

Release Notes

Cantax T2

Versions 24.2.3xx.126

November 2024

Contents

Changes to Customer Support Channels	1
Version Coverage	1
Training.....	1
Overview – Version 24.2.3xx.126.....	1
What's New in Version 24.2.3xx.126?	2
Corrected Calculations – Version 24.2.3xx.126	8
Filing Requirements	8
Cantax e-Bulletin	8
Help.....	8

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, 2022**, and will end on or before **May 31, 2025**.

Users will be able to prepare up to three returns with *Cantax T2* and an unlimited number of returns with *Cantax T2 Plus*. 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).

Changes to Customer Support Channels

Since July 22, 2024, Wolters Kluwer Canada provides customer support for *Cantax* exclusively through web tickets and chats on the Support Platform. This transition is part of Wolters Kluwer Canada’s ongoing investment in digital strategy and customer experience. The Support Platform is designed to ensure customers can quickly access helpful information whenever needed.

All customers must be registered on the Support Platform in order to submit, modify, and track their support cases. You can register with the Support Platform by consulting [Register with our Support Platform](#).

For more details about the web ticketing system and best practices, watch the following “How to” videos:

- [How to Register With the Support Platform to Begin](#)
- [How to Open a Support Case](#)
- [How to Manage Your Support Cases](#)
- [How to Reset Your Support Platform Password](#)

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 24.2.3xx.126

Capital gains inclusion rate modifications

The modifications to the capital gains inclusion rate have not been implemented in this version of *Cantax T2*. When the CRA made us aware that none of its schedules would be updated at this time to take these modifications into account, we were not in a position

to make adjustments to this version before its release. We are planning to release a version at the beginning of 2025 that will implement the modifications even if no updated official CRA schedule is available.

Schedule 75, Clean Technology Investment Tax Credit (S75)

Schedule 75, used to calculate the clean technology investment tax credit for corporations that have acquired clean technology property after March 27, 2023, has been added to the program. For more information, consult the [note on this topic](#).

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

AT1 Schedule 29 has been updated to implement changes on how the 12% portion of the tax credit is calculated when the corporation is associated with one or more corporations for Innovation Employment Grant purposes. For more information, consult the [note on this topic](#).

What's New in Version 24.2.3xx.126?

Cantax T2 24.2.3xx.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)*

Line 278, **Is the corporation subject to the excessive interest and financing expenses limitation (EIFEL) rules contained primarily in sections 18.2 and 18.21, or is it a party to any election under the EIFEL rules?**, has been added to section **Attachments**.

In addition, line 580, **Total labour requirements addition to tax**, has been added to section **Part I Tax**. The amount calculated on this line corresponds to the total of additions to tax to meet labour requirements for investment tax credits. Custom lines aa, ab, ac and ad have been added to the screen, each representing one of these credits: the carbon capture, utilization, and storage ITC; the clean technology ITC; the clean hydrogen ITC and the clean energy ITC. The amount ab relates to the clean technology ITC and is equal to the

amount on line 430 of Schedule 75 (**S75**). Lines aa, ac and ad are input fields.

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

Line 250 has been added to indicate the hybrid mismatch amount under subsection 18.4(4) ITA or subsection 12.7(3) ITA to be added to the income. Similarly, line 350 has been added to allow for the deduction of the adjustment for the hybrid mismatch amount under paragraph 20(1)(yy) ITA.

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

Line 329, **Manitoba rental housing construction incentive tax credit**, has been added to **Part 2 – Provincial and territorial tax payable, tax credits, and rebates**.

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

The calculation for the following columns has been revised to include elements from columns 6 and 7 that are related to designated immediate expensing property (DIEP):

- column 16, which is used to determine the proceeds of disposition available to reduce the UCC of accelerated investment incentive property (AIIP) and property included in Classes 54 to 56;
- column 19, used to determine the UCC adjustment amount for property acquired during the year other than AIIP and property included in Classes 54 to 56.

In addition, the amount calculated in column 11 is now limited to the amount calculated in column 10.

The calculation changes have been applied to the corresponding lines and columns of the following forms:

- Income analysis, Rental income/expenses analysis (**S7-R**)
- Schedule 8 OTHER – Capital cost allowance – All other classes (**S8OTHER**)
- Schedule 8C, Capital cost allowance – Class 10.1 autos (**S8C**)
- Schedule 8L, Capital cost allowance – Leaseholds/franchises (**S8L**)
- Federal capital cost allowance – Summary (**S8SUM**)

When the corporation has a permanent establishment in Alberta, note that the changes also have an impact on the results indicated in the following forms:

- AT1 Schedule 13, Alberta C.C.A. – All other classes (**AT1-S13**)
- Alberta C.C.A – Class 10.1 autos (**AT1-S13C**)
- Alberta C.C.A – Leaseholds & franchises (**AT1-S13L**)
- Alberta rental income and expenses analysis (**AT1-S13R**)
- Alberta capital cost allowance – Summary (**AT1-S13SUM**)

Income analysis, Rental income/expenses analysis (S7-R); and Schedule 8 OTHER, Capital cost allowance – All other classes (S8OTHER)

As they are now supported by the CRA's system, the following CCA classes are now available in the program:

- Class 57 (8%): Equipment in a CCUS project – CO2 capture, transport or storage;
- Class 58 (20%): Equipment in a CCUS project – Use of CO2 in industrial production;
- Class 59 (100%): Intangible property acquired for determining the existence of a geological formation to store captured carbon;
- Class 60 (30%): Intangible property acquired to prepare a well to store captured carbon.

Note that since class 59 already benefits from a 100% CCA rate, the program does not automatically designate property added to this class before 2024 as designated immediate expensing property.

If the corporation has a permanent establishment in Alberta, these new CCA classes are also available in the following forms:

- AT1 Schedule 13, Alberta C.C.A. – All other classes (**AT1-S13**); and
- Alberta rental income and expenses analysis (**AT1-S13R**).

Schedule 31, Investment Tax Credit – Corporations (S31)*

Former Part 24, **Clean technology ITC**, has been renamed **Clean economy ITCs**. Line 200 for the carbon capture, utilization and storage ITC has been moved to Part 24; consequently, former Part 25, **Carbon capture, utilization and storage ITC**, has been removed.

The following lines have been added to Part 24:

- Line 140, **Clean hydrogen ITC**

- Line 170, **Clean technology manufacturing ITC**

The calculations for the two new investment tax credits (ITCs) have not been integrated into Schedule 31 yet. Consequently, you must manually calculate the amount of each ITC and enter it on lines 140 and 170 of Part 24, if necessary.

Furthermore, following the addition of Schedule 75 (**S75**), line 155 of Part 24 is now calculated from line 165 of Part 1 in Schedule 75.

Former Parts 26 and 27 have been renumbered 25 and 26.

Finally, Schedule 31 is applicable when an amount is entered on lines 140 and/or 170 of Part 24.

Schedule 31-S, ITC carry forwards, reduction of tax payable and UCC (S31-S)

Eligible investments for clean technology

When eligible investments for clean technology property are entered in Part 1 of Schedule 75 (**S75**), the class in column 100 is created in Schedule 31-S. The amounts in the fields **Current Year's ITC** and **ITC Refunded** of Schedule 31-S will be equal to the amount entered on line 140 of Part 1 in Schedule 75. If the same class is listed more than once in Part 1 of Schedule 75, only one class will be created in Schedule 31-S, with all totals on line 140 of Part 1 in Schedule 75 for this class.

When you carry forward the file, the amount in the field **ITC to be carried forward** will be carried over to the field **ITC claimed in immediately prior taxation year** of Schedule 31-S.

Eligible investments for clean hydrogen

When eligible investments for clean hydrogen are entered in the table **Eligible investments for clean hydrogen property from the current tax year** above line 140 of Part 24 in Schedule 31 (**S31**), the class in column **Capital cost allowance class number** is created in Schedule 31-S. The amount in the field **ITC Refunded** of Schedule 31-S will be equal to the amount entered on line 140 of Part 24 of Schedule 31. If more than one class is listed in the table of Part 24 for clean hydrogen ITC of Schedule 31, the amount in the field **ITC Refunded** of Schedule 31-S will be equal to the proportion of eligible investments for clean hydrogen in one class on all eligible investments for clean hydrogen of every class in the table **Eligible investments for clean hydrogen property from the current tax year** of Part 24 of Schedule 31 multiplied by the amount on line 140 of Schedule 31. In addition, if the same class is listed more than once in the table of Part 24 for clean hydrogen ITC of Schedule 31, only one

class with all totals of clean hydrogen ITCs will be created in Schedule 31-S.

When you carry forward the file, the amount in the field **ITC Refunded** will be carried over to the field **ITC claimed in immediately prior taxation year** of Schedule 31-S.

Eligible investments for clean technology manufacturing

When eligible investments for clean technology manufacturing are entered in the table **Eligible investments for clean technology manufacturing property from the current tax year** above line 170 of Part 24 in Schedule 31, the class in column **Capital cost allowance class number** is created in Schedule 31-S. The amount in the field **ITC Refunded** of Schedule 31-S will be equal to the amount entered on line 170 of Part 24 of Schedule 31. If more than one class is listed in the table of Part 24 for clean hydrogen ITC of Schedule 31, the amount in the field **ITC Refunded** of Schedule 31-S will be equal to the proportion of eligible investments for clean technology manufacturing in one class on all eligible investments for clean technology manufacturing of every class in the table **Eligible investments for clean technology manufacturing property from the current tax year** of Part 24 of Schedule 31 multiplied by the amount on line 170 of Schedule 31. In addition, if the same class is listed more than once in the table of Part 24 for clean technology manufacturing ITC of Schedule 31, only one class with all totals of clean technology manufacturing ITCs will be created in Schedule 31-S.

When you carry forward the file, the amount in the field **ITC Refunded** will be carried over to the field **ITC claimed in immediately prior taxation year** of Schedule 31-S.

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

Following the update of [Alberta Schedule 29 \(AT1-S29\)](#), the calculations of lines 429d et 513d have been modified.

In addition, the year's maximum pensionable earnings amount for purposes of the Canada pension plan has been updated for the 2025 calendar year (and is now \$71,300). 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 53, General Rate Income Pool (GRIP) Calculation (S53)

The carry forward calculation of line 100, **GRIP at the end of the previous tax year**, has been modified. When this is the first year after an amalgamation and the return is prepared by carrying forward the return of one of the predecessor corporations, the amount on line 100 will be zero.

Diagnostics have been added to Part **Eligibility for the various additions** to prompt the user to answer all sub-questions if the corporation was formed as a result of an amalgamation or if it wound up a subsidiary in the previous taxation year and to ensure that Parts 3 and 4 have been completed when required.

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

The carry forward calculation of line 100, **LRIP at the end of the immediately previous tax year**, has been modified. When this is the first year after an amalgamation and the return is prepared by carrying forward the return of one of the predecessor corporations, the amount on line 100 will be zero.

Diagnostics have been added to Part **Eligibility for the various additions** to prompt the user to answer all sub-questions if the corporation was formed as a result of an amalgamation or if it wound up a subsidiary in the previous taxation year and to ensure that Parts 5 and 6 have been completed when required.

Schedule 56, Part II.2 Tax on Repurchases of Equity (S56)*

Line 205 no longer accepts negative values. When opening a file prepared with a prior version of *Cantax T2*, any negative amount entered by override on this line will not be retained.

Schedule 58, Canadian Journalism Labour Tax Credit (S58)*

In accordance with the economic update presented in November 2023, the salary and wages limit is raised from \$55,000 to \$85,000 as of January 1, 2023, and the tax credit rate is increased from 25% to 35% for expenses incurred after 2022 and before 2027. As a result, the following changes have been made to Part 3 of the form:

- Above the table, amounts A and B calculate the proportion of days before 2023 and after 2022 that are in the taxation year in which the organization is a qualifying journalism organization.

- The calculation in column 5 has been modified to allow proration based on amount A.
- Former column 8 becomes the new column 11, and the calculation has been adjusted to reflect the addition of columns.
- Columns 8, 9 and 10 have been added to calculate the eligible labour expenditure based on the number of days in the taxation year after 2022.

When opening a file prepared with a prior version of *Cantax T2*, an amount entered as an override in column 8 is retained as an overridden value in column 11.

Schedule 63, Return of Fuel Charge Proceeds to Farmers Tax Credit (S63)*

Schedule 75, Clean Technology Investment Tax Credit (S75)

Schedule 75 is used to calculate the clean technology investment tax credit (ITC). This refundable tax credit is available to a corporation resident in Canada (including a taxable Canadian corporation that is a member of a partnership) that has acquired eligible property after March 27, 2023, and before January 1, 2035.

In Part 1, **Clean technology ITC calculation**, you must manually enter all the information in columns 100 to 160 to calculate the clean technology ITC for each asset.

The **regular** clean technology ITC rate can be as high as 30% of the capital cost of eligible assets that are acquired and become available after March 27, 2023, and before January 1, 2034.

You must elect to meet the labour requirements for wage requirements and apprenticeship requirements in order to benefit from the **regular credit rate** (percentage determined on line 145 of Part 1) for each of the designated work sites in column 155 of Part 1. If you meet the labour requirements, you must complete Part 3, **Attestation and election to meet labour requirements**. However, if you choose **not to meet** the labour requirements, the percentage determined on line 145 of Part 1 will be **reduced by 10 percentage points** (reduced tax credit rate) for clean technology goods **prepared or installed after November 27, 2023**, and you will need to complete Part 4. For more details on labour requirements, see section 127.46 ITA.

Note that you cannot claim the clean technology ITC if you are claiming the carbon capture, utilization, and storage ITC on line 200 in Part 24 of Schedule 31 (**S31**) for a particular asset.

In Part 2, **Recapture of clean technology ITC**, you must enter the amount(s) of clean technology ITCs you have already received and are required to recapture in a taxation year for clean technology property you have acquired in the year **or** in any of the previous 10 calendar years when:

- the clean technology property is converted to a non-clean technology use;
- the clean technology property has been exported from Canada; or
- the clean technology property has been disposed of.

In addition, this schedule applies when the corporation is resident in Canada and at least one of the following conditions is met:

- a value is calculated on line 165 of Part 1;
- a value is calculated on line 245 of Part 2; or
- a value is calculated on line 430 of Part 4.

For more details on the clean technology ITC, please consult the help and section 127.45 ITA.

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

Line 705 from the T2 return (**T2**) is now displayed in Part 2, **Declaration** of the form. In addition, the signature time has been added to Part 3, **Certification and authorization**.

T2183, Information Return for Electronic Filing of Special Elections (T2183#01)*

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

Calculation of instalments needed (INSTAL)

Line **Total labour requirements addition to tax** has been added to Part **Federal Instalments Calculation**.

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

Line **Total labour requirements addition to tax** has been added to Part **Federal Tax**.

AgriStability and AgriInvest Programs

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

Line **Cellphone number** has been removed from subsections **Participant identification** and **Contact person information**.

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

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

In the new participant form, the line **Annual gross farming income** has been removed from **Section B: Farming activities** and the lines **Primary commodity sold in 2024**, **No. of productive units sold in 2024** and **Unit type** have been added to it.

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

AgriStability and AgriInvest Programs (AGRI/HAGRI) – Prince Edward Island

In **Schedule 2c** of the supplemental form, the columns **Average Weight** of the tax year ending inventory are now input columns. When opening a file prepared with a prior version of *Cantax T2*, only the overridden amounts will be retained.

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

Ontario

Schedule 572, Ontario Made Manufacturing Investment Tax Credit (S572)*

Following a discussion with the CRA, the applicability of Schedule 572 has been modified. Previously, the schedule could be applicable when an allocation of the expenditure limit was made in column 110 and the amount on line 106, **Ontario made manufacturing investment tax credit**, was equal to 0. The CRA has confirmed that in such a situation, Schedule 572 is not to be filed. For the schedule to be filed, the qualifying corporation must have an amount calculated on line 106.

British Columbia

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

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

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

Alberta

AT1, Alberta Corporate Income Tax Return (AT1)*

The electronic filing exemption for a corporation whose gross revenue does not exceed \$1 million no longer applies to taxation years beginning after 2024.

On line 030, **Special Corporation Status**, options **6, Insurance Corporation**, and **7, Non-resident Corporation**, have been added. Option 7 is selected when the answer to the question on line 080 of the Corporate Profile form (**T2-ID**) is **No**.

Finally, line 115, **Alberta Film and Television Tax Credit (FTTC)**, has been added to the form. If an amount for this credit had been entered on line 087, it must be removed and entered on line 115.

AT1 Schedule 12, Alberta Income/Loss Reconciliation (AT1-S12)*

Lines 010, 011, 012 and 013 related to the eligible capital property have been removed. When opening a file prepared with a prior version of *Cantax T2*, the values related to the removed lines will not be retained.

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

Bill 4, which received Royal Assent on December 7, 2023, is introducing changes on how the 12% portion of the tax credit is calculated when the corporation is associated with one or more corporations for the innovation employment grant (IEG) purposes (box 100 set to **Yes**). Thus, the definition of the base amount, which was determined by calculating the average eligible expenditures for the two preceding taxation years, no longer applies and the definition of the allowed amount has been added.

The changes are reflected in the schedule as follows:

- Line 112 is now only used to calculate the 12% portion of the tax credit when the corporation is

not associated with one or more corporations for IEG purposes (box 100 set to **No**).

- Section **Associated – Base amount** and lines 120 to 124 have been removed.
- The following columns and lines have been added to the **Allocation of the Maximum Expenditure Limit** table:
 - Custom column **Is the corporation associated with this corporation for IEG purposes** has been renamed for **Is the corporation a “qualified corporation” as defined under paragraph 26.95(1)(g) of the Alberta Corporate Tax Act?**. When the answer to this question is **Yes**, the expenditure limit is calculated and line 268 must be completed.
 - 235, **Current Taxation Year End**, is an official column and is now also displayed on the print of the Schedule.
 - 245, **Current year’s eligible expenditures**. For the filing corporation, the amount on this line is equal to the amount on line 031. When carrying forward a file, the amounts on lines 245 will be transferred to lines 250, **Eligible expenditures for the first preceding year**. The amount on line 275 corresponds to the total of column 245.
 - 267, **Individual corporation maximum allowed amount Line 245 - [(line 250 + line 260) / 2]**. The amount on this line can be negative, but in such a case, do not complete line 268. The amount on line 310 corresponds to the total of column 267.
 - 268, **Allocated allowed amount to each corporation**. This line must be completed manually and is for qualified corporations only. The amount must not exceed the lesser of the amount from line 267, the allocated expenditure limit from line 240 and the amount according to paragraph 26.971(3)(a) of the ACTA. The amount on line 320 corresponds to the total of column 268. The amount allocated to the filing corporation is reported to line 325, then line 125 calculates the lesser between the amounts of lines 108 and 325 and multiplies it by 12%.

In addition, a corporation no longer has to be considered a qualified corporation to have incurred eligible expenditures. For example, if the filing corporation claiming the IEG is associated with a corporation in Saskatchewan that carries on scientific research and experimental development in Alberta during the taxation year, the expenditures incurred by

the associated corporation must be entered in the **Allocation of the Maximum Expenditure Limit** table and lines 220, 235, 245, 250, 260, 265 and 267 must be completed. In such a case, leave line 268 of the associated corporation blank since it is not a qualified corporation.

The modifications from Bill 4 are effective as of January 1, 2021. When opening a file prepared with a prior version of *Cantax T2*, please revise the data entered in the **Allocation of the Maximum Expenditure Limit** table.

For more information on the “Allowed amount”, consult section 26.971 of the *Alberta Corporate Tax Act* and the [Guide to Claiming the Alberta Innovation Employment Grant](#).

Saskatchewan

Schedule 411, Saskatchewan Corporation Tax Calculation (S411)

Following a discussion with the CRA, the calculation of line 1B has been modified for situations where the corporation has specified corporate income calculated in Schedule 7 (**S7**) and the other CCPC assigns a portion of its business limit to the filing corporation. When calculating line 1B, the business limit assigned to the corporation must be increased by the ratio of the Saskatchewan business limit to the federal business limit.

Yukon

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

The calculations have been updated to reflect legislative changes concerning a taxation year ending after 2023. As a result, an eligible Yukon mining business taxpayer must only enter its eligible Yukon mining assets in the table of Part 1 and must not enter them in the table of Part 4. In addition, in Part 6, former lines F and G have been renamed custom lines e1, **Eligible Yukon UCC**, and e2, **Total eligible Yukon mining UCC** and former line H has been renamed line F, **Total eligible Yukon UCC**. Line I becomes line G. Line e2 is now calculated only when the taxation year of the corporation ends before 2024.

Corrected Calculations – Version 24.2.3xx.126

The following problem has been corrected in this release:

- [Schedule 366 – The New Brunswick business limit reduction is not calculated correctly for taxation years beginning after April 6, 2022](#)
- [Schedules S8OTHER, S7-R, AT1-S13 and AT1-S13R – Incorrect calculation in certain situations for UCC adjustments when an amount for adjustments relating to the DIEP is entered](#)

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>

You can also register to our Support Platform at <https://support.cch.com/oss/canada> and [submit a support ticket](#) 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*).

Help

Support Ticket

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

Web Site

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