Personal Taxprep

Release Notes

Personal Taxprep Classic 2018 v.5.0 T1/TP1

Contents

Taxprep Classic: the release preceding the upcoming enhanced version of Taxprep!

As part of our commitment to provide you with the best tax software on the market, we have refreshed the look of *Taxprep* so that you can have a top-of-the-line user experience. Deployment of the enhanced version will be executed from December 2018 to January 2020. It is therefore in 2020 that this version of *Taxprep* will entirely replace the current one, and all our users will, at that point in time, be able to take advantage of the many new features provided by the modernized interface.

Because deployment will be gradual, a distinction in the product names is required to easily differentiate the current version from the enhanced one. As a result, over the next few months, you will note the following changes in the name of the *Taxprep* programs:

- The current program versions, i.e. the ones you already know, will be labelled Classic in the name of each product (e.g., *Personal Taxprep Classic*).
- The enhanced program versions, i.e. those that will be gradually deployed, will not be labelled and will use the name of each current product (e.g., *Personal Taxprep*).

This distinction will be useful to quickly identify the version you are using if, for example, you have to contact the Customer or Support Service.

Stay tuned for any further detailed communications about deployment dates of the enhanced version of Taxprep, as these dates will vary according to the products.

New: try our Knowledge Base!

Consult our Knowledge Base to quickly find the information you need!

Our brand new Knowledge Base contains an array of articles answering technical and tax questions most frequently asked to Support Centre agents. All you need to do is enter a few key words and the articles display in order of relevance to provide you with valuable information that will accurately answer your questions.

Important: Protocole TLS 1.2

Data security is a top concern for accountants. Data security is also a top concern for Wolters Kluwer Tax & Accounting North America. We continue to work diligently to address security issues that may impact our solutions and partner with our customers in the ongoing effort to help secure your data.

Accordingly, we wanted to share some important information and reminders regarding safeguarding your organization's data and your client's personal information.

As communicated before, TLS 1.2 is now the only SSL/TLS protocol we are supporting. To ensure that the integration between *Taxprep* products and *CCH iFirm* continues to work properly, you will need to upgrade your Microsoft .Net Framework to version 4.6.2 or higher when installing this new release. If you need to use the integration between *CCH iFirm* and *Taxprep* with previous versions of *Taxprep* products, please contact our technical support team by phone at 1-800-268-4522 or by e-mail to csupport@wolterskluwer.com if you have any questions.

Note that not updating the .Net version will only have an impact on the integration between *CCH iFirm* and *Taxprep*, but we recommend all customers to proceed with that upgrade as it contributes to implementing the most up-to-date data security best practices.

For further information, see the Microsoft® .NET Framework page (https://www.microsoft.com/en-us/download/details.aspx?id=53345). The update will take approximately ten minutes, depending on your hardware.

Modifications Made to Version 5.0

Tax Modifications

The modifications made to version 5.0 relate to tax rates and the addition of extra calculations.

The 2019 federal and provincial government tax rates which were known at the time of this release have been incorporated to help you forecast your clients' tax situation for the next taxation year (with the Planner mode).

Federal

HBP - Home Buyers' Plan Withdrawal (Jump Code: HBP)

In its March 19, 2019 budget, the federal government proposed to increase the HBP withdrawal limit to 35,000$ from 25,000$.

This increase in the HBP withdrawal limit will apply to the 2019 and subsequent calendar years in respect of withdrawals made after March 19, 2019.

This new measure has been integrated in the diagnostics of the current version of the program to consider this new limit based on the withdrawal date.

SC-ISP-3025/SC-ISP-3026 – Application or Renewal for the Guaranteed Income Supplement, or Statement of Income for the Allowance or Allowance for the Survivor (Jump Code: SC ISP 3025/SC ISP 3026)

In its March 19, 2019 budget, the federal government proposed to introduce legislation that would enhance the GIS earnings exemption beginning with the July 2020 to July 2021 benefit year. The enhancement would:

- Extend eligibility for the earnings exemption to self-employment income.
- Provide a full or partial exemption of up to $15,000 of annual employment and self-employment income for each GIS or Allowance recipient as well as their spouse, specifically by:
  - Increasing the amount of the full exemption from $3,500 to $5,000 per year for each GIS or Allowance recipient as well as their spouse;
  - Introducing a partial exemption of 50 per cent, to apply to up to $10,000 of annual employment and self-employment income beyond the initial $5,000 for each GIS or Allowance recipient as well as their spouse.

This new measure has been integrated in the current version of the program and will apply to client files for which an income tax return is filed early and the client files created using the Planner Mode.

Québec

CPP – QPP – First additional contribution

For the 2019 taxation year, the CPP and QPP rates have been increased by 0.15%.

CPP rate for 2019

- 5.10% (employer/employee)
- 10.20% (self-employed person)

QPP rate for 2019

- 5.55% (employer/employee)
- 11.10% (self-employed person)

The 0.15% increase (0.30% for self-employed persons) represents a new contribution designated as “first additional contribution” (for both CPP and QPP).

This “first additional contribution” gives rise (for employment income) to a deduction from employment income rather than a non-refundable tax credit.

Therefore, in Planner Mode, when an employment income and CPP/QPP contributions are entered in the T4 slip, a non-refundable tax credit will be calculated on line 308 of Schedule 1, and an income deduction (for the portion corresponding to 0.15% of CPP/QPP contributions on employment income) will be calculated on line 222 of the T1 return.

As the same rules apply for Québec, the income deductions for the first additional contribution will be calculated on line 248 of the TP1 income tax return.

Ontario

Low-Income Individuals and Families Tax (LIFT) Credit

In the fall *2018 Ontario Economic Outlook and Fiscal Review*, the Government of Ontario proposed a tax credit that would provide up to $850 of tax relief to many low-income tax filers, that is the Low-Income Individuals and Families Tax Credit. Taxpayers whose adjusted individual net income is more than $38,500 and families whose adjusted family net income is more than $68,500 will not get this tax relief. Because of a lack of information, this new measure has not been integrated in the current version of the program but will be integrated in version 1.0 of *Personal Taxprep* 2019.

Childcare Access and Relief from Expenses (CARE) tax credit

As announced in its 2019 Budget, the Government of Ontario is helping low- and moderate-income families with their child care expenses by introducing the Ontario Childcare Access and Relief from Expenses (CARE) tax credit.

Because of a lack of information, this new measure has not been integrated in the current version of the program

British Columbia

PROV BEN – Provincial or Territorial Benefit Worksheet (Jump Code: PROV BEN)

In its 2019 Budget, the Government of British Columbia proposes to replace the British Columbia Early Childhood Tax Benefit with the British Columbia Child Opportunity Benefit. This new measure will come into effect in October 2020 and will be integrated into version 1.0 of *Personal Taxprep* 2019.

Manitoba

MB479 – Manitoba Credits (Jump Code: MB 479)

Effective for the 2019 tax year, the calculation of the Education Property Tax Credit will be based on school taxes and the $250 deductible will be eliminated. This modification will be integrated into version 1.0 of *Personal Taxprep* 2019.

Yukon

Yukon Government Carbon Price Rebate

The Yukon Government introduced a rebate plan, called the *Yukon Carbon Price Rebate, to return money back*, collected for purposes of the federal carbon levy, to Yukoners. Because of a lack of information, this new measure has not been integrated in the current version of the program.

Northwest Territories

Cost of living offset

In its 2019 Budget, the Government of Northwest Territories proposes to return carbon tax revenues to its residents under the form of an offset. The carbon tax will come into effect on July 1, 2019. This proposed measure has not been integrated to the current version of the program because of a lack of information.

Nova Scotia

Innovation Equity Tax Credit

The current Equity Tax Credit, which is calculated on Form T1285, provides a 35 per cent tax credit to individuals investing in eligible Nova Scotia businesses on a maximum annual investment of $50,000. This tax credit will be phased out as of December 31, 2019, and will be replaced by a more generous tax credit, the Innovation Equity Tax Credit, effective January 1, 2019. This new credit will be integrated into version 1.0 of *Personal Taxprep* 2019.

Venture Capital Tax Credit

Effective April 1, 2019, a Venture Capital Tax Credit will be available for individuals who invest in a Venture Capital Corporation or Fund. The tax credit rate will be 15 per cent. This new credit will be integrated into version 1.0 of *Personal Taxprep* 2019.

Newfoundland and Labrador

Search and Rescue Volunteer Tax Credit

Starting January 1, 2019, eligible search and rescue volunteers will be able to claim a $3,000 non-refundable tax credit. This new credit will be integrated into version 1.0 of *Personal Taxprep* 2019.

Corrected Calculations

The following problem has been corrected in this release:

- TaxprepConnect Download – Proceeds of disposition multiplied by 0 in Schedule 3 as a result of the investment accounts transfer from the T5008 Slips Reconciliation form

About

Personal Taxprep 2018 v.5.0 contains the forms released by the Canada Revenue Agency (CRA) and *Revenu Québec* for the 2018 taxation year.

This version of *Personal Taxprep* was updated in order to integrate the most recent tax measures pursuant to the 2018 taxation year.

This version is approved for:

- Paper filing;
- EFILE;
- Electronic filing of Form T1013;
- Electronic filing of Form T1135;
- Using the *Auto-fill T1 return* (AFR) service (**TaxprepConnect** functionality);
- The ReFILE service;
- The transmission of returns for taxpayers in multiple-jurisdiction situations;
- The PAD (Pre-authorized debit);
- The Express NOA (Notice of Assessment);
- Printing the 2D bar code (printed on the federal and Québec returns as well as on Form T1013);
- Electronic filing via NetFile Québec.

Training

To consult the different training options available regarding *Personal Taxprep* (seminars, Webinars, tutorials and more), access the Training section of the *Taxprep* Web site. You can also access it from the program, by selecting **Get Taxprep Training** in the **Help** menu.

Rolling Forward Preparer Profiles

Once your preparer profiles from last year are rolled forward to the current year, it is important to verify that the options defined with respect to the returns of your clients and to the electronic filing of data (EFILE) still correspond to your situation for the current season. For more information on the new options offered in the preparer profiles of the current version, please refer to the "Modifications Made to Forms" section.

TaxprepConnect for the 2018 tax season

Important dates

Federal

February 18, 2019 - The *Auto-fill T1 return* service opened. The CRA tax data has been available for download using **TaxprepConnect** since version 2.0 of *Personal Taxprep* 2018. This year, the list of information relating to income tax has been enhanced to include:

- The prior-year RRSP contributions history;
- The province of residence on December 31, 2017;
- A new indicator in the "Client Data Enquiry (CDE)" section indicating that a non-resident account is related to the taxpayer under Part XIII tax.

Québec

March 4, 2019 - The *Tax Data Download* service opened. The *Revenu Québec* tax data can be downloaded using **TaxprepConnect** commencing with version 3.0 of *Personal Taxprep Classic* 2018. This year, the list of tax data made available for download by *Revenu Québec* has been enhanced to include all additional information boxes for RL-3, RL-16 and RL-25 slips.

Auto-fill T1 return – Downloading prior-year data

It will now be possible to download tax data from the previous three years (2015, 2016 and 2017). To download data of a given year, you will have to use the *Personal Taxprep* program of the year in question.

Note that only data on slips of prior years will be available; data that does not relate to a specific year, such as carried forward balances, will not be available.

Tax Data Download of Revenu Québec

For the 2018 taxation year, you will be able to download a taxpayer's data without having to use a download code. To do so, a valid MR-69 form will have to be sent beforehand to *Revenu Québec*.

Note that you can still get a download code with *Revenu Québec*, as in the past, and use it to download a taxpayer's tax data.

T3 Slips Reconciliation (Jump Code: CONNECT T3 REC)

Two new tables containing reconciled copies of the previous year now display in the form when the client file is rolled forward and reconciled copies were created in the previous year. This addition now allows the program to automatically group the downloaded T3 slips and/or RL-16 slips based on the previous-year aggregate, where applicable.

In addition, the number of downloaded T3 slips and RL-16 slips aggregated in the reconciled copies of the previous year has also been added to allow for the comparison with the number of downloaded and aggregated T3 slips and RL-16 slips this year.

T5 – Statement of Investment Income (Jump Code: T5)

The field "Description of securities included" has been added to allow you to enter a brief description of the investments that are reported on the applicable T5 slips. This new field can be used to make it easier to identify the T5 slips from one year to the other, because the value in that field will be rolled forward and will not be overwritten during the **TaxprepConnect** download, the *CCH Scan* import or the *Taxprep* slips data import.

Modification related to CCH Scan and the *Taxprep* slips data import

T5013 – Statement of Partnership Income (Jump Code: T5013)

The field "Description of securities included" has been added to allow you to enter a brief description of the investments that are reported on the applicable T5013 slips. This new field can be used to make it easier to identify the T5013 slips from one year to the other, because the value in that field will be rolled forward and will not be overwritten during the *CCH Scan* import or the *Taxprep* slips data import.

Improve Your Productivity

ID – Identification and Other Client Information (Jump Code: ID)

Lines to enter the cellular number and the e-mail address for the spouse have been added to the "Spouse - Identification" section of the taxpayer's Identification form. They were previously found in the spouse's return only.

SCENARIOS (Jump Code: SCENARIOS)

Delete buttons have been added in the four tax scenarios worksheets (SCENARIOS, QSCENARIOS, CPLSCEN and QCPLSCEN). These buttons allow you to reset data of a scenario transferred in a column. The prior version did not allow for emptying a column in which data had been copied, but only to copy a new scenario again.

Electronic Filing

Information about EFILE

Transmission – Multiple jurisdictions

The returns of taxpayers in multiple-jurisdiction situations can be EFILED since version 3.0 of *Personal Taxprep* 2018.

T1013 – Authorizing or Cancelling a Representative (Jump Code: 1013)

Personal Taxprep 2018 is approved for electronic filing of the 2018 version of Form T1013 and for printing the related 2D bar code.

For more information on the electronic transmission of Form T1013, consult the Help.

Federal

Important dates

- **February 18, 2019** - The EFILE On-Line transmission system opened.
- **January 24, 2020** - The CRA will stop accepting electronically filed T1 returns.

Registration and Renewal On-line

To renew your EFILE privileges for this year's tax season, you must follow the instructions provided on the "Renewal" page on the CRA Web site at http://www.efile.cra.gc.ca/l-rnwl-eng.html.

To register as a new electronic filer, you must register online by completing the EFILE Registration On-Line form on the CRA Web site at http://www.efile.cra.gc.ca/l-rgstr-eng.html.

You will find more information concerning renewals and new applications at http://www.efile.cra.gc.ca/.

In order to be able to electronically file Form T1013, you must meet the following two criteria:

1. Have a valid EFILE number and password; and
2. Be a registered representative (online access).

A registered representative is a person who is registered with the CRA's *Represent a Client* service. To register with the service, go to http://www.cra.gc.ca/representatives.

Québec

Transmission of amended TP1 returns

Personal Taxprep Classic 2018 v.5.0 allows for the electronic transmission of amended TP1 returns. *Revenu Québec* accepts amended TP1 returns since March 11, 2019.

Important dates

- **February 18, 2019** - The NetFile Québec system opened.
- **February 18, 2019** - The Refund Info-line system opened.
- **March 11, 2019** – The NetFile Québec system opened for the electronic transmission of amended TP1 returns.
- **January 24, 2020** - The NetFile Québec system will shut down.

NetFile Québec

- Tax preparers must register for "My Account for professional representatives" (available in French only), a secure space on RQ's Web site, if they have not already done so in the past.
  Note that renewal is automatic for persons who registered for this space in the past.
- Consult the page "À qui s'adresse Mon dossier" (available in French only) to see which profile applies to you and what actions you can perform online on behalf of a business or an individual.

Roll Forward

Rolling forward 2017 client files

Your 2017 client files must be rolled forward using the **Roll Forward** command on the **File** menu, or from the **Client Manager**, if you want to do a batch roll forward, before you can access them with this version.

Planner Files

You can import client files created in Planner Mode in version 2017.

Slips

The roll forward is performed only for copies of slips in which amounts were entered last year as well as for copies including balances to carry forward, or attached notes or schedules to roll forward.

Attached notes

The attached notes are rolled forward, except if this option is cleared in the roll forward data options.

Rolling Forward ProFile, DT Max and TaxCycle client files (competitor products)

Make sure that the workstation's regional settings are set to "English (Canada or United-States)" before rolling forward.

Notes – Attached Notes Summary (Jump Code: ATTN)

Schedule – Attached Schedule with Total (Jump Code: ATTS)

When rolling forward client files, the attached notes or schedules attached to fields in the comparative summaries are retained.

Modifications Made to Version 4.0

Modifications Made to Forms

Federal

GST370 – Abolition of the 12% HST rebate (Jump Code: GST 370)

Form GST370, *Employee and partner GST/HST rebate application*, has been updated as a result of the release by the CRA of a new version of the form. The 12% HST rebate can no longer be claimed. This rate was in effect in British Columbia from July 1, 2010, to March 31, 2013.

Before the update of the form, a resident of British Columbia could apply for a 12% HST rebate on the capital cost allowance (CCA) for an automobile purchased between July 1, 2010, and March 31, 2013.

The CCA amount on which the HST rebate is calculated is computed in Forms T2042 AUTO, T2121 AUTO, T2125 AUTO and T777 AUTO. For a resident of British Columbia who had acquired a vehicle between July 1, 2010, and March 31, 2013, and was eligible for an HST rebate, the CCA amount claimed was considered as eligible for a 12% HST rebate, and an application for a rebate was made in Form GST370.

Following the update of Form GST370, for the same situation, only the GST rebate will be calculated at a rate of 5%.

T1229 – Statement of Resource Expenses and Depletion Allowance (Jump Code: 1229)

Form T1229 was modified to include the calculation of the additional deductions of 15% for accelerated Canadian development expenses and 5% for Canadian oil and gas property expenses. These deductions were introduced on November 21, 2018, by the federal government, when the *Fall Economic Statement 2018* was published.

These deductions can be claimed for expenses incurred by the taxpayer after November 20, 2018, or for expenses renounced in favour of the taxpayer by an issuing corporation under a flow-through shares agreement made after November 20, 2018.

Unnumbered boxes were added to the T101 and T5013 slips to allow you to enter the expense amounts qualifying for these additional deductions, if they were provided by the issuers of the slips. You can also enter the expense amounts qualifying for the additional deductions directly in Section II of Form T1229.

The amounts of deductions claimed in 2017 for cumulative Canadian development expense (CCDE) and cumulative Canadian oil and gas property expense (CCOGPE) must be taken into account in the calculation of the additional deductions. Roll forward of these amounts was added in version 4.0 of *Personal Taxprep* 2018. However, when expense amounts qualifying for the additional deductions were entered in a client file rolled forward in a prior version of *Personal Taxprep* 2018 or in a new client file, a diagnostic prompts you to add the amounts of deductions claimed in 2017.

Québec

Q1206 – Tax on Split Income – Québec (Jump Code: Q1206)

The non-refundable tax credit for severed and prolonged impairment in mental and physical functions was added to the two credits that were deductible from tax on split income before the 2018 taxation year, i.e. the dividend tax credit and the foreign tax credit.

This addition aims at harmonizing the calculation of the Québec tax on split income with the federal calculation.

Q391 – Tax Credit for Experienced Workers (Jump Code: Q391)

The 2019-2020 Québec Budget, tabled on March 21, 2019, introduces new calculation rules with respect to experienced workers. As of the 2019 taxation year, the tax credit for experienced workers is renamed tax credit for career extension. The age of eligibility for the tax credit will be lowered from 61 to 60. For workers aged 60 to 64, the maximum amount of eligible work income on which the tax credit is calculated will be raised to $10,000. This maximum amount remains $11,000 for workers aged 65 or over.

The new rules have been integrated to the program for early-filed returns for 2019 (death and pre bankruptcy) and for the Planner Mode.

QC Resources – Resource Statement – Québec (Jump Code: QRES)

Form QC Resources, *Resource Statement – Québec* has been modified to include the calculation of the additional deductions of 15% for accelerated Canadian development expense and 5% for accelerated Canadian oil and gas property expense. These deductions have been introduced by the federal Government on November 21, 2018, at the time of the publication of the *Fall Economic Statement 2018*. The harmonization of these measures by the Québec Government has been announced at the time the budget was tabled on March 21, 2019. For more information, consult the note relating to Form T1229.

Even though the Québec tax regulation modifications will only be adopted once the corresponding federal measures are given assent, they will be applicable on the same dates as the federal measures. We received authorization by *Revenu Québec* to integrate these modifications in our calculations for the 2018 taxation year. *Revenu Québec* will be able to process the returns in which these additional deductions are claimed.

Modifications Made to Version 3.1

The modifications made to version 3.1 correct two problems that were identified in version 3.0:

- **Revenu Québec tax data download:** The patch ensures the complete download of the data made available for download by RQ. If you had downloaded RQ tax data with version 3.0, you will have to download the data for all your clients again once version 3.1 is installed to make sure that you have all data from RQ.
- **Schedule 14:** The check box that allows you to specify whether the taxpayer resided outside of a

census metropolitan area has been corrected so that the information entered can be automatically transferred to the spouse. Therefore, version 3.0 files in which data had been entered on this line must be reviewed in version 3.1 to confirm that the information is still correct.

Modifications Made to Version 3.0

Modifications Made to Forms

Preparer Profiles

PROFILE tab

The option **Schedule 14 - Claim the supplement for residents of small and rural communities** has been added to Section C, "Options – Others forms."

This option allows you to indicate "Yes" or "No" on the line *The taxpayer resided outside of a census metropolitan area (CMA) on December 31, 2018* of Schedule 14.

The selected value will be used for all clients located in applicable provinces who are eligible for the climate action incentive, except for those for whom an answer has already been indicated.

CLIENT LETTER tab

The option **Include the paragraph relating to the tax on split income ("TOSI")** has been added to the "Regular letter options" subsection. This option allows you to include a new paragraph to the letters so that you can explain to your clients the new rules relating to the tax on split income.
This new option will be selected by default in the preparer profile, but the choice can be modified for a particular client in Form *Client Letter Worksheet* (Jump Code: **LW**). The new paragraph will apply only to taxpayers who do not report split income in their return.

Federal

T1206 – Tax on Split Income (Jump Code: 1206)

Before 2018, the tax on split income (TOSI) only applied to individuals under the age of 18. Under the new rules that came into effect in 2018, the tax on split income now applies to individuals age 18 or older.

In general terms, these rules can apply to dividends, interest or capital gains received either directly or indirectly through a partnership or a trust (other than a mutual fund trust). The rules may vary depending on whether the individual is under the age of 18, between 18 and 24 or more than 24. For more information on this topic, consult the Help of Form T1206.

Even though the CRA has not added any boxes to the T3, T5 and T5013 slips to indicate income subject to the tax on split income, boxes were added in those slips to allow you to enter this income. These boxes had been added a few years ago in the T3 and T5013 slips and have been added this year in the T5 slips.

The income amounts subject to TOSI rules can also be entered directly on the "Other" lines of the T1206 form.

In addition, certain federal, provincial, and territorial amounts claimable by individuals, or by other persons in respect of individuals, are calculated based on their net income. The amount entered as a deduction on line 232 of the individuals' return in respect of their split income must be added to their net income for the purpose of calculating these amounts. This is the case when calculating the age amount, spouse or common-law partner amount, amount for an eligible dependant, caregiver amounts, refundable medical expenses supplement, working income tax benefit, low-income tax reductions, sales tax credit and all credits and benefits allowed by the CRA as well as provinces and territories.

In addition, certain federal, provincial, and territorial amounts claimable by individuals, or by other persons in respect of individuals, are calculated using their taxable income. This is the case for the tuition, education and textbook amounts and for transfers of amounts from a dependant or from the spouse. An adjustment must be made to the taxable income to calculate these amounts.

A box has been added to the Identification form to allow you to enter the split income amount of a married spouse or a common-law partner whose return is not prepared at the same time as the taxpayer's return. When you enter this income, the federal and provincial or territorial adjustment amounts relating to taxable income are automatically calculated based on rates relevant to the province of residence.

Similarly, a box has been added to the Preparer Profile (FAM) to enter the split income amount of a dependant, if his or her return is not a connected return. When you enter this income, the federal and provincial or territorial adjustment amounts relating to taxable income are automatically calculated based on rates relevant to the province of residence. When the dependant's return is connected, split income related-information is automatically updated to the parent's Preparer Profile.

The following optimization calculations were revised to take the tax on split income into account: RRSP, non-capital losses and capital gains deduction, tuition amounts transferred from a child, interest paid on a student loan and donations. In addition, the optimization calculation for the transfer of dividends between spouses or common-law partners is disabled if at least one of the spouses has split income.

Calculations and Forms Under Review

Forms Under Review

You can access the forms under review from the Form Manager. Although these forms are functional, they have not yet been updated for 2018. The following forms are presently under review for one of the following reasons: either the CRA has not yet released the final version, or we have received the form too late to integrate it.

The following form is under review:

- T1229 – Statement of Resource Expenses and Depletion Allowance (Jump Code: **1229**)

Modifications Made to Version 2.0

Modifications Made to Forms

Federal

Identification and Other Client Information (Jump Code: ID)

The field "Telephone" has been added to the "Taxpayer's legal representative" subsection. This information is now required in Form T1013, *Authorizing or Cancelling a Representative*, when the legal representative is indicated as the signing officer.

T2125 – Statement of Business or Professional Activities (Jump Code: 2125)

Two boxes have been added to Part 1, "Identification," to allow you to indicate the accounting method used (cash or accrual) to report self-employed business, professional or commission income. Individuals carrying on a business or professionals must use the accrual accounting method, while commission salespersons can choose between the two methods. Note that the box associated with the accrual accounting method is selected by default when Form T2125 is opened.

Capital Cost Allowance (CCA) Workchart

Accelerated investment incentive property

As a result of the publication of the *Fall Economic Statement 2018* by the federal Government on November 21, 2018, the CCA calculation has been modified to take into account the new measures about accelerated investment incentive property, acquired and available for use after November 20, 2018. Note that these properties are no longer subject to the half-year rule and benefit from an increased CCA according to the class they belong to.

These calculations also apply to the calculation of the capital cost allowance of Québec, except for certain properties in CCA classes 14, 14.1, 44 and 50, acquired after December 3, 2018, that, instead, are properties qualified for the accelerated depreciation special rules in Québec. For more details, consult the note relating to *Property qualified for the accelerated depreciation special rules in Québec*.

T2042, T2121, T2125, T1163, T1273 and T776

If the additions and dispositions workchart (Jump Code: **XXXX CCA FA**) is used to enter the addition of a property and this property was acquired after November 20, 2018, the answer to the custom question *Is the property an accelerated investment incentive property, as defined under subsection 1104(4) ITR?* will be "Yes" and the new measures will be taken into account in the calculation of the amounts on the lines *Balance for CCA* and *Maximum allowable CCA*:

- for CCA classes other than 10.1 and 13, when an amount is entered on the new custom line *Capital cost for accelerated investment incentive property included in the amount on lines 5 or 6*;
- for a CCA class 10.1, when the acquisition date of the property is after November 20, 2018, and this date is part of the fiscal year of the business; and
- for CCA class 13, when an amount is entered on the new custom line *Capital cost for accelerated investment incentive property included in the amount on line 3*.

T2042 AUTO, T2121 AUTO, T2125 AUTO, T1163 AUTO, T1273 AUTO and T776 AUTO

The new measures will be taken into account in the calculation of the amounts on the lines *Base amount for CCA* and *CCA* when the acquisition date of the property is after November 20, 2018, and this date is part of the fiscal year of the business.

T777 CCA

- For a CCA class 10.1,10 and 9, when the acquisition date of the property is after November 20, 2018, and this date is part of the fiscal year of the business, the new measures will be taken into account in the calculation of the amounts on the lines *Base amount for CCA* and *CCA*.
- For CCA class 8, when an amount is entered on the new custom line *Cost of acquisitions made after November 20, 2018,* the new measures will be taken into account in the calculation of the amounts on the lines *Base amount for CCA* and *CCA*.

Partner

The new measures will be taken into account in the calculation of the amounts on the lines *Base amount for CCA* and *CCA* when the acquisition date of the property is after November 20, 2018, and this date is part of the fiscal year of the business.

For more information on these new measures and the calculations performed by the program, consult the “Property qualified for accelerated depreciation” section in the **Capital Cost Allowance** help topic.

Québec

ASSISTANCE QC – Family Allowance (Jump Code: QASSISTANCE)

Retraite Québec announced that the Child assistance payment will now be named Family allowance. The term “child assistance” has been replaced by “Family allowance” in the program.

Capital Cost Allowance (CCA) Workchart

Accelerated investment incentive property

In the *Information Bulletin 2018-9*, published on December 3, 2018, the Government of Québec announced the harmonization with the measures for the accelerated investment incentive property announced by the federal Government. For more details, consult the note relating to *Capital Cost Allowance (CCA) Workchart*, in the “Federal” subsection of this section for more information on the changes that apply to the calculation of the federal and Québec capital cost allowance.

Property qualified for the accelerated depreciation special rules in Québec

In the *Information Bulletin 2018-9*, published on December 3, 2018, the Government of Québec announced the increase to 100% of the depreciation for a property, acquired and available for use after December 3, 2018, that is qualified intellectual property (CCA class 14, 14.1 or 44) or general-purpose electronic data processing equipment (CCA class 50).

For CCA class 50, if the additions and dispositions workchart (Jump Code: **XXXX CCA FA**) is used to enter the acquisition of a property and this property was acquired after December 3, 2018, the answer to the custom question *Is the property a property that qualifies for the accelerated depreciation special rules in Québec?* will be “Yes,” the cost of acquisition of this property will be updated to the new line *Capital cost for property qualified for the accelerated depreciation special rules in Québec included in the amount on lines 5 or 6* and the amount calculated on the line *Balance for CCA* will take the new measures into account.

For CCA classes 14, 14.1 and 44, if the additions and dispositions workchart (Jump Code: **XXXX CCA FA**) is used to enter the acquisition of a property that is qualified intellectual property and this property was acquired after December 3, 2018, the answer to the custom question *Is the property a property that qualifies for the accelerated depreciation special rules in Québec?* will be “Yes,” the cost of acquisition of this property will be updated to the line *Capital cost for property qualified for the accelerated depreciation special rules in Québec included in the amount on lines 5 or 6* and the amount calculated on the line *Balance for CCA* will take the new measures into account.

For more information on these new measures and the calculations performed by the program, consult the “Property qualified for accelerated depreciation” section in the **Capital Cost Allowance** help topic.

Additional CCA of 60% in Québec

In the *Information Bulletin* 2018-09, the Government of Québec announced a modification to the additional CCA of 60% until December 4, 2018, as well as the abolishment of this allowance after December 3, 2018. Following this announcement, subsection “Additional CCA of 60%” has been split in two sections.

The section relating to qualified property that was acquired and became available for use after March 27, 2018, and before April 1, 2020, has been modified and now applies to qualified property that was acquired and became available for use after March 27, 2018, and before November 21, 2018.

The section relating to qualified property that was acquired and became available for use after November 20, 2018, and before December 4, 2018, has been added. In this section, enter the capital cost of qualified property that was acquired and became available for use after November 20, 2018, and before December 4, 2018, as well as the capital cost of qualified property that was acquired and became available for use after December 3, 2018, but before July 1, 2019, that meets the eligibility criteria stated in the bulletin. The amount added to the UCC of the class attributable to qualified property will be calculated based on these amounts and based on the class.

Additional CCA of 30% in Québec

In the *Information Bulletin 2018-9*, the *Ministère des Finances du Québec* announced that an additional capital cost allowance of 30% would be added for the targeted property. The CCA amount corresponds to 30% of the amount deducted, for the previous taxation year, relating to the CCA with respect to the targeted property. In addition, the *Information Bulletin* indicates that a separate class must be created for property of a same class that gives rise to the additional CCA.

For more information on this additional deduction, the creation of a separate class for purposes of Québec calculations, and the steps to follow in order for *Personal Taxprep* to correctly calculate the CCA and the additional CCA in respect of targeted property, consult the “Additional CCA of 30% in Québec” section in the **Capital Cost Allowance** help topic.

Modifications Made to Version 1.0

What’s New?

Québec

MR-69 – Authorization to Communicate Information or Power of Attorney (Jump Code: Q69) – Printing the two-dimensional (2D) bar code

In accordance with *Revenu Québec* requirements, a 2D data bar code now prints on Form MR-69.

Note that the identification bar code and data bar code are only visible when printing, i.e. on paper or in PDF format.

Here is an overview of the other modifications performed:

Fields 22a, 22b, 22c and 22d in Section 3.2.1 have been modified and now require the entry of eight digits instead of seven. When opening a client file prepared with a prior version of *Personal Taxprep* in which a file number was entered on one of lines 22a to 22d, the number will be retained, but the 0 prefix will be added to it.

Fields 31a, 31b and 31c in Section 3.2.2 have been modified and now contain six characters, i.e. two letters followed by four digits. When opening a client file prepared with a prior version of *Personal Taxprep* in which a file number was entered on one of lines 31a to 31c, the number will be retained, but the ER prefix will be added to it.

In addition, lines 37, *Source deductions of support payments*, and 38, *Mining tax return(s)* have been added to the form.

Line 36 has been renumbered and now corresponds to line 45.

The “Revocation” section has been removed. To revoke an authorization or a power of attorney, complete the MR-69.R form on the *Revenu Québec* Web site.

Modifications related to EFILE

Québec

Transmission of amended TP1 returns

The procedure to transmit an amended TP1 return to *Revenu Québec* is similar to the one used to transmit an amended T1 return to the CRA, which has been available for a few years.

To take this new possibility into account, changes have been made to Forms T1-ADJ and TP-1.R. The question *Do you want to electronically retransmit the amended TP1 return instead of mailing a TP-1.R form?* has been added.

As with the federal returns, when you use this service to transmit a return to *Revenu Québec*, the program will transmit an entire TP1 return reflecting the desired changes and not Form TP-1.R, *Request for an Adjustment to an Income Tax Return* (Jump Code: **QTP1R**).

However, a TP-1.R form will be automatically generated in *Personal Taxprep Classic* during the retransmission process so that you can review the lines amended in the return and make sure that only the desired changes were made.

Therefore, as with the federal returns, the procedure to prepare an amended TP1 return is similar to the existing process for the automatic preparation of an adjustment request. We recommend that you create a copy of the tax return before making the adjustments.

To electronically transmit an amended TP1 return, answer “Yes” to the question *Do you want to electronically retransmit the amended TP1 return instead of mailing a TP-1.R form?* This question can be answered in one of the two following locations: at the top of the T1-ADJ form or at the top of the TP-1.R form.

When you answer “Yes” to this question, the EFILE TP1 status stops being “Accepted,” and you can then make the desired changes. Follow the steps presented in the TP-1.R form to electronically transmit the amended TP1 return.

The lines that have been modified in the return display in the TP-1.R form, just as the change intended for the refund or balance due. You can print the TP-1.R form for reference purposes or give it to your client. However, **your client is not required to sign the form**.

Unlike the CRA, that requires that a new copy of Form T183 be signed before an amended T1 return is transmitted, *Revenu Québec* does not require a signature on a new copy of the TP-1000 form, but rather, that the preparer has a valid authorization or power of attorney (Form MR-69) for the taxpayer. Without a valid MR-69 form, you will be unable to electronically transmit an amended TP1 return for this taxpayer.

If you have a valid MR-69 form, you can transmit a TP1 return in the same manner as the original.

Once the transmission is accepted by *Revenu Québec*, the confirmation number and the date of acceptance will be saved and Forms TP-1.R and EFILE INFO, *EFILE Information* (Jump Code: **EFILE INFO**).

The EFILE exclusions that apply to the transmission of the original TP1 returns also apply to the transmission of amended returns.

Forms, Schedules, and Workcharts Added to the Program

Federal

Schedule 14 – Climate Action Incentive (Jump Code: 14)

This form is used to calculate the new "Climate Action Incentive" tax credit. This credit applies to eligible individuals whose province of residence on December 31 is Ontario, Saskatchewan, Manitoba or New Brunswick.

The climate action incentive (CAI) is a refundable credit which consists of a basic amount and a supplement for residents of small and rural communities. Consult the form for information on all conditions.

The program will calculate most of the application criteria for this new credit. A checklist and diagnostics have been included to help you complete the required information.

This credit can be claimed on the line 449, which has been added to a new *Income Tax and Benefit Return* for the provinces of Ontario, Saskatchewan, Manitoba and New Brunswick.

Québec

TP-517.5.5 – Designating a Deemed Capital Gain Further to the Transfer of a Family Business (Jump Code: Q51755)

This form is used to calculate the amount that can be designated as capital gain further to the transfer of a family business. The deemed capital gain in this situation is, however, limited to the capital gains deduction amount available. That limit is calculated in this form.

To claim the capital gains deduction of the deemed capital gain resulting from the disposition of qualified shares, first complete Form TP-517.5.5 and the deemed capital gain that can be designated will be updated to Schedule G, *Capital Gains and Losses* (Jump Code: **QG**). Form TP-726.7 will then be completed automatically to calculate the capital gains deduction on qualified property.

The excess that cannot be considered as a deemed capital gain is to be reported as a deemed dividend. For purposes of the federal return, the total gain must be reported as a deemed dividend. Diagnostics have been included to guide you.

To learn about all the conditions in order for the transfer of the family business to be considered as an eligible business transfer and for more information, consult guide IN-120, *Capital Gains and Losses*.

TP-752.HA – Home Buyers' Tax Credit (Jump Code: Q752.HA)

A taxpayer could be entitled to the home buyers' tax credit if he or she is a resident of Québec on December 31, 2018, and he or she meets one of the following two criteria:

- the taxpayer or the spouse bought a qualifying home for the first time and intends to make it their principal place of residence (note that taxpayers are considered to have bought a home for the first time if they did not live, in the current year or in the four preceding years, in another home they or their spouse owned);
- the taxpayer bought a qualifying home and intends to make it the principal residence of someone related to him or her who has a disability.

The maximum tax credit amount that can be claimed with respect to a qualifying home in $750. The credit can be split between the taxpayer and spouse as well as any other co-owner.

TP-1029.SA – Senior Assistance Tax Credit (Jump Code: Q1029.SA)

This form is used to calculate the new refundable senior assistance tax credit, which has been announced in the fall 2018 *Update on Québec's Economic and Financial Situation*.

This tax credit is for individuals who resided in Québec and were at least 70 years of age on December 31, 2018, or on the date of their death in 2018. The credit can be split between both spouses when the family situation on December 31 is "with spouse" and both spouses are eligible for the credit.

The maximum tax credit is:

- $400 for an eligible individual with a spouse on December 31 and whose spouse is also eligible for the tax credit;
- $200 for an eligible individual with a spouse on December 31 if only the individual is eligible for the tax credit;
- $200 for an individual without a spouse on December 31.

The tax credit will be reducible by 5% of the family income that exceeds:

- $36,600 for an individual with a spouse on December 31;
- $22,500 $ for an individual without a spouse on December 31.

The family income used to calculate this credit corresponds to the amount on line 275 of the tax return. If the taxpayer has a spouse on December 31, the family income corresponds to the total of the amount on line 275 of the taxpayer's tax return and the amount on line 275 of the spouse's tax return.

TPF-1.C – Explanations Regarding an Amended Income Tax Return (Jump Code: TPF1C)

This form has been added to allow you to enter explanations when you print an amended TP1 return and mail it to *Revenu Québec*. For more information, consult the Help.

Modifications Made to Forms

Federal

T4 – Statement of Remuneration Paid (Jump Code: T4)

The following boxes have been removed from the T4 slip:

- Box 37, *Employee home-relocation loan deduction*
- Box 84, *Public transit pass*

T4A – Statement of Pension, Retirement, Annuity & Other Income (Jump Code: T4A)

Box 128, *Veterans' benefits eligible for pension splitting* (included in box 016), has been added to the T4A slip. As indicated in the instructions on the slip, this amount will also be included in box 016. In the program, to prevent duplicate taxation of this amount in the tax return, you must enter it only in box 128 and it will be automatically updated to box 16.

T4A – Box 117 – Loan benefits

Box 117 of the T4A slip includes the amount of benefits related to a loan granted to a shareholder. As this amount constitutes investment income under subsection 15(1) ITA, it should be taken into account in Part 2 of Form T936, *Calculation of Cumulative Net Investment Loss (CNIL)* (Jump Code: **936**). A modification has been made to the calculation of Form T936 to take this into account.

T4A(P) – Statement of CPP or QPP Benefits (Jump Code: T4AP)

Starting in 2018, the beneficiary of the estate of a deceased person who received a CPP or QPP death benefit (box 18 of the T4A(P) slip), should enter this amount on line 130 of the 2018 T1 return. Previously, the amount in box 18 of the T4A(P) slip was updated to line 114 of the T1 return.

Schedule 1 Line 398 – Home Accessibility Expenses (Jump Code: 398)

Schedule 12, *Home Accessibility Expenses*, has been removed from the program. The tax credit for home accessibility still exists but is now calculated in Form *Schedule 1 Line 398 - Home Accessibility Expenses*.

Principal residence – Roll forward and diagnostic

In *Personal Taxprep* 2017 v.4.0, the line *The taxpayer disposed of a principal residence after the end of the taxation year* had been added to the "Mailing address" section in the Identification form so that you can indicate whether the taxpayer disposed of a principal residence in 2018.

In *Personal Taxprep Classic* 2018, for the rolled forward files in which the answer to the above-mentioned question was "Yes," the answer on the line *The taxpayer disposed of a principal residence in the current taxation year for which he or she claims the total or partial exemption.* will default to "Yes," and a diagnostic will prompt to complete the "Principal residence" section in Schedule 3 as well as Form T2091 or Form T1255, if the taxpayer is deceased.

Investments – Statement of Investment Income, Carrying Charges, and Interest Expenses (Jump Code: INVESTMENTS)

Schedule 4, *Statement of Investment Income*, has been removed from the program and has been replaced by a calculation worksheet. This worksheet contains data from lines 120, 121, 180 and 221 of the income tax and benefit return.

T657 – Calculation of Capital Gains Deduction (Jump Code: 657)

Capital gains arising from the disposition of property made after 2007 and before 2014 give rise to a $375,000 cumulative deduction, which represents half of a lifetime exemption of $750,000.

Capital gains arising from the disposition of property in 2014 give rise to a $400,000 cumulative deduction, which represents half of the $800,000 lifetime exemption. The amount of this cumulative deduction has been indexed from 2015 to 2018 and will continue being indexed each year, until it reaches $500 000, which represents half of a lifetime exemption of $1,000,000.

As a result, for the gains arising from the dispositions of property in 2015, the cumulative deduction is $406,800, which represents half of a lifetime exemption of $813,600.

For gains arising from the disposition of property in 2016, the cumulative deduction is $412,088, which represents half of a lifetime exemption of $824,176.

For gains arising from the disposition of property in 2017, the cumulative deduction is $417,858, which represents half of a lifetime exemption of $835,716.

For gains arising from the disposition of property in 2018, the cumulative deduction is $424,126, which represents half of a lifetime exemption of $848,252. Note that the new limit of tax-exempt gains is not included in the version, because of the late receipt of the CRA form.

In addition, for dispositions of qualified farm property or qualified fishing property made after April 20, 2015, the cumulative deduction is $500,000, which represents half of the $1,000,000 lifetime exemption. The dispositions of small business corporation shares do not give rise to this additional deduction.

Donations – Charitable Donations (Jump Code: DONATIONS)

The First-Time Donor's Super Credit applied to cash donations made after March 20, 2013, up to $1,000, reported for a single taxation year between 2013 and 2017. Because the super credit expired at the end of 2017, the calculations have been removed to no longer calculate this tax credit.

Client Letter Worksheet (Jump Code: LW)

Because the CRA stopped distributing copies of the preprinted T7DR(A) remittance voucher last year, the "EFILE remittance" section has been removed from the form. The "T7DR(A)" letter template has also been removed from the program.

T7DR(A) – Tax Return Remittance Voucher (Jump Code: T7DRA)

In the case of deceased persons' returns, the address shown on the T7DR(A) remittance voucher is now that of the legal representative, as indicated on the T1 return.

Québec

RL-1 – Employment and Other Income (Jump Code: T4)

Box L-5, *Employee home-relocation loan deduction*, has been removed.

The deduction for police officers amount that was updated to box A-8 of the RL-1 slip is now grouped with the Canadian Forces personnel amount in box A-7. Therefore, this box includes the Canadian Forces personnel and police deduction amount.

RL-2 – Statement of Pension, Retirement, Annuity & Other Income (Jump Code: T4A)

The additional information box A-1, *Deduction for an Indian*, has been added to the T4A slip data entry screen. The amount entered in box 146 of the federal T4A slip will be updated to box A-1. As indicated in the instructions of the slip, this amount will also be included in box A. In the program, to prevent duplicate taxation of this amount in the tax return, you must enter it only in box 146 of the federal slip and it will be automatically updated to boxes A-1 and A.

RL-3, 15, 16 and 25 slips (Jump Codes: T5, T5013, T3 and T4PS)

Boxes have been added to each of these slips to allow you to indicate the amounts of ordinary and eligible dividends received before March 28, 2018, to correctly calculate the amount of the dividend tax credit on line 415 of the Québec TP1 return.

RL-26 slip – Capital régional et coopératif Desjardins (Jump Code: QR26)

The capital stock of *Capital régional et coopératif Desjardins* has been changed so that investors who have held shares of the capital stock for at least seven years can exchange them for shares of a new class of capital stock. This exchange will allow investors to benefit from a non-refundable tax credit corresponding to 10% of the value of the shares, up to a maximum of $15 000, namely a maximum non-refundable tax credit of $1 500 annually.

RRSP – RRSP/PRPP/SPP Deduction Worksheet (Jump Code: RRSP)

To better assist you in entering VRSP contributions, the "PRPP" type has been renamed "PRPP/VRSP" in the

Type drop-down list in the “Contributions” section of the *RRSP/PRPP/SPP Deduction Worksheet* form.

The voluntary retirement savings plan (VRSP) is a Group Retirement Savings Plan that can be offered by employers to their Québec employees.

QC Investments – Investment Income and Related Expenses (Jump Code: QINVESTMENTS)

The QA4, *Investment Income and Related Expenses* worksheet, has been replaced by the QINVESTMENTS calculation worksheet. Data on lines 128, 130 and 231 of this worksheet will update to the TP1 return.

In addition, following the March 27, 2018 Québec Budget, the tax credit rates for ordinary and eligible dividends have been modified.

Lines have been added to the calculation worksheet to allow you to indicate the amounts received before March 28, 2018, to correctly calculate the amount of the dividend tax credit on line 415 of the TP1 return.

TP1 Line 391 – Tax Credit for Experienced Workers (Jump Code: Q391)

The tax credit for workers 63 or older has been renamed “Tax credit for experienced workers.” The age of eligibility to the credit decreased from 63 to 61. The maximum tax credit is calculated based on the age of the taxpayer. It is:

- $450, if the taxpayer was 61 on December 31, 2018;
- $750, if the taxpayer was 62 on December 31, 2018;
- $1,050, if the taxpayer was 63 on December 31, 2018;
- $1,350, if the taxpayer was 64 on December 31, 2018; and
- $1,650, if the taxpayer was 65 or older on December 31, 2018.

The maximum amount of the eligible work income is also calculated based on the taxpayer’s age. It is:

- $3,000, if the taxpayer was 61 on December 31, 2018;
- $5,000, if the taxpayer was 62 on December 31, 2018;
- $7,000, if the taxpayer was 63 on December 31, 2018;
- $9,000, if the taxpayer was 64 on December 31, 2018; and
- $11,000, if the taxpayer was 65 or older on December 31, 2018.

In addition, the tax credit is reduced by 5% from the eligible employment income that exceeds $34,030, where applicable. However, this reduction is not applicable if the taxpayer was born before January 1, 1951, and the tax credit does not exceed $600.

T2042, T2121 and T2125 – CCA deduction worksheet (Jump Codes: 2042 CCA CLASS, 2121 CCA CLASS, 2125 CCA Class) – Additional Deduction for the Québec Capital Cost Allowance – CCA classes 50 and 53

In Forms T2042 CCA CLASS, T2121 CCA CLASS and T2125 CCA CLASS, the “Additional capital cost allowance (CCA) for Québec” section has been modified for purposes of calculating the additional CCA amounts for eligible property in CCA classes 50 and 53.

This section includes two subsections:

- “Additional CCA of 35%,” for qualified property acquired or available for use after March 28, 2017, and before March 28, 2018, qualifying for the additional CCA of 35%.
- “Additional CCA of 60%,” for qualified property acquired or available for use after March 27, 2018, and before April 1, 2020, qualifying for the additional CCA of 60%.

The answer to the question *Does this class include property eligible for the additional capital cost allowance for Québec?* and the amounts entered on the lines *UCC of qualified property that was acquired or became available for use in the preceding taxation year* are determined when qualified property is listed in a copy of Form T2042 CCA FA, T2121 CCA FA or T2125 CCA FA of an eligible CCA class.

When the answer to the question is “Yes,” the amounts entered in fields “Additional CCA amount of 35%” and “Additional CCA amount of 60%” are calculated and the results are included on line 246 of Form TP-80 and line 9936 of Forms Q2042 and Q2121 respectively.

When rolling forward a client file, if an amount is entered on the line *UCC of qualified property that was acquired or became available for use in the current taxation year* in one of the above-mentioned two subsections, the answer to the question will be “Yes” and the amount on the line *UCC of qualified property that was acquired or became available for use in the preceding taxation year* in the corresponding subsection will be calculated based on data entered in that section.

TP1 Line 443 – Special Taxes (Jump Code: Q443) – Income tax relating to the additional CCA of 35% or 60%

If qualified property in CCA classes 50 and 53:

- was acquired or became available for use after March 28, 2017, and before March 28, 2018, an additional CCA corresponding to 35% of the CCA amount claimed in Québec might have been claimed by the taxpayer;
- was acquired or became available for use after March 27, 2018, and before April 1, 2020, an additional CCA corresponding to 60% of the CCA amount claimed in Québec might have been claimed by the taxpayer.

If the taxpayer qualified for the additional CCA of 35% or 60% for qualified property and the taxpayer is not using this property mainly to carry out a business for at least **730 consecutive days** after the property started being used, the taxpayer is subject to a special tax.

This special tax must be indicated on line 443 of the TP1 tax return. Two lines have been added to the form to enter the amount of special tax. A diagnostic has also been added to determine situations where the taxpayer can be subject to this special tax when disposing of qualified property in CCA class 50 or 53.

Schedule H – Tax Credit for Caregivers (Jump Code: QH) – section E

Form TP-1029.8.61.64 – Tax Credit for Caregivers (Jump Code: 102986164) – section D

Starting in 2018, a fourth type of caregiver can claim the tax credit for caregivers: i.e. caregivers who support an eligible relative and who provide continuous care and assistance to this relative who needs assistance to perform a basic activity of daily living.

To give rise to this tax credit, the eligible relative must comply with all of the following conditions:

- he or she must be 18 or over;
- his or her principal place of residence is situated in Québec;
- he or she does not live in a dwelling situated in a private seniors' residence or in a public network facility;
- he or she has a severe and prolonged impairment;
- he or she needs assistance in carrying out a basic activity of daily living.

The need for assistance in carrying out a basic activity of daily living must be certified by a physician or a specialized nurse practitioner who must complete lines 46 and 47 in Part 3 of Form TP-752.0.14 (Jump Code: **Q752014**). If the person requires assistance and Form TP-752.0.14 has already been filed in a year before 2018 or without lines 46 and 47 in Part 3 having been completed, the form must be filed again.

To claim the tax credit, select the box *The eligible relative has a severe and prolonged impairment in mental or physical functions and requires assistance to perform a basic activity of daily living.* at point 1 in the “Tax credit that can be claimed by a caregiver caring for an eligible relative (Section E in Schedule H” subsection of the “Schedule H/TP-1029.8.61.64 – Tax credit for caregivers” section in Form FAM (Jump Code: **FAM**).

TP-1000.TE – Online Filing of the Personal Income Tax Return by an Accredited Person (Jump Code: Q1000)

Part 3, *Authorization to disclose confidential information* has been removed from the form. Only Part 2, *Statement and authorization to file the income tax return online*, should be signed. This part gives the authorization to the preparer to electronically transmit the taxpayer’s return and obtain information regarding this return until such time that the notice of assessment by *Revenu Québec* is issued. Then, the preparer must file a Form MR-69 (Jump Code: **Q69**) to access confidential information or documents held by *Revenu Québec* with respect to the taxpayer or obtain a power of attorney to act on behalf of the taxpayer with *Revenu Québec*.

In the preparer profile, the option in the **EFILE** tab that was used to select the box to give authorization in Part 3 for all client files has also been removed.

TP-1029.9 – Tax Credit for Taxi Drivers or Taxi Owners (Jump Code: Q1029.9) –Addition of the calculation for the temporary increase in the tax credit for taxi drivers

In its March 27, 2018 Budget, the Québec Government announced a temporary increase in the refundable tax credit for holders of a taxi driver’s permit. This increase of up to $500, has been implemented for the 2017 and 2018 taxation years and is added to the existing credit available to a taxpayer claiming the tax credit for taxi drivers or taxi owners. This new measure had been integrated in version 4.0 of *Personal Taxprep* 2017, but was removed in version 5, following a statement from *Revenu Québec* mentioning that no modification should be made in software programs concerning this temporary increase and that the required adjustments would be performed in the *Revenu Québec* systems to establish an accurate assessment for all taxpayers concerned by this measure.

As the lines required to calculate this increase have now been added to Part 2 of the *Revenu Québec* form, we integrated the calculations accordingly, and the temporary increase can now be claimed when the return is filed. With the increase, the maximum amount that can be claimed for this credit is $1,074 for 2018.

In addition, a section has been added to the summary TPF-1.X, *Keying Summary for Forms* in which data from Form TP-1029.9 display. If a tax credit for taxi drivers or taxi owners is claimed and the tax return is paper-filed, both Form TP-1029.9 and Form TPF-1.X must be enclosed with the tax return mailed to *Revenu Québec*.

TP-1029.AE – Tax Credit for the Upgrading of Residential Waste Water Treatment Systems (Jump Code: Q1029.AE)

Fields have been added in Part 4 of this form to indicate the amounts claimed in 2017 with respect to this credit.

TP-1029.RE – Tax Credit for the Restoration of a Secondary Residence (Jump Code: Q1029.RE)

The **Post-disaster clean-up and preservation** component has been removed from this form as it no longer applies. Only the **Repair** component remains in effect and can be claimed in 2018.

Fields were added in Part 6 of this form to indicate the amounts claimed in 2017 with respect to this credit.

Modification introduced by the Québec Government in the fall 2018 Update on Québec's Economic and Financial Situation

ASSISTANCE QC - Refundable Tax Credit for Child Assistance (Jump Code: QASSISTANCE)

As part of the fall 2018 *Update on Québec's Economic and Financial Situation*, the Québec Government announced an increase in the maximum amount of family benefits of $500 per year for the second and third children, with respect to the Child assistance payment component of the refundable tax credit for child assistance. Therefore, the maximum amount for purposes of calculating the child assistance payment will be increased from $1,235 to $1,735 for the second and third children of a family.

This increase will be applicable starting in January 2019 and retroactive payments will be made to families starting in April 2019.

This change has been integrated in version 1.0 of *Personal Taxprep Classic* 2018.

The Child assistance payment will be renamed Family allowance in version 2.0 of *Personal Taxprep Classic* 2018.

Preparer Profiles

<u>AUTHORIZATION FORMS tab</u>

The option **Filing for clients who declared bankruptcy** has been added to this tab for Form MR-69. By selecting this option, Form MR-69 will be applicable if you also selected the option **File for clients for whom you do not have the authorization or whose authorization is expired** and your client declared bankruptcy in the current year.

In addition, in the **AUTHORIZATION FORMS** tab for Form MR-69, you can now enter the contact person's identification number. In the case of an individual in business who is a professional representative, this number can be used to obtain an individual's authorization or power of attorney.

Ontario

ON(S11) - Provincial Tuition and Education Amounts (Jump Code: ON S11)

The Ontario tax credits for tuition and education amounts have been eliminated since September 2017. However, the unused tuition amount related to prior taxation years and the unused education amount from prior years can be claimed (only by the student) for 2018 and future taxation years.

British Columbia

BC428 – British Columbia Tax (Jump Code: BC 428)

A new tax rate of 16.8% has been added for individuals whose taxable income exceeds $150,000.

The amount for infirm dependants age 18 or older (line 5820) and the caregiver amount (line 5840) have been replaced by the British Columbia caregiver amount (line 5817). This amount is calculated in Section "Line 5817 – British Columbia caregiver amount" of Form Worksheet BC428 (Jump Code: BC Credits).

The British Columbia caregiver amount can be claimed by an individual for his or her spouse or common-law partner or for an eligible relative of the individual who was dependent on him or her at a particular time in the year because of an impairment in physical or mental functions. An eligible relative of the individual is one of the following persons, aged 18 or over:

- a child or grandchild of the individual or his or her spouse or common-law partner;
- a parent, grandparent, brother, sister, aunt, uncle, niece or nephew who was resident in Canada at any time in the year.

The children's fitness amount (line 5838), children's fitness equipment amount (line 5842), children's arts amount (line 5841) and education coaching amount (line 5843) have been eliminated.

The British Columbia farmers' food donation tax credit has been extended until 2020.

BC479 – British Columbia Credits (Jump Code: BC 479)

Commencing in 2018, a sales tax credit amount can be claimed for the spouse or common-law partner only if the latter resides in British Columbia on December 31. This amount can be claimed on line 6035 of the BC 479 form.

T1231 – British Columbia Mining Flow-Through Share Tax Credit (Jump Code: 1231)

The British Columbia mining flow-through share tax credit is now permanent.

PROV BEN – Provincial or Territorial Benefit Worksheet (Jump Code: PROV BEN)

The BC family bonus is abolished beginning in July 2018. Therefore, this benefit is no longer calculated in Form PROV BEN in version 1.0 of *Personal Taxprep* 2018.

Alberta

AB428 – Alberta Tax and Credits (Jump Code: AB 428)

Political contributions to the Senatorial Selection Campaign are no longer applicable. Therefore field 6004 has been removed.

Saskatchewan

SK(S11) - Provincial Tuition and Education Amounts (Jump Code: SK S11)

The Saskatchewan tax credits for tuition and education amounts have been eliminated since July 2017. However, the unused tuition amount related to prior taxation years and the unused education amount from prior years can be claimed (only by the student) for 2018 and future taxation years.

RC360 – Saskatchewan Graduate Retention Program (Jump Code: RC360)

A new section has been added in *Personal Taxprep Classic* to help you track the lifetime limit of $20,000 for this credit.

Manitoba

MB428 – Manitoba Tax (Jump Code: MB 428)

The nutrient management tax credit has been eliminated.

MB479 – Manitoba Credits (Jump Code: MB 479)

The primary caregiver tax credit is no longer prorated based on the number of days. A full amount of $1,400 can be claimed if the taxpayer meets all the conditions. You must select a new check box displayed on screen above field 6125 to claim this credit.

Nova Scotia

NS428 – Nova Scotia Tax and Credits (Jump Code: NS 428)

The age amount, the basic personal amount, the spouse or common-law partner amount and the amount for an eligible dependant have increased for individuals with a taxable income of $25,000 or less. This increase is phased out for individuals whose taxable income is between $25,000 and $75,000. For more details on this calculation, please consult Form *Worksheet NS428* (Jump Code: **NS CREDITS**).

Forms Removed

Federal

- Schedule 1 Line 364 – Public Transit Amount (Jump Code: **364**)

Manitoba

- **T1005 – Manitoba Tuition Fee Income Rebate (Jump Code: 1005)**

  The tuition fee income tax rebate and the advance tuition fee income tax rebate have been eliminated.

- **T4164 – Manitoba Odour-Control Tax Credit (Jump Code: 4164)**

  The odour-control tax credit has been eliminated, but unused carry forward amounts can still be claimed directly on Form MB428.

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.

Videos available in the Professional Centre and on our Web site!

To learn more about *Taxprep* or to become familiar with the different features, consult the videos available in the **Professional Centre** or at www.taxprep.com.

To view a tutorial, access the "Tutorials" section in the **Professional Centre,** or visit the *Taxprep* Web site and, in the **Support** menu, select your product, then click the 2018 tax year. Videos are displayed under the **Tutorials** link. Simple as that!

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