

# Cantax T2

## Release Notes

Versions 20.2.3xx.126

November 2020

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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, 2018**, and will end on or before **May 31, 2021**.

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**.

### Overview

#### Auto-fill T2 Return (AFR)

The **Eligible refundable dividend tax on hand (ERDTH)**, **Non-eligible refundable dividend tax on hand (NERDTH)** and **Capital losses balance (CLB)** sections are now part of the AFR form. For more information, consult the [note on that topic](#).

#### RC59 and RC59X mentions removed

The references **RC59** and **RC59X** have been removed from the program. As a result, the jump code for the **RC59** is now **AUTH** and the jump code for the **RC59X** is now **CANCEL**. Other modifications have been made following the removal of these references. For more information, consult the [note on that topic](#).

### What's New in this Release?

*Cantax T2* 20.2.3xx.126 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 200, T2 Corporation Income Tax Return (T2)\*

In the **Attachments** section, line 272 relating to the applicability of Schedule 58 has been added and line 249 relating to the applicability of Schedule 46 has been removed.

In the **Small business deduction (SBD)** section, the fields used to calculate the SBD for days in the tax year before January 1, 2018, have been removed. As a result, lines 2 to 4 have been renumbered 1 to 3.

In addition, in accordance with subsection 227(14) ITA, which stipulates that Parts IV, IV.1, VI and VI.1 of the *Income Tax Act* do not apply to tax-exempt corporations, when either box 1, 2 or 4 is selected on line 085, **If the corporation is exempt from tax under section 149, tick one of the following boxes**, the amounts on the following lines are no longer calculated:

- line Q, **Total Part IV tax payable from Schedule 3, in the Refundable dividend tax on hand (for tax years starting before 2019)** section;
- in the **Refundable dividend tax on hand (for tax years starting after 2018)** section:
  - line L, **Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)**;
  - line M, **Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)**;
  - line R, **Part IV tax before deductions (amount 2A from Schedule 3)**; and
  - line T, **Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)**.
- line 604, **Refundable tax on CCPC's investment income**, in the **Part I tax** section; and
- line 712, **Part IV tax payable from Schedule 3 in the Summary of tax and credits** section.

Finally, in the **Summary of tax and credits** section, line 708 relating to the amount of Part II surtax payable from Schedule 46 has been removed.

When opening a file prepared with a prior version of *Cantax T2*, data entered on the removed lines will not be retained.

### Corporate Profile (T2-ID)

As per the CRA specifications, the telephone number format has been changed to support international telephone numbers. You can now enter telephone numbers that have between 10 and 15 digits. The numbers will be displayed as follows: 111222333444550. Note that North American telephone numbers will continue to have the traditional format, i.e., (780)555-2221. This modification has been applied to all forms in the program except for Alberta schedules. If an international telephone number is entered, it will not update to Alberta schedules. In that situation, a diagnostic will prompt you to enter a 10-digit telephone number. In addition, lines 110 and 125, **Fax number**, of Schedule 32 (S32) have also been modified to support international fax numbers.

### Auto-fill T2 Return (AFR)

The following subsections have been added to the **Return Balances** section:

- Eligible refundable dividend tax on hand (ERDTH) - available for taxation years starting in 2019 and after;
- Non-eligible refundable dividend tax on hand (NERDTH) - available for taxation years starting in 2019 and after;
- Capital losses balance (CLB).

### Representative Authorization Request (AUTH (FORMER RC59))

The mention RC59 has been removed from the program. As a result, the jump code for the form has been changed from RC59 to AUTH.

In addition, the lines **Do you want to file this form for the current year?** and **You had a valid authorization in the previous year in the Carried forward data** section have also been removed. The line **Do you have a valid authorization?** has been renamed **This business already authorized you to access the Represent a Client service and your access is still valid**.

The question **Do you want to transmit an Authorization request for this business?** in the **Electronic filing** section will determine if the form is to be filed.

When opening a file prepared with a prior version of *Cantax T2*, data entered on the removed lines will not be retained.

### Representative Cancellation Request (CANCEL)

The mention RC59X has been removed from the program. As a result, the jump code for the form has been changed from RC59X to CANCEL.

### Schedule 1, Net Income (Loss) for Income Tax Purposes (S1)

In the **Other additions** section, the description of the fourth line 605 is now set to **Canada emergency wages subsidy (CEWS) and rent subsidy (CERS) inclusion** for the amount relating to the CEWS and CERS received by the corporation to be entered as income on line 295. The amount for the CEWS and CERS received or deemed received by a qualifying entity for a qualifying period under subsections 125.7(2) and 125.7(2.1) ITA is considered to be assistance received from a government immediately before the end of the qualifying period to which it relates (125.7(3) ITA).

When opening a file prepared with a prior version of *Cantax T2*, when data is entered on either the 4<sup>th</sup> lines 605 or 295 or on the 4<sup>th</sup> line under the "prior"

year column, all data entered will be retained on the next empty line in the **Other additions** section.

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

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

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

Line 883, which relates to the British Columbia small business venture capital tax credit transferred on an amalgamation, has been added. In addition, the following lines have been removed from the schedule because the credits relating to these lines relate to taxation years starting before January 1, 2018:

- Line 575, **New Brunswick political contribution tax credit** and line 894 **Contribution**;
- Line 464, **Ontario sound recording tax credit** (from Schedule 562);
- Line 603, **Manitoba co-op education and apprenticeship tax credit** (from Schedule 384);
- Line 612, **Manitoba refundable cooperative development tax credit** (from Schedule 390); and
- Line 630, **Saskatchewan manufacturing and processing investment tax credit** (from Schedule 402).

Furthermore, the line 472, **Ontario Regional Opportunities Investment Tax Credit**, has been added under line 470. It allows you to enter the Ontario regional opportunities investment tax credit for the corporation.

### **Schedule 6, Summary of Dispositions of Capital Property (S6)\***

### **Schedule 8, Capital Cost Allowance (S8)**

The new CCA class 56 has been added for properties acquired after March 1, 2020, and available for use before 2028, that are zero-emission automotive equipment and vehicles that currently do not benefit from the accelerated rate provided by classes 54 and 55. Like these two CCA classes, class 56 benefits from a temporary enhanced first-year CCA rate of 100% for eligible property available for use before 2024.

Modifications have been implemented to correctly calculate the CCA for the new CCA class 56 in Schedule 8 OTHER (S8OTHER) and in Schedule 7(R) (S7-R).

### **Schedule 12, Resource-Related Deductions (S12)\***

Custom lines have been added to detail the calculation of the current-year claims for:

- Canadian development expenses and for the accelerated Canadian development expenses in Part 5;
- Canadian oil and gas property expenses and accelerated Canadian oil and gas property expenses in Part 6.

### **Schedule 21, Federal and Provincial or Territorial Foreign Income Tax Credits and Federal Logging Tax Credit (S21)\***

The lines *Additional deduction for credit unions (line 628)* in Parts 7 and 8 were removed from the schedule. When opening a file prepared with a prior version of the *Cantax T2*, if an amount was entered on these lines it will not be retained.

### **Schedule 25, Investment in foreign affiliates (S25)\***

### **Schedule 27, Calculation of Canadian Manufacturing and Processing Profits Deduction (S27)\***

### **Schedule 31, Investment Tax Credit - Corporations (S31)\***

In Part 1, many specified percentage fields were removed because they related to expenditures incurred before 2016.

In Part 4, custom column **Type of investment** was removed because specifying the type of investment is no longer required because mining property must be acquired before 2017.

In Part 5, the field of line *Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part from amount A1 in Part 4)* is now an input field, as it is no longer possible to have qualified mining property acquired before January 1, 2016, for a tax return supported by this version.

Line 360 in Part 8 was removed because capital expenditures have not been qualifying capital expenditures since January 1, 2014.

Part 10 was also modified because, for taxation years ending after March 18, 2019, the taxable income is no longer taken into account in calculating the SR&ED expenditure limit.

In Part 11, the lines relating to current and capital expenditures for a taxation prior to 2014 were removed.

Parts 18 and 20 as well as lines 870, 872, 874, 880, q and H4 of Part 19, were removed as they related to pre-production mining expenditures incurred before 2016. As a result, Parts 19 and 21 to 30 were renumbered Parts 18 to 28.

When opening a file prepared with a prior version of *Cantax T2*, if an amount was entered on one of the removed lines or in the field of line *Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part from amount A1 in Part 4)* of Part 5, it will not be retained.

A calculation has been added on line 103 of Part 3 by the CRA. Prior to the latest update, 80% of the contributions to agricultural organizations for SR&ED had to be entered in Part 8. However, as per a request by the CRA, 100% of the contributions to agricultural organizations for SR&ED must now be entered in Part 8. This amount will then be multiplied by 80% and the result of this calculation will be entered on line 103. In addition to 100% of the contributions to agricultural organizations for SR&ED, 100% of the government assistance, non-government assistance and contract payments related to these contributions must now be entered in Part 8. When opening a file prepared with a prior version of *Cantax T2*, make any required adjustments to the amounts entered in order for the amount on line 103 to be calculated correctly.

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

The following lines, which relate to capital expenditures, were removed from the form, because they refer to a taxation year ended before 2014:

- 350, 355, 390 and 400 in Section B of Part 3; and
- 496, 504, 510, 512, 514a, 514b, 514c, 514d, 514e, 514, 516, 518, 532, 535, 540, 543, 546 and 558 in Part 4.

In part 4, line 528 has been renamed **80% of the amounts paid in respect of an SR&ED contract to a person or partnership that is not a taxable supplier**. In addition, line 557 was replaced by line 559.

The rate used to calculate the prescribed proxy amount (PPA) is 55% for a taxation year started after 2013. In that respect, the calculations for obsolete periods in Section B of Part 5 were removed.

In the table in Part 6, column 758, **Overhead and other expenditures in the tax year (Total of line 360, if applicable)**, has been added. The fields in this

column must be completed if the traditional method is used and the information is mandatory for a taxation year end after 2020 and optional for a taxation year end before 2021. To generate data in this column, data must be entered on line 758 of Schedule 60 Part 2 (S60P2#01) for the project involved. Note that the amount on this line will affect the total project cost.

The year's maximum pensionable earnings amount for purposes of the Canada pension plan has been updated for the 2021 calendar year (and is now \$61,600). 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 49, Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Expenditure Limit (S49) \***

### **Schedule 50, Shareholder Information (S50) \***

A new column 200 has been added on screen only to indicate the account number for a partnership. If a corporate shareholder does not have a partnership account number, enter "NR" to indicate that the partnership is not registered.

Note that when printing, only one column 200 will display the business number or the partnership account number, as applicable.

### **Schedule 53, General Rate Income Pool (GRIP) Calculation (S53) \***

### **Schedule 54, Low Rate Income Pool (LRIP) Calculation (S54) \***

### **Schedule 55, Part III.1 Tax on Excessive Eligible Dividend Designations (S55) \***

### **Schedule 60, Part 2, Project Information for SR&ED (S60P2#01) \***

Following the addition of column 758 in Schedule 32 (S32), line 758, *Overhead and other expenditures (Portion of the amount on line 360)* was added under line 756. Note that the amount on this line will affect the total project cost.

### **Schedule 61, Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length (S61#01) \***

Lines 015, *Current expenditures*, and 020, *Capital expenditures*, have been removed from the form. However, the allocated amount of assistance for SR&ED must be entered on line 010, *The transferor and the transferee identified below hereby agree to allocate this amount of assistance for SR&ED to the transferee*. When the corporation is the transferee, the amount

from line 010 is transferred to line 538 of Schedule 32 (S32). When opening a file prepared with a prior version of *Cantax T2*, the amount entered on line 010 will be retained as an input amount.

### **Schedule 62, Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length (S62#01)\***

Lines 015, *Current expenditures* and 020, *Capital expenditures* have been removed from the form. However, there no longer is an allocation of the amount on 010, *The transferor and the transferee identified below hereby agree to transfer the amount of SR&ED qualified expenditures to the transferee* to lines 015 and 020. When the corporation is the transferor, the amount on line 010 is transferred to line 544 of Schedule 32 (S32) and, when the corporation is the transferee, on line 508.

### **Schedule 71, Income Inclusion for Corporations that are Members of Single-Tier Partnerships (S71)\***

As it is no longer possible to claim a transitional reserve, the following parts as well as all custom subparts that were used to enter or calculate the amounts relating to each type of income were removed:

- Part 2, *Eligible alignment income*;
- Part 5, *Qualifying transitional income (QTI)*;
- Part 6, *Adjusted amount of qualifying transitional income*;
- Part 7, *Transitional reserve*.

The remaining parts and lines were renumbered accordingly.

As a result, when opening a file prepared with a prior version of *Cantax T2*, if amounts were entered in one of the removed parts or custom subparts, they will not be retained.

### **Schedule 72, Income Inclusion for Corporations that are Members of Multi-Tier Partnerships (S72)\***

As it is no longer possible to claim a transitional reserve, the following parts as well as all custom subparts that were used to enter or calculate the amounts relating to each type of income were removed:

- Part 2, *Eligible alignment income*;
- Part 5, *Qualifying transitional income (QTI)*;

- Part 6, *Adjusted amount of qualifying transitional income*;
- Part 7, *Transitional reserve*.

In addition, in former Part 3, *Adjusted stub period accrual (ASPA)*, only the 3<sup>rd</sup> subsection, *Complete this section if subparagraphs (b)(i) and (b)(ii) of the definition of "adjusted stub period accrual" in subsection 34.2(1) do not apply [paragraph (a) of the definition of "adjusted stub period accrual" in subsection 34.2(1)]* was retained.

The remaining parts and lines were renumbered accordingly.

As a result, when opening a file prepared with a prior version of *Cantax T2*, if amounts were entered in one of the removed parts or custom subparts, they will not be retained. If the amount on line T in Part 3 is an overridden amount, the amount on line V (renumbered 2M) will be retained as an overridden value.

### **Schedule 73, Income Inclusion Summary for Corporations that are Members of Partnerships (S73)\***

As it is no longer possible to claim a transitional reserve, the following columns were removed from the table in Part 2:

- Column 8, *Eligible alignment income*;
- Column 9, *Qualifying transitional income (QTI)*;
- Column 10, *Adjusted amount of QTI*;
- Column 11, *Current-year transitional reserve*;
- Column 12, *Previous-year transitional reserve*.

The remaining column 13 in Part 2 as well as columns 14 and 15 in Part 3 were renumbered accordingly.

As a result, when opening a file prepared with a prior version of *Cantax T2*, none of the amounts entered in one of the removed columns will be retained.

### **Schedule 88, Internet Business Activities (S88)\***

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

Following the update of the schedule, former Part 1, *CDA components (except for eligible capital property)*, is now Part 2 as Part 1, *Identification*, has been added to the form. As a result, all parts of the form have been renumbered.

In addition, column 2, *Amount S from Schedule 10*, which was under *Section B: CDA components - List of ECP dispositions* in former Part 2, has been removed. In new Part 3, the columns *Cost of eligible capital property acquired* and *Proceeds of sale (less outlays and expenses not otherwise deductible)* from the

disposition of all eligible capital property have been added under **Section B: CDA components - List of ECP dispositions**. Furthermore, the field of column 4, **Non-taxable portion of ECP sales**, is now an input field. When opening a file prepared with a prior version of *Cantax T2*, if an amount was calculated or overridden in this field, it will be retained.

### **Schedule 125, GIFI Income Statement (G125#01)\***

### **T183, Information Return for Corporations Filing Electronically (T183CORP)\***

### **T1134, Information Return Relating to Controlled and Not-Controlled Foreign Affiliates (T1134SUM)**

The Canada Revenue Agency (CRA) introduced a new version of Form T1134 which must be used for taxation years starting after 2020. For Forms T1134 prepared for pre-2021 taxation year starts, the former version of Form T1134 must be used. Note that the new version of the form will be integrated into a future version of *Cantax T2*. Until then, if you need to complete this form for a post-2020 taxation year, you must get the new version of the form from the CRA and complete it manually.

### **T1135, Foreign Income Verification Statement (T1135)\***

### **T5004, Claim for Tax Shelter Loss or Deduction (T5004)\***

### **Provincial Political Donations (FED-PPL)**

The New Brunswick section was removed as political contributions can no longer be made in this province.

### **Instalment, Schedule of Instalments (INSTAL)**

As the COVID measures are not applicable to dates after September 30, 2020, the following items have been removed:

- The check box **Select this box to calculate the instalments for Part I tax according to the extended payment date (COVID-19)**;
- In the **Instalments Remittance Tracker** section:
  - The **Part I tax and Parts VI, VI.1 and XIII.1 tax** fields to calculate the instalment base amount;
  - The date and amount fields in the **COVID-19 Part I tax and provincial / territorial tax instalments** section for federal and Alberta purposes.
- In the **Federal** section, the date and amount fields in the **COVID-19 Part I tax and provincial / territorial tax instalments** section;

- In the **Federal Instalments Calculation** section, lines L1 to N2 in the **Instalment base calculation according to the Parts of the Act** section; and
- The fields in the **Part I tax and provincial / territorial tax and Part VI, VI.1 and XIII.1 tax** columns in subsection **The following methods may be used to estimate your instalments**.

When opening a file prepared with a prior version of *Cantax T2*, if the check box **Select this box to calculate the instalments for Part I tax according to the extended payment date (COVID-19)** is selected and one of the following situations applies:

- A. The **Part I tax or Parts VI, VI.1 and XIII.1 tax** field used to calculate the instalment base amount has been overridden;
- B. The instalment method selected is **1- Combined 1<sup>st</sup> and 2<sup>nd</sup> instalment base method** and one of lines L1, N1, L2 or N2 in the first **Actual** column has been overridden;
- C. The instalment method selected is **2- 1<sup>st</sup> instalment base method** and one of lines L1, M1, N1, L2, M2 or N2 in the second **Actual** column has been overridden; or
- D. The instalment method selected is **3- Estimated tax method** and one of lines L1, M1, N1, L2, M2 or N2 in the **Estimate** column has been overridden;

then:

the field **Instalment base amount** in the **Federal** column of the **Instalments Remittance Tracker** section will be overridden, depending on the situation, with one of the following amounts:

- Situation A: the total of the amounts in fields **Part I tax and Parts VI, VI.1 and XIII.1 tax**;

Or, in subsection **The following methods may be used to estimate your instalments**;

- Situation B: the total of the amounts in both fields corresponding to the line **First and second instalment base method** in the **Part I tax and provincial / territorial tax and Parts VI, VI.1 and XIII.1 tax** columns;
- Situation C: the total of the amounts in the two fields corresponding to the line **First instalment base method** in the **Part I tax and provincial / territorial tax and Parts VI, VI.1 and XIII.1 tax** columns;
- Situation D: the total of the amounts in the two fields corresponding to the line **Estimated tax method** in the **Part I tax and provincial / territorial tax and Parts VI, VI.1 and XIII.1 tax** columns.

The data entered in all other removed fields will not be retained.

## **AgriStability and AgriInvest Programs**

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

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

The line *Trust business number* has been added to the Participant identification section.

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

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

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

## **Ontario**

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

In Part 2, the line that related to the calculation of the Ontario small business deduction rate for the period before January 1, 2018, (former line 2N.1) was removed.

When opening a file prepared with a prior version of *Cantax T2*, if a rate was entered on this line, it will not be retained.

As a result of the update of the schedule, several lines have been renumbered, in particular custom lines 2N.2, 2N.3, which have been renumbered 2M and 2N in Part 2. These new lines allow for the Ontario small business deduction to be calculated based on the number of days in the tax year before January 1, 2020, and the number of days in the tax year after December 31, 2019. Previously, lines 2N.2 and 2N.3 were used to calculate the small business deduction rate, which means that the calculation of this deduction has been condensed. Therefore, line 2N.4, which was used to add the rates from lines 2N.1, 2N.2 and 2N.3 has been removed as it was no longer useful. When opening a file prepared with a prior version of *Cantax T2*, the values that were indicated on former lines 2N.1, 2N.2, 2N.3 and 2N.4 will not be retained.

In addition, following the modifications in Part 2, lines 4D and 4E have been added to Part 4 to allow for the Ontario credit union tax reduction to be calculated based on the number of days in the tax year before

January 1, 2020, and the number of days in the tax year after December 31, 2019.

### **Schedule 502, Ontario Tax Credit for Manufacturing and Processing (S502)\***

As a result of the update of the schedule, several lines have been renumbered. The amount on the new line 1C is now calculated according to provisions of the federal legislation. Verify if an adjustment should be made according to provisions of the Ontario legislation and override if required. When opening a file prepared with a prior version of *Cantax T2*, if an amount had been entered in former field **Notional resource allowance for the year** (amount from line 105 of Schedule 504), it will be retained as an overridden amount on the new line 1C.

In addition, former line c in Part 2, which allowed for the calculation of the tax credit for the period before July 1, 2011, has been removed from the schedule because it was obsolete. When opening a file prepared with a prior version of *Cantax T2*, if an amount had been entered using an override on former line H, it will be retained as an overridden amount on the new line 2N.

Finally, Part 5 has been added to the schedule to allow for the calculation of the adjusted Crown royalties for the tax year, which is calculated on line 5H and is updated to line 1A. When opening a file prepared with a prior version of *Cantax T2*, if an amount had been entered in former field **Adjusted Crown royalties for the year** (amount from line 100 of Schedule 504, *Ontario Resource Tax Credit*), it will be retained as an overridden amount on the new line 1A.

### **Schedule 504, Ontario Resource Tax Credit (S504)\***

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

Following the removals related to capital expenditures in Schedule 32 (S32), on screen custom lines *Current expenditures* and *Capital expenditures* of lines 110 and 115 have been removed. In addition, the column **Capital Expenditures** has been removed from the **Schedule A** section. For more details, consult the [note on Schedule 32](#).

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

Following the removals related to capital expenditures in Schedule 32 (S32), custom columns **Current Expenditures** and **Capital Expenditures** in Part 7 have been removed. In addition, the column **Capital Expenditures** has been removed from the **Schedule A**

section. For more details, consult the [note on Schedule 32](#).

## British Columbia

### Schedule 421, British Columbia Mining Exploration Tax Credit (S421)\*

### Schedule 425, British Columbia (BC) Scientific Research and Experimental Development Tax Credit (S425)

Following the removals related to capital expenditures in Schedule 32 (S32), the column **Capital (before 2014)** in the Schedule A section has been removed. For more details, consult the [note on Schedule 32](#).

### Schedule 427, British Columbia Corporation Tax Calculation (S427)\*

In Part 2, line 2A.1 relating to the lower tax rate for the period prior to April 1, 2017, and line 2B.1 relating to the higher tax rate for the period prior to January 1, 2018, were removed. When opening a file prepared with a prior version of *Cantax T2*, if an amount was entered on one of those lines, it will not be retained.

### Schedule 428, British Columbia Training Tax Credit (S428)\*

### Schedule 430, British Columbia Shipbuilding and Ship Repair Industry Tax Credit (S430)\*

Columns E1 and F1 in Part 1 and columns E4 and F4 in Part 3, that were related to the British Columbia Training Tax Credit, have been removed. As a result, columns G1 and G4 have been renamed E1 and E4, respectively.

When opening a file prepared with a prior version of *Cantax T2*, if an amount had been entered or overridden in columns E1, F1, E4 and F4, the amount will not be retained.

## Alberta

### AT1, Alberta Corporate Income Tax Return (AT1)\*

### AT100, Preparing and Filing The Alberta Corporate Income Tax Return (AT1-E)\*

### AT1 Schedule 1, Alberta Small Business Deduction (AT1-S1)\*

### AT1 Schedule 9, Alberta Scientific Research & Experimental Development (SR&ED) Tax Credit (AT1-S9)

Following the removals related to capital expenditures in Schedule 32 (S32), the lines *Portion of Alberta capital expenditures included in the amount of line 031* in the Eligible Expenditures for Alberta Purposes section, *Current expenditures* and *Capital expenditures* in the Maximum Expenditure Limit section and *Capital expenditures* in the Alberta SR&ED Tax Credit section have been removed. For more details, consult the [note on Schedule 32](#).

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

Modifications have been implemented to correctly calculate the CCA for the new CCA class 56 in this form and in Form AT1 Schedule 13R (AT1-S13R). We invite you to review the [note relating to Schedule 8](#), which describes the changes made to the federal schedule and forms.

## Saskatchewan

### Schedule 402, Saskatchewan Manufacturing and Processing Investment Tax Credit (S402)\*

Former Part 2, Calculation of the non-refundable credit available for the year and available for carryforward and, Part 4, Analysis of credit available for carryforward by year of origin and the custom Part, Summary and analysis of credit have been removed from the schedule, as it is no longer possible to carry-forward any non-refundable unused credit.

When opening a file prepared with a prior version of *Cantax T2*, or carrying forward a file, if any amount was entered on the removed lines, it will not be retained.

### Schedule 404, Saskatchewan Manufacturing and Processing Profits Tax Reduction (S404)\*

In Part 1, the section for the period before January 1, 2018, as well as the lines used to calculate the income eligible for the Saskatchewan manufacturing and processing profits tax reduction according to the number of days before 2018 and after 2017 were removed.

When opening a file prepared with a prior version of *Cantax T2*, if amount W was entered using an override, it will be updated to amount J and retained as an overridden value. However, if any amounts were entered on the other removed lines, they will not be retained.

**Schedule 411, Saskatchewan Corporation Tax Calculation (S411)\***

The section relating to the pre-January 1, 2018 period, in Part 1 has been removed.

When opening a file prepared with a prior version of *Cantax T2*, if any amount was entered on the removed lines, it will not be retained.

**Manitoba****Schedule 380, Manitoba Research and Development Tax Credit (S380)\***

Lines for eligible expenditures incurred in the current tax year before April 12, 2017, and related to credit lines, have been removed from the schedule, i.e., lines 106, 108 and 116 in Part 1, line 121 in Part 2 and lines 205 and 215 in Part 5. When opening a file prepared with a prior version of *Cantax T2*, if data was entered on the removed lines, it will not be retained.

**Schedule 381, Manitoba Manufacturing Investment Tax Credit (S381)\***

Lines 108, 120 and 145 relating to qualified property acquired before April 12, 2017, were removed. When opening a file prepared with a prior version of *Cantax T2*, if an amount was entered on one of those lines, it will not be retained.

**Schedule 383, Manitoba Corporation Tax Calculation (S383)\*****Schedule 384, Manitoba Paid Work Experience Tax Credit (S384)\*****Schedule 387, Manitoba Small Business Venture Capital Tax Credit (S387)\*****Schedule 389, Manitoba Book Publishing Tax Credit (S389)\*****Schedule 411, Saskatchewan Corporation Tax Calculation (S411)\*****Northwest Territories****Schedule 461, Northwest Territories Corporation Tax Calculation (S461)\***

As a result of the tabling of Bill 16 on October 30, 2020, which announced a decrease in the lower tax rate to 2% on January 1, 2021, line 2A in Part 2 has been split into two lines to calculate the tax at the lower rate, i.e., one for the number of days in the tax year before January 1, 2021, and one for the number of days after December 31, 2020.

**Yukon****Schedule 440, Yukon Manufacturing and Processing Profits Tax Credit (S440)\***

The lines relating to the number of days in the taxation year before July 1, 2017, have been removed from the schedule. In addition, the small business increment calculation has been modified to reflect the decrease in the increment from 0.5% to 0% as of January 1, 2021.

**Schedule 443, Yukon Corporation Tax Calculation (S443)\***

In Part 2, the lines that related to the calculation of the Yukon tax at the lower rate as well as the tax at the higher rate for the period before July 1, 2017 (former lines H and K) were removed. Note that the lines *Total Yukon tax at the lower rate* (former line J) and *Total Yukon tax at the higher rate* (former line M) were also removed.

When opening a client file prepared with a prior version *Cantax T2*, if an amount was entered on one of those lines, it will not be retained.

In addition, the 2% tax rate on the income of small businesses will be eliminated as of January 1, 2021.

**Nova Scotia****Schedule 341, Nova Scotia Corporate Tax Reduction for New Small Businesses (S341)\***

Following the 2020 Nova Scotia Budget, tabled on February 25, 2020, line D has been added to take into account the lower corporate income tax rate, which was decreased from 3% to 2.5% on April 1, 2020.

**Schedule 346, Nova Scotia Corporation Tax Calculation (S346)\***

Following the 2020 Nova Scotia Budget, which was tabled on February 25, 2020, lines 2B and 2E were added to Part 2 to take the following new measures into account:

- the reduction in the lower tax rate, which was decreased from 3% to 2.5% on April 1, 2020;
- the reduction in the higher tax rate, which was decreased from 16% to 14% on April 1, 2020.

**Prince Edward Island****Schedule 322, Prince Edward Island Corporation Tax Calculation (S322)\***

In Part 2, line 2A.1 relating to the lower tax rate for the period prior to January 1, 2018, was removed. When opening a file prepared with a prior version of

*Cantax T2*, if an amount was entered on this line, it will not be retained.

In addition, line 2C has been added to Part 2 and is used to calculate the tax at the lower rate for the number of days in the tax year after December 31, 2020.

### Newfoundland and Labrador

#### Schedule 307, Newfoundland and Labrador Corporation Tax Calculation (S307)\*

In Part 2, the line that related to the calculation of the tax at the higher rate for Newfoundland and Labrador and its offshore area for the period before January 1, 2016, (former line 1) was removed as well as the line *Tax at the higher rate for Newfoundland and Labrador and its offshore area* (former line I).

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

### Deleted Forms

#### Schedule 562, Ontario Sound Recording Tax Credit (S562#01)

### New & Revised Guides

#### 2020 AgriStability and AgriInvest Program, Corporation/Co-operative and Special Individual Harmonized Guide

#### Saskatchewan AgriStability Commodity Code Guide (2019)

### Technical Enhancement

#### References to Forms RC59 and RC59X removed

The reference to Form RC59 has been removed from the program. As a result, the option Transmit RC59 and/or RC59X form(s) from the Internet Filing menu has been changed to Transmit Authorization and/or Cancellation form(s).

### Corrected Calculations

The following problems have been corrected in this release:

- [COVID-19 - Balance-due date applicable to the tax balance of Parts other than Part I of the Act, including instalments owed to the federal government, extended to September 30, 2020](#)
- [COVID-19 - Balance-due dates applicable to some tax balances payable and tax instalments owed to the federal and Alberta governments deferred to September 30, 2020](#)
- [T2 Jacket - In the first tax year of a corporation starting after 2018, the calculation of the ERDTH on line 520 is incorrect for a CCPC that elected under subsection 89\(11\) ITA not to be a CCPC.](#)

### 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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