the Web and Get Cantax Training**.

### What's New in Version 18.2.3xx.131?

*Cantax T2* 18.2.3xx.131 includes some tax changes. Here is a description of the changes made.

#### New & Revised Forms

\*Note that these forms were updated in accordance with the latest version issued by the applicable tax authorities.

#### Federal

#### Schedule 3 – Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculations (S3)

The custom line *Part of the amount on line 360 of Schedule 43 attributable to taxable dividends received from unconnected corporations* has been added below line 320 to enter the part of the amount on line 360 of Schedule 43 attributable to taxable dividends received from unconnected corporations that is also subject to Part IV tax.

The custom line allows you to correctly calculate the amount on lines N1 and N3 in Part 2.

If an amount is entered on the custom line *Part of the amount on line 360 of Schedule 43 attributable to taxable dividends received from unconnected corporations*, line N1 will correspond to the amount on line 360 and the total of Part IV tax payable for taxable dividends received from unconnected corporations minus the amount on the custom line, whichever is less.

#### Schedule 8 – Capital Cost Allowance (S8)

The calculation of the CCA claimed modified to take the changes related to the accelerated investment incentive into account for property acquired after **November 20, 2018 (1100(2) ITR)**

As a result of the publication of the November 21, 2018, *Notice of Ways and Means Motion to Amend the Income Tax Act and the Income Tax Regulations* published by the federal Government, the following modifications have been made to take into account property acquired in a taxation year that qualifies for the accelerated investment incentive. Note that these additions will not be subject to the half-year rule and will benefit from an increased first-year CCA.

- In Schedule 8 Other, *Capital Cost Allowance - All Other Classes (S8OTHER)* and in Form *Income Analysis -*

*Schedule of Rental Income (S7-R)*, for taxation years that end after November 20, 2018, when an amount is entered on the new custom line *Cost of additions for qualified accelerated investment incentive property included in the amount on line 203*, Cantax T2 will calculate the line *Reduced UCC* in order for the CCA claimed on line 217 to reflect these new rules.

- In addition, increased first-year allowances will also benefit qualified property in CCA classes 13 (leaseholds) and 14 (franchises). On Schedule 8L, *Capital Cost Allowance - Leaseholds and Franchises (S8L)*, for taxation years that end after November 20, 2018:
  - Under the “Leaseholds” section, when the start date indicates the first day of the current taxation year and the new custom box *The property qualifies for the accelerated investment incentive* is selected, Cantax T2 will calculate line 217, *CCA claimed*, to equal 150% of the proportion between the cost of additions and the amortization period.
  - Under the “Franchises” section, when the start date indicated is part of the current taxation year and the new custom box *The property qualifies for the accelerated investment incentive* is selected, Cantax T2 will calculate the amount on line 217, *CCA claimed*, to equal 150% of the following calculation:
 

Adjusted original cost x CCA Rate x (Number of days of ownership / 365).
- Finally, in Schedule 8C, *Capital Cost Allowance - Class 10.1 autos (S8C)*, for taxation years that end after November 20, 2018, when the date indicated on line *Date acquired* is after November 20, 2018, and the new custom box *The property qualifies for the accelerated investment incentive* is selected, the amount on line *Reduced UCC* will be equal to 150% of the total cost of additions entered on line 203 and the net adjustments entered on line 205. The line *Maximum allowable CCA* and line 217, *CCA claimed*, are calculated using this amount.

### **Schedule 12 – Resource-Related Deductions (S12)**

In the *Notice of Ways and Means Motion to Amend the Income Tax Act and the Income Tax Regulations* released on November 21, 2018, the federal Government introduced an additional first-year deduction in respect of the accelerated Canadian development expense for expenses incurred after November 20, 2018. The line *Deduction in respect of the accelerated Canadian development expense* has been added under line S in Part 5 to take this deduction into account.

An additional first-year deduction in respect of a taxpayer’s accelerated Canadian oil and gas property expense has also been introduced for expenses incurred after November 20, 2018. The line *Deduction in respect of the accelerated Canadian oil and gas expense* has been added under line X in Part 6 to take this deduction into account.

## **Ontario**

### **Schedule 500 – Ontario Corporation Tax Calculation (S500)**

On November 15, 2018, the Government of Ontario announced, in Bill 57, that the reduction in the business limit relating to the amount of passive investment income for taxation years starting after December 31, 2018, will not be applied when calculating the Ontario Small Business Deduction. As a result, the calculation on line 3 does not take the amount on line E2 of Schedule 200 (T2) into account.

### **Schedule 508 – Ontario Research and Development Tax Credit (S508)**

On November 15, 2018, the Government of Ontario announced, in the 2018 *Ontario Economic Outlook and Fiscal Review* document, that the measures with regards to the Ontario Research and Development Tax Credit that were announced in the 2018 Budget would not be implemented. As a result, custom lines G.1, U.1, U.2 and the calculation of the enhanced tax credit for eligible expenditures incurred after March 27, 2018, have been removed. When opening a file prepared with a prior version of Cantax T2, if an amount had been overridden on the deleted lines, it will not be retained.

### **Schedule 566 – Ontario Innovation Tax Credit (S566)**

On November 15, 2018, the Government of Ontario announced, in the 2018 *Ontario Economic Outlook and Fiscal Review* document, that the measures with regards to the Ontario Innovation Tax Credit that were announced in the 2018 Budget would not be implemented. As a result, custom lines s.1, AA.1, AA.2 and the calculation of the enhanced credit have been removed. When opening a file prepared with a prior version of Cantax T2, if an amount had been overridden on the deleted lines, it will not be retained.

## **Alberta**

### **AT1 Schedule 3 – Alberta Other Tax Deductions and Credits (AT1-S3)\***

### **AT1 Schedule 13 – Capital Cost Allowance (CCA)(AT1-S13)**

The calculation of the CCA claimed has been modified to take the changes related to the accelerated investment incentive into account for property acquired after November 20, 2018, as presented in the *Notice of Ways and Means Motion to amend the Income Tax Act and the Income Tax Regulations* published by the federal Government on November 21, 2018.

In addition, these modifications also apply to the CCA calculation in the following Alberta schedules:

- Alberta C.C.A - Class 10.1 autos (AT1-S13C)
- Alberta C.C.A - Leaseholds & Franchises (AT1-S13L)
- Alberta Rental Income and Expenses Analysis (AT1-S13R)

We invite you to review the note relating to [Schedule 8 \(S8\)](#), which describes the changes made to the federal calculation.

## AT1 Schedule 15 – Alberta Resource Related Deductions (AT1-S15)

In the *Notice of Ways and Means Motion to amend the Income Tax Act and the Income Tax Regulations* released on November 21, 2018, the federal Government introduced an additional first-year deduction in respect of the accelerated Canadian development expense for expenses incurred after November 20, 2018. The line *Deduction in respect of the accelerated Canadian development expense* has been added under the field “Amount Available” in Area D to take this deduction into account. Note that the field “Accelerated Canadian development expense, less reductions to this expense” on this new line is calculated based on the amount entered in the corresponding field in Part 5 of Schedule 12.

An additional first-year deduction in respect of a taxpayer’s “Accelerated Canadian oil and gas property expense” has also been introduced for expenses incurred after November 20, 2018. The line *Deduction in respect of the accelerated Canadian oil and gas expense* has been added under the field “Amount Available” in Area E to take this deduction into account. Note that the field “Accelerated Canadian oil and gas property expense, less reductions to this expense” on this new line is calculated based on the amount entered in the corresponding field in Part 6 of Schedule 12.

## What’s New in Version 18.2.3xx.126?

Here is a summary of the main topics in version 18.2.3xx.126.

### Electronic filing of Forms RC59 – Business Consent (RC59) and RC59X – Cancel Business Consent or Delegated Authority (RC59X)

The electronic filing of Form RC59 and Form RC59X has been added in *Cantax T2*. For more information, consult the [note relating to Forms RC59 and RC59X](#).

### Schedule 200 – T2 Corporation Income Tax Return (T2) modifications

Various modifications related to the small business deduction, the refundable dividend tax on hand and the dividend refund have been made. For more information, consult the [note relating to Schedule 200](#).

### Electronic filing of the amended Alberta income tax return

Starting December 1, 2018, you can electronically transmit an amended Alberta income tax return. For more information, please consult the [note relating to this subject](#).

## New & Revised Forms

\*Note that the form titles followed by an asterisk (\*) were updated in accordance with the latest version issued by the applicable tax authorities.

### Federal

#### Corporate Profile (T2-ID)

As a result of a CRA requirement, the “Time” fields related to the dates on line 060, *Tax year start*, and line 061, *Tax*

*year-end*, are now calculated with the values “0000” and “2359,” respectively. The value in these fields can be modified **only** when the corporation answers “Yes” to the questions on one of lines 063, 066, 071 or 076 of Schedule 200 (T2). In all other cases, **do not** modify these values. For more information on the situations allowing you to enter a time different from the default values, consult Section “Time” fields relating to the dates entered on line 060, *Tax year start*, and line 061, *Tax year-end*” of the Help (F1) for the form.

When opening a file prepared with a prior version of *Cantax T2*, if the answer to one of lines 063, 066, 071 and 076 is not “Yes” the values entered in the “Time” fields related to lines 060 and 061 will not be retained. Similarly, if the answer on line 063 is not “Yes,” the value entered in the “Time” field related to line 065 will not be retained.

When carrying forward a file, if the value in the “Time” field on line 061 is different from “2359” and the corporation answered “Yes” to the question on one of lines 063, 066 or 076, the value carried forward in the “Time” field on line 060 will be equal to the value entered in the “Time” field on line 061 plus one minute. Similarly, the tax year-start date carried forward on line 060 will be equal to the tax year-end date entered on line 061 in the original file.

#### Update of the NAICS 2017 List of Codes

The following NAICS codes have been added:

|        |                                |
|--------|--------------------------------|
| 111412 | Cannabis grown under cover     |
| 111995 | Cannabis grown in open fields  |
| 312310 | Cannabis product manufacturing |
| 413410 | Cannabis merchant wholesalers  |
| 453993 | Cannabis stores                |

Note that the list of NAICS codes is used in Form Corporate Profile (T2-ID), the T106 slip (T106#01), Form T106 Summary, Information Return of Non-Arm’s Length Transactions with Non-Residents (T106SUM) and Form T1134 Supplement (T1134S#01).

As a result of the implementation of the electronic transmission of an amended Alberta tax return, subsection “History of transactions in the client file” has been added in the “Alberta Net File” section.

#### Schedule 200 – T2 Corporation Income Tax Return (T2)

In part “Small business deduction” (SBD), line E2 has been added in order to calculate the business limit reduction based on passive investment income for **taxation years that start after 2018 only**. New Line *Adjusted aggregate investment income* equals to the total line of new column 10 in Schedule 23 (S23). Also, line E has been added to calculate the business limit reduction which now represents the greater amount between the reduction based on the taxable capital and the new reduction based on the passive investment income. Finally, line 3 has been added in order to calculate the SBD for days in a corporation’s taxation year that are after December 31, 2018.

Also, part “Refundable dividend tax on hand” (RDTOH) was redesigned and divided into two separate accounts, the

eligible refundable dividend tax on hand account (ERDTH), which applies to taxation years that start after 2018 only, and the non-eligible refundable dividend tax on hand account (NERDTH). The latter account will continue to be used to calculate the RDTH for taxations that begin before 2019.

Finally, part “Dividend refund” was equally redesigned and divided to calculate the dividend refund attributable to the ERDTH, the dividend refund attributable to the NERDTH and the additional dividend refund attributable to the ERDTH (new lines U1 to U3). For taxation years that start before 2019, the dividend refund will be equal to the lesser of amounts S2 and T2.

When opening a file prepared with a prior version of Cantax T2, if an amount had been overridden on either line 485 or line U, these amount will be retained as an overridden amount respectively on new line R4, *Non-eligible refundable dividend tax on hand at the end of the tax year* and new line U2, *Dividend refund attributable to the NERDTH*.

When carrying forward a file of a Canadian-controlled private corporation which taxation year ends after December 30, 2018, amount a and line 460 will be calculated according to the rules prescribed under subsection 129(5) ITA relating to the transitional RDTH for 2019. Because of the importance of the changes for taxation years that start after 2018, we suggest you verify if adjustments are required.

## **Schedule 2 – Charitable Donations and Gifts (S2)\***

### **Schedule 3 – Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculations (S3)**

Lines N1 to N3 have been added at the end of Part 2 to allocate the amount of Part IV tax payable calculated on line 360 between the eligible refundable dividend tax on hand account (ERDTH) and the non-eligible refundable dividend tax on hand account (NERDTH) located in Schedule 200 (T2). Note that lines N1 and N3 are only calculated for taxation years that start after 2018. For more information on these modifications, consult the help topic for Schedule 3.

In addition, custom field “Dividends deductible from taxable income under paragraph 113(1)(c) ITA (this amount is included on line 320 of the T2 return)” has been added under column F in Part 1 of Schedule 3. This field is used to indicate the amount of dividends deductible from taxable income under paragraph 113(1)(c) ITA that should be included on line 320 of Schedule 200, on the line *Taxable dividends deductible under sections 112 and 113* in Part 6 of Schedule 21 (S21), on the line *Dividends under section 112 & 113* in the Canadian column of the “Total income from property” section in Schedule 7 (S7) and on custom line *Dividends deductible from taxable income under paragraph 113(1)(c) ITA* in Part 2 of Schedule 510 (S510).

Note that the amount entered in the new custom field is not information required by the CRA. In addition, if this field is completed, it does not make Schedule 3 applicable. It is indicated for information purposes because paragraph 113(1)(c) ITA does not apply to Schedule 3.

## **Schedule 4 – Corporation Loss Continuity and Application (S4)**

The tables *Non-capital losses - losses that can be carried forward over 10 years*, *Farm losses - losses that can be carried forward over 10 years* and *Restricted farm losses - losses that can be carried forward over 10 years*, which were used to track of losses incurred in a taxation year ending before 2006, have been removed from the form.

When opening a file prepared with a prior version of Cantax T2, if an amount had been entered on one of the lines of these tables, it will not be retained.

## **Schedule 5 – Tax Calculation Supplementary – Corporations (S5)\***

The following lines have been removed from the schedule:

- Line 503, *Newfoundland and Labrador manufacturing and processing profits tax credit* (from Schedule 300);
- Line 274, *Ontario additional tax re Crown royalties* (from Schedule 504).

When opening a file prepared with a prior version of Cantax T2, the amounts that had been entered on lines 503 and 274 will not be retained.

## **Schedule 23 – Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit (S23)\***

Column 10 *Total adjusted aggregate investment income for the preceding year (tax year starting after 2018)* has been added in order to calculate the amount on line “Adjusted aggregate investment income” in part “Small business deduction” in Schedule 200 (T2). To obtain more details, consult the “Business Limit Reduction” help topic.

## **Schedule 28 – Election not to be Associated Through a Third Corporation (S28)\***

### **Schedule 32, Scientific Research and Experimental Development (SR&ED) Expenditures Claim (S32)**

The maximum pensionable earnings amount for the year for purposes of the Canada pension plan has been updated for the 2019 calendar year (and is now \$57,400). This amount is used to determine the specified employees’ salary or wages when the proxy method is selected to calculate the SR&ED expenditures.

## **Schedule 48 (T1177) – Film or Video Production Services Tax Credit (T1177)\***

## **Schedule 89 – Request for Capital Dividend Account Balance Verification (S89)\***

**T106 Slip (T106#01),****T1134 – Information Return Relating to Controlled and Not-Controlled Foreign Affiliates (T1134SUM) and T1134 Supplement (T1134S#01), and****T1135 – Foreign Income Verification Statement (T1135)****Country code**

The country codes “AZO - Azores,” “CMP - Campione,” “CNP - Canary Islands” and “MDR - Madeira” have been removed. When opening a file prepared with a prior version of *Cantax T2*, if one of the above country codes was entered in a field of the T106 Slip, T1134 or T1135 forms, it will be deleted, and a new country code will have to be entered.

**T1135 – Foreign Income Verification Statement (T1135)**

You can no longer enter a negative amount in the income fields of the form. When opening a file prepared with a prior version of *Cantax T2*, if negative amounts had been entered in those fields, they will not be retained.

In addition, the Canada country code (CAN) can no longer be used in Part A or Part B of the form. When opening a file prepared with a prior version of *Cantax T2*, if, in a country code field of Part A or Part B, the CAN code was entered, the value will not be retained.

**RC59 – Business Consent for Offline Access (RC59)\***

As a result of the update of the form, the *CT - Carbon charge* program identifier has been added to the list provided in the “Program identifier” fields in Part 3 of the form.

**RC59X – Cancel Business Consent or Delegated Authority (RC59X)\*****EFILING Forms RC59 – Business Consent (RC59) and RC59X – Cancel Business Consent or Delegated Authority (RC59X)**

Starting this year, the CRA allows preparers who have an EFILE number to electronically file Forms RC59 and RC59X. For more information, consult the [note relating to the filing of Forms RC59 and RC59X](#) in the “Technical Enhancement” section.

If you want to electronically file these forms, answer “Yes” to the question *Do you want to select this form for electronic filing?* in the “Electronic Filing” section of the form(s) concerned. **This will allow you to obtain consent for online access, which is not possible through paper filing.** For the forms to be eligible for electronic filing and the value of the RC59 and/or RC59X electronic filing status to be “Eligible,” the following requirements must be complied with:

- Forms RC59 and/or RC59X must be selected for electronic filing;
- The answer to the question *Were all RC59 (or RC59X) errors corrected in the “RC59 (or RC59X) INTERNET FILING” section of the diagnostics pane?* (“Electronic Filing” section of the form) is “Yes”;
- The answer to the question *Were all diagnostics with the “RC59 (or RC59X)” mention and relating to electronic filing corrected in the “WARNINGS” section of the*

*diagnostics pane?* (“Electronic Filing” section of the form) is “Yes”;

- The answer to the question *Is Form RC59 (or RC59X) applicable?* (“Electronic Filing” section of the form) is “Yes.”

The answers to the questions *Were all RC59 (or RC59X) errors corrected in the “RC59 (or RC59X) INTERNET FILING” section of the diagnostics pane?* and *Were all diagnostics with the “RC59 (or RC59X)” mention and relating to electronic filing corrected in the “WARNINGS” section of the diagnostics pane?* must be set by the program and based on information provided for the corporation (for example, the name of the corporation and its business number (BN) must comply with EFILE requirements) and data entered in Forms RC59 and RC59X. Overriding a negative answer to one of these questions with a positive answer can cause the rejection of the electronic filing of Forms RC59 and RC59X with the CRA.

In addition, an identifier, i.e. a RepID, GroupID or BN must be indicated in Part 2 of Form RC59. If one of the **Individual**, **Firm** and **Group** boxes is selected at the beginning of Part 2, this information comes from the **Tax preparer information**. Note that the former “Preparer name” field in the **Tax preparer information**, which is used to complete the paper version of the form, has been replaced by two fields, i.e. “Preparer first name” and “Preparer last name.” When retrieving the user settings of a prior version of *Cantax T2*, if data had been entered in the “Preparer name” field it will be retained in the “Preparer first name” field. Make sure that the data retained is correct and split it between the “Preparer first name” and “Preparer last name” fields.

While Forms RC59 and RC59X must be filed separately from the T2 return, the program allows you to file both documents at the same time; the filed documents will be forwarded to the appropriate CRA electronic services. As required by the CRA, make sure to have Forms RC59 and/or RC59X signed by an authorized individual before filing the form(s).

As per a CRA requirement, the form to sign that is printed when electronically filing must be **different from the CRA’s official paper version**. If you electronically file Forms RC59 and/or RC59X with the CRA, do not mail a signed paper copy of Form *Authorization request - signature page* or Form *Cancel authorization - signature page*, unless requested to do so by the CRA as a result of an audit. Also note that data filed electronically is not the same as data on the official CRA version of Forms RC59 and/or RC59X used for paper filing. When opening a file prepared with a prior version of *Cantax T2*, if data had been entered in the form(s), the answer to the question *Do you want to select this form for electronic filing?* will default to “No” in the “Electronic Filing” section to retain the same filing mode as the one used in the prior version.

**RC366 – Direct Deposit Request for Businesses (RC366)\***

In Part B, option 2, subsections “Payroll deductions program account (RP)” and “Corporation income tax program account (RC)” have been removed from the form. When opening a file prepared with a prior version of *Cantax T2*, these two program accounts will be moved to subsection “Other program accounts” if they contained information.

Lines have been added to enter the old banking information when the **Change** box is selected. These lines have been added to Part B, option 1 and subsections “GST/HST program account (RT)” and “Other program accounts” of option 2.

In addition, the program account *CT Carbon charge* has been added to the list of programs in subsection “Other program accounts” of option 2.

### Corporate Tax Summary (SUMMARY) and Comparative Tax Summary (COMPARE)

To take into account the modifications applicable to taxation years that start after 2018, the lines *Dividend refund* used in both forms has been split into two lines, i.e. one for the dividend refund for eligible dividends and another one for non-eligible dividends. A dividend refund made in a taxation year that starts before 2019 will appear on this second line.

### AgriStability and AgriInvest Programs

#### AgriStability and AgriInvest Additional Information and Adjustment Request (HAGRI ADD)\*

#### AgriStability and AgriInvest Programs (AGRI/HAGRI) - Ontario\*

The question *Would you like to receive a Towards Increased Profits (TIP) report, which is a financial analysis of your farm business based on the information submitted?*, which was at the bottom of Part F of the *2017 Year-end Report and Claim Form 2017*, has been removed.

In addition, in the *Farming History 2018 AgriStability* form, the number of prior-year columns in Parts B, C and D is decreased from six to five.

#### AgriStability and AgriInvest Programs (AGRI/HAGRI) - Harmonized provinces\* and British Columbia\*

The line *Email address* has been added to subsection “Participant identification,” while the line 9935, *Allowance on eligible capital property*, has been removed from the “Non-allowable expenses” subsection. In addition, in subsection “Livestock productive capacity,” the input line under line 142 has been removed. When opening a file prepared with a prior version of *Cantax T2*, if amounts were shown on the deleted lines, they will not be retained.

#### AgriStability and AgriInvest Programs (AGRI/HAGRI) - Alberta\*

#### AgriStability and AgriInvest Programs (AGRI/HAGRI) - Saskatchewan\*

### Ontario

#### Schedule 500 – Ontario Corporation Tax Calculation (S500)\*

#### Schedule 510 – Ontario Corporate Minimum Tax (S510)

Custom line *Other deductible dividends* has been renamed *Dividends deductible from taxable income under paragraph 113(1)(c) ITA*. In addition, the amount on this line is calculated from the amount in the [field “Dividends deductible from taxable income under paragraph](#)

[113\(1\)\(c\) ITA \(this amount is included on line 320 of the T2 return\)”](#) which has been added under column F in Part 1 of Schedule 3 (S3).

When opening a file prepared with a prior version of *Cantax T2*, if an amount had been entered on former line *Other deductible dividends*, it will be retained as an overridden amount.

In addition, when no total asset is entered on lines 112 to 116 or no total revenue is entered on lines 142 to 146 in Part 1, diagnostic 5100004, *Schedule 510 has been completed, but there is no entry in: all of lines 510112, 510114, and 510116; or all of lines 510142, 510144, and 510146* displays, which makes the return not eligible for EFILE. When the corporation has no total asset or any total revenue to enter on those lines, 0 must be entered on the line *Total assets (total of lines 112 to 116)* or line *Total revenue (total of lines 142 to 146)*, using an override, to make the diagnostic disappear and make the return eligible for EFILE. An explanatory note has been added to diagnostic 5100004 for that purpose.

### Alberta

#### Amended income tax return

Starting December 1, 2018, you can electronically transmit an Alberta amended income tax return. To do so, answer “Yes” to the question *Is this an amended Alberta tax return?* of Form *Corporate Profile (T2-ID)* and complete line 073, *Description of changes*, of Form *AT1 EDI (AT1-EDI)*. For more information, consult the Help and the notes relating to Forms [AT1 EDI](#) and [Corporate Profile](#).

#### AT1 – Alberta Corporate Income Tax Return (AT1)

As per an Alberta Tax and Revenue Administration request, custom lines 87a, *Alberta Interactive Digital Media Tax Credit*, and 87b, *Other Credits*, have been removed from the form. When opening a file prepared with a prior version of *Cantax T2*, the amounts on lines 87a and 87b will be retained on line 087, *Other Credits*.

#### AT1 Schedule 1 – Alberta Small Business Deduction (AT1-S1)

Line (d) has been added in part “Area B” in order to calculate the business limit reduction based on passive investment income for taxation years that start after 2018 only. The amount on the new line *Total Adjusted Aggregate Investment Income* is equal to the amount entered on line *Adjusted Aggregate Investment Income* from Schedule 200 (T2).

#### AT1 Schedule 21 – Alberta Calculation of Current Year Loss and Continuity of Losses (AT1-S21)

The tables *Non-capital losses - losses that can be carried forward over 10 years*, *Farm losses - losses that can be carried forward over 10 years* and *Restricted farm losses - losses that can be carried forward over 10 years*, which were used to track of losses incurred in a taxation year ending before 2006, have been removed from the form.

When opening a file prepared with a prior version of *Cantax T2*, if an amount had been entered on one of the lines of these tables, it will not be retained.

## AT100 – Preparing and Filing the Alberta Corporate Income Tax Return (AT1-E)

The ninth exemption criterion of Form AT100 has been modified to take into account the removal of line 87a, *Alberta Interactive Digital Media Tax Credit* of Form AT1 (AT1).

### Alberta Schedule EDI – Alberta Electronic Data Interchange (AT1-EDI)\*

Line 071, *Is this an amended Alberta tax return?*, line 073, *Description of changes*, and line *Filing date of the amended tax return* have been added to the form and allow you to file an amended return from an original income tax return or a previously amended income tax return.

Each time the answer to the question on line 071 is “Yes,” the lines *Filing date of the amended tax return* and 073 will be created, and data on the previous lines will be retained in the history below. The last created line 073 will always be transmitted electronically.

If you answer “Yes” to the question *Is this an amended Alberta tax return?* in the “Amended tax return” section of Form *Corporate Profile (T2-ID)*, this answer will be updated to line 071 of the EDI form.

Line 073 should be used to detail the modifications made in an amended tax return. It must be completed when you answer “Yes” to the question on line 071. Note that you can enter a maximum of 100 characters on line 073.

Note that the TRA will only accept amended returns starting December 1, 2018.

## Saskatchewan

### Schedule 411 – Saskatchewan Corporation Tax Calculation (S411)\*

## Manitoba

### Schedule 383 – Manitoba Corporation Tax Calculation (S383)\*

In Bill 34, tabled on June 25, 2018, the Government of Manitoba announced that, for the number of days after December 31, 2016, it was reinstating the full deduction for credit unions for purposes of calculating income eligible for the lower tax rate.

This change means that, for the number of days before January 1, 2019, the rate that should be applied to the deduction for credit unions is 100% instead of 0%. Then, for the number of days in 2019, the rate that should be applied to the deduction for credit unions is 80% instead of 0%. In addition, the \$450,000 business limit will be increased to \$500,000 on January 1, 2019.

Parts 1 to 3 have been modified accordingly.

### Schedule 384 – Manitoba Paid Work Experience Tax Credit (S384)\*

## Schedule 394 – Manitoba Rental Housing Construction Tax Credit (S394)\*

## Prince Edward Island

### Schedule 322 – Prince Edward Island Corporation Tax Calculation (S322)

On November 6, 2018, the Government of Prince Edward Island announced that the lower tax rate will decrease from 4% to 3.5% on January 1, 2019. As a result, custom line J3 has been added to Part 2.

### Deleted Forms

- Schedule 300, Newfoundland and Labrador Manufacturing and Processing Profits Tax Credit (S300)

### New & Revised Guides

#### AgriStability and AgriInvest

- Alberta AgriStability Supplementary Forms (2018) Guide
- Alberta AgriStability Program Handbook
- 2018 AgriStability and AgriInvest Program, Corporation/Co-operative and Special Individual Harmonized Guide
- Saskatchewan Commodity Code Guide (2017)
- Saskatchewan Corporations, Co-operatives, Other Entities Guide (2017)

## Technical Enhancement

### Filing Forms RC59 and RC59X

When Forms RC59, *Business Consent (RC59)* and RC59X, *Cancel Business Consent or Delegated Authority (RC59X)* have to be filed for a corporation and you want to file them electronically, answer “Yes” on line *Do you want to select this form for electronic filing?* in the “Electronic Filing” section of Form RC59 or Form RC59X.

To file these forms once they are eligible, use the **Transmit RC59 and/or RC59X form(s)** command in the **Internet Filing** menu. Note that Form RC59 or RC59X cannot be filed electronically using a Web Access Code (WAC).

### Filing of Form RC59X, Cancel Business Consent or Delegated Authority and RC59, Business Consent at the same time

*Cantax T2* allows you to file Forms RC59X (**RC59X**) and RC59 (**RC59**) at the same time. However, to prevent the cancellation of a consent request transmitted during the operation, the program will first electronically file Form RC59X before electronically filing Form RC59, as the regular process is to first cancel any previously given authorization and then, make a new authorization request. Where filing of Form RC59 is accepted while filing of Form RC59X is rejected, pay particular attention to any future filing of Form RC59X, because a cancellation request for all authorizations or all accounts could cancel all previously filed consent requests. A diagnostic will be issued by the program if this potentially problematic situation is detected.

## Corrected Calculations

The following problems have been corrected in this release:

- Federal - Schedule 8 - Capital Cost Allowance - All Other Classes (S8OTHER) - Incorrect calculation on line 205, Adjustments, for a CCA class 14.1, when an amount is entered on line 10, Total UCC adjustments under subsection 13(39) ITA in the current taxation year, in the Class 14.1 - Information tab related to the CCA class.

AT1-Schedule 13 - Capital Cost Allowance (CCA) (AT1-S13) - Incorrect calculation on line 007, Adjustments, for a CCA class 14.1, when there is an amount on line 10, Total CCA adjustments under subsection 13(39) ITA in the current taxation year, in the Class 14.1 - Information (AB) tab related to the CCA class.

- Network version - The network version of the Cantax Help has not been displaying since the last Windows 7 and Windows 10 updates

## Filing Requirements

### Requirements for Filing Corporate Returns

Please refer to the **Filing Requirements** help topic of the program for an explanation on the requirements of the various tax authorities for filing corporate returns.

A chart is also available under the **Printing - Requirements for Filing Corporate Returns** help topic, which further explains the requirements of the various tax authorities.



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