

Cantax T2

Release Notes

Versions 21.2.3xx.126

November 2021

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End of support for Microsoft Office 2013 and Microsoft Internet

As we have been announcing since May 2021, in particular in an article of our Knowledge Base as well as the e-mails sent last May, starting in November 2021, Wolters Kluwer will discontinue support for Microsoft Office 2013 and Microsoft Internet Explorer 11.

For more information, consult our Knowledge Base article [End of support for Microsoft Office 2013 and Internet Explorer 11. An upgrade of your system may be required.](#)

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, 2019**, and will end on or before **May 31, 2022**.

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 - Version 21.2.3xx.126

New fields for the electronic signature added to form T183 CORP (T183CORP)

Three new fields (electronic signature indicator, signature date, and signature time), the content of which must be transmitted when Form T183 is electronically signed, have been added to the form. For more information, consult the [note on this topic](#).

Update of the Alberta Consent Form (AT1-AUT#01)

The **Alberta Consent Form** can no longer be used to authorize online access to a representative (TRACS). Prior versions of the form used to request TRACS access will no longer be accepted. For more information, consult the [note on this topic](#).

Schedule 444, Yukon Business Carbon Price Rebate (S444)

This new schedule can be used to claim the refundable tax credit for the Yukon business carbon price rebate. For more information, consult the [note on this topic](#).

What's New in Version 21.2.3xx.126?

Cantax T2 21.2.3xx.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 **Taxable income** section, line a, **Employer deduction for non-qualified securities under an employee stock options agreement**, has been renumbered and renamed line 352, **Employer deduction for non-qualified securities**. This line is now part of the electronic transmission and the bar codes of the T2 return.

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

As a result of the update of the *T2 Corporation - Income Tax Guide*, which was published on June 14, 2021, once the income has been reported in Schedule 125 (G125#01), income derived from COVID-19-related programs must be reported in Schedule 1. To do so, you must clearly indicate on line 605 which COVID-19-related subsidy has been received and enter 0 on the corresponding line 295. Refer to the *T2 Corporation - Income Tax Guide* for more information.

Because the description is often different, we have removed the fourth line **Taxable amounts - COVID-19 programs (CEWS, CEBA and others)** from column 605. Use the free lines after the third line in the table of the **Other additions** section to enter the subsidy's description on line 605 and enter 0 on line 295.

When opening or carrying forward a file prepared with a prior version of Cantax T2, data entered on the fourth line **Taxable amounts - COVID-19 programs (CEWS, CEBA and others)** in the table of the **Other additions** section will not be retained.

In addition, the CRA has updated the specifications relating to the electronic transmission as well as the

federal bar codes to allow transmission of the 0 amount to lines 295, 296, 395 and 396. In Cantax T2, you must confirm your amount of 0, by selecting the appropriate **Select the box if you want to send 0 on the corresponding line 295 to the CRA box of Schedule 1** so that the information can be transmitted or printed. The same option is also available for line 395. For lines 296 and 396, Cantax T2 does it automatically.

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

Schedule 4, Corporation Loss Continuity and Application (S4)*

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

In Part 9, the input field **Portion of the capital gain that is subject to a 100% inclusion rate per 100(1)** has been added to enter the portion of the capital gain arising from the disposition of a partnership's interest attributable to depreciable property or non-capital property. In addition, line 902 has been added to take into account the input amount in computing the total capital gains or losses on line P.

Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction (S7)*

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

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

The year's maximum pensionable earnings amount for purposes of the Canada pension plan has been updated for the 2022 calendar year (and is now \$64,900). This amount is used to determine the specified employees' salary or wages in Part 5 when the proxy method is selected to calculate the SR&ED expenditures.

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

The CRA has adjusted the description for line 140 to specify that the election under subsection 89(11) ITA not to be a Canadian-controlled private corporation must be made in a prior tax year in order for the amount of aggregate investment income from the previous year to be included in the calculation of the LRIP. The calculations performed by the software have been adjusted to take this precision into account.

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

Following an update of the form, the **City and Province** fields have been added to Part 1. As a result, the names of the city and province are no longer included in the **Address** field. When opening a file prepared with a prior version of *Cantax T2*, the overridden information in the **Address** field will not be retained.

In addition, a new Part 5 has been added. If the capital dividend account (CDA) balance is to include net proceeds of a life insurance, provide the items listed in Part 5 to the CRA when you make a request for a CDA balance verification. If you are in this situation, a diagnostic will be displayed to prompt you to send the following:

- the name of the insured individual;
- the name of the beneficiary;
- the policy number;
- the adjusted cost base of the policy;
- the total amount received related to the life insurance proceeds (a detailed breakdown of the amount received); and
- a letter from the insurance company indicating whether the life insurance policy was a taxable or non-taxable policy.

With the addition of Part 5, former Part 5 - CDA balance becomes Part 6 - CDA balance.

Schedule 97, Additional Information on Non-Resident Corporations in Canada (S97)*

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

Electronic signature: The CRA will continue to accept an electronic signature on Form T183. The CRA added three new EFILE fields (electronic signature indicator, signature date, and signature time), which must all be transmitted with the return when Form T183 is electronically signed. These fields can be found in the new **Electronic Signature** section, which was added to Form T183, on screen only. When the answer to the question **Are you planning on using an electronic signature method on Form T183?** is **Yes**, EFILE diagnostics will prompt you to complete these fields to transmit the return. In addition, the date of signature in Part 3 will no longer be automatically updated. Instead, you will have to manually enter the date of signature in the **Electronic signature** section. The date that must be transmitted to the CRA is the date of signature and not the date the form was printed. The answer to the question relating to the electronic

signature will default to **Yes** for the new files. However, for a T2Plus version, if you elect not to use electronic signatures, the answer to this question can be defaulted to **No** by clearing the check box **Using an electronic signature method on Form T183 in Options/Preferences/Defaults/New files**. Doing so will prevent EFILE diagnostics related to the electronic signature feature from being displayed and the date of signature in Part 3 will be automatically updated as in prior years.

T1134, Information Return Relating to Controlled and Non-Controlled Foreign Affiliates (T1134SUM)

For taxation years starting after December 31, 2020, custom question **Are all foreign affiliates dormant?** has been added at the beginning of the T1134 - Summary form, under the question **Do you want to print Form T1134?** You should answer **Yes** to this new question when all foreign affiliates of the reporting entity (ies) are dormant, according to the instructions on Form T1134. In this situation, you will have to provide the information regarding these foreign affiliates in subsection D. **Dormant foreign affiliates** in Section 3 of Part I, and no copy of Form T1134 - Supplement (T1134S#01) has to be completed.

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

AgriStability and AgriInvest Programs

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

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

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

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

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

Ontario

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

Schedule 570, Ontario Regional Opportunities Investment Tax Credit (S570)*

As a result of an update, the schedule has been entirely renumbered. In addition, lines 110, 225, 325, 330 and 335 have been added to include the amounts of eligible special expenditures and the tax credit based on the special expenditures in the electronic transmission and the T2 Bar codes. Finally, line L.1 in Part 3 has been removed.

When opening a file prepared with a prior version of *Cantax T2*, if the amount on line L.1 is overridden and this amount is less than the amount on line K.1, the amount on line M.2 will be retained as an overridden amount on line 335.

Alberta

AT1, Alberta Corporate Income Tax Return (AT1)*

Line 095, **Was this return prepared by a tax preparer for a fee?** and line 096, **If yes, provide the preparer's name or firm name** have been added at the end of the form. If the AT1 return is applicable, line 095 is completed from the equivalent line in Schedule 200 (T2) and line 096 is completed from the information entered in the Tax preparer information from the Options/Preferences/Firm Information.

Alberta Consent Form (AT1-AUT#01)*

The **Alberta Consent Form** can no longer be used to authorize online access to a representative (TRACS). Previous versions of the form requesting TRACS access will no longer be accepted. The custom question **Do you want to authorize online access (TRACS) to an individual?** and section 4, **Authorize online access (TRACS) to an individual** have been removed from the form. When opening a file prepared with a prior version of *Cantax T2*, no value related to the removed lines will be retained.

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

The check box associated with line 7 has been renamed **It is not claiming the Alberta Scientific Research and Experimental Development (SR & ED) Tax Credit** nor is it reporting a recapture of SR & ED. In addition, line 10, **It is not claiming the Alberta Innovation Employment Grant (IEG)**, has been added.

Alberta Schedule 18, Alberta Dispositions of Capital Property (AT1-S18)

The field **Portion of the capital gain that is subject to a 100% inclusion rate** has been added to transfer the amount entered on the line **Portion of the capital gain**

that is subject to a 100% inclusion rate per 100(1) in Schedule 6 (S6). In addition, line 099a has been added to take into account the amount in computing the total capital gains or losses on line 099b.

AT1 Schedule 29, Alberta Innovation Employment Grant (AT1-S29)*

As a result of the update of the schedule, column 265, **Enter Taxable Capital for the first preceding year**, and line 300, **Total Taxable Capital from all associated corporation(s) for the first preceding year**, have been added to the **Allocation of the Maximum Expenditure Limit** table. Line 265 is completed using data entered in Schedule 23 (S23) of the filing corporation and data on line 265 of associated corporations must be entered manually. In addition, the custom question **Is the corporation associated with this corporation for IEG purposes?** has been added to the left of column 220 on screen only. You must answer this question for each associated corporation. When opening a file prepared with a prior version of *Cantax T2*, if a business number was entered on line 220 for an associated corporation, the answer to the custom question will be Yes.

Saskatchewan

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

As a result of the update of the form, all lines have been renumbered.

Manitoba

Schedule 384, Manitoba Paid Work Experience Tax Credit (S384)*

The following parts, which were used to enter or calculate the amounts relating to the carried forward credit, have been removed:

- Part 9, **Non-refundable credit available for carryforward;**
- Part 10, **Non-refundable credit available for carryforward by year of origin;**
- **Summary and analysis of credit.**

When opening a file prepared with a prior version of *Cantax T2*, if amounts had been entered in the removed parts, they will not be retained.

Yukon

Schedule 444, Yukon Business Carbon Price Rebate (S444)*

The Yukon business carbon price rebate is a refundable tax credit that the corporation can claim, under

section 16 of the [Yukon Income Tax Act \(ITA\)](#), if the following conditions are met:

- The corporation is an eligible Yukon business taxpayer;
- The corporation used an eligible Yukon asset in the tax year, principally in carrying on an eligible Yukon business; and
- The corporation filed an income tax return for a tax year ending after July 1, 2019.

This refundable tax credit is equal to the amount of the business rebate factor for the financial year in which the tax year ends multiplied by the eligible Yukon undepreciated capital cost (UCC) of the taxpayer as of the end of the tax year. For your information, the business rebate factor for the next financial year is determined on or before November 1 in each financial year by the Yukon minister of Finance under the [Yukon Government Carbon Price Rebate Act](#).

To correctly calculate the Yukon business carbon price rebate under subsection 16(6) of the Yukon ITA, note 5 has been adjusted to take into account the tax measure of subsection 26(5) in part 4 of [Yukon bill 33](#) and the prororation of the number of days in the tax year has been added in Part 3 in the following cases:

- When the tax year is shorter than 12 months, while the Yukon business carbon price rebate is multiplied by the number of days in the tax year divided by 365; or
- When the tax year starts before July 1, 2019, while the Yukon business carbon price rebate is multiplied by the number of days in the tax year after June 30, 2019, divided by 365.

In addition, the definition of “eligible Yukon asset” in subsection 16(1) of the Yukon ITA refers to depreciable property of the taxpayer, of a prescribed class, within the meaning of the federal Act, that is prescribed for this purpose. Therefore, notes 1 and 2 have been adjusted to take into account class 56 that was added to federal [Bill C-30](#), which was assented on June 29, 2021.

When opening a file prepared with a prior version of *Cantax T2*, if an amount was entered on line 699 of Schedule 5 (S5), it will be retained as an overridden amount. Then, complete Schedule 444 and delete the overridden amount on line 699 of Schedule 5 for the Yukon Business Carbon Price Rebate calculated in Schedule 444 to be updated in Schedule 5.

Prince Edward Island

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

In Part 2, line 2C has been added to calculate the tax at the lower rate of 1% for the number of days in the tax year after December 31, 2021.

Deleted Forms

Alberta

- AT1 Schedule 5, Alberta Royalty Tax Deduction (AT1-S5)

New & Revised Guides

Federal

- RC4088 - General Index of Financial Information (GIFI)

AgriStability and AgriInvest

- Alberta AgriStability Guide for 2021 Supplementary Forms
- Saskatchewan AgriStability Commodity Code Guide (2020)

Technical Enhancement

Electronic signature for Form T183 (T183CORP)

The option **Using an electronic signature method on Form T183** has been added to the **Options/Preferences/Defaults/New files** dialog box of *Cantax T2Plus*. Clearing this option will prevent EFILE diagnostics related to the electronic signature feature from being displayed. For more information, consult the [note on this topic](#).

Corrected Calculations - Version 21.2.3xx.126

The following problems have been corrected in this release:

- [Schedule 387- For a tax year ending after December 31, 2020, and before April 7, 2021, the credit earned in the current tax year \(line 120\) and the credit claimed in the current year \(line 2C\) are incorrect](#)

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.

Cantax e-Bulletin

For your convenience, you are automatically subscribed to the **Cantax e-Bulletin**, a free e-mail service that ensures you receive up-to-date information about the latest version of *Cantax T2*.

If you want to review your subscription to **Cantax e-Bulletin**, visit <https://support.wolterskluwer.ca/en/newsletter/?inc=manage>.

You can also send an e-mail to cservice@wolterskluwer.com to indicate the products for which you wish to receive general information or information on our software (*Cantax T1*, *Cantax T2*, *Cantax FormMaster* or *CCH Accountants' Suite*).



E-mail

Customer Service:

cservice@wolterskluwer.com

Tax and Technical support:

csupport@wolterskluwer.com

Telephone

1-800-268-4522

Web Site

<https://support.wolterskluwer.ca/en/support/>