Personal Taxprep®

Frequently Asked Questions

2013 Versions **July 2014**

Selection of taxpayers when the “Print Tax Return” command is used

(Published in March 2014)

QUESTION

Why are all taxpayers in the file now automatically selected when the **Print Tax Return** (Ctrl+R) command is used?

ANSWER

During the development of *Personal Taxprep* 2013, the behaviour of the **Print Tax Return** (Ctrl+R) command, accessible in the **File** menu, has been modified. The change was made to meet the demand of several clients and was intended to save time to preparers.

However, since the beginning of personal tax season, certain clients indicated they would prefer that only the taxpayer in the active return be selected, as before.

Because the desired behaviour of this command is a question of preference and that it varies from one firm to another, we are contemplating making the selection configurable, so it could be adjusted to your firm’s processes. Please note that we will re-evaluate the behaviour of this command as soon as tax season is over.

TaxprepConnect

TaxprepConnect Now Available

(Published in February 2014)

TaxprepConnect is an innovative tool that marks a breakthrough in improving both the efficiency and accuracy of the tax return preparation process.

QUESTION

What data does **TaxprepConnect** download from the CRA’s *Represent a client* service?

ANSWER

With **TaxprepConnect**, use your existing CRA *Represent a Client* profile to download information from the “Client Summary” page into your T1 returns:

Assessment or reassessment details	Assessment summary for the past 12 years, including the status of the return, date processed, and result of assessment
Account balance and instalments	• Account balance and amount under appeal • Payments made on filing • Instalments available to claim

RRSP, HBP, LLP and TFSA	• RRSP deduction limit • Unused RRSP contributions available to deduct • Required HBP repayment • Required LLP repayment • TFSA contribution room
Disability Tax Credit	Indicates if the credit can be claimed for the taxpayer, the taxpayer's spouse, or a dependant
Carryover amounts	• Investment tax credit • Capital gains and losses • Capital gains deduction • Allowable business investment losses • Non-capital losses • Federal and provincial tuition, education and textbook amounts

Two new forms have been added to *Personal Taxprep* 2013, i.e. the CONNECT and CONNECT S forms.

The CONNECT form allows you to compare CRA data to data in your client file and quickly detects discrepancies. Then you have the choice of transferring the CRA data directly into the return.

The CONNECT S form is a representation of the "Client Summary" page in the CRA's *Represent a Client* service and contains all of the above-mentioned sections.

The development of **TaxprepConnect** has been made possible by the much appreciated cooperation of *Taxprep* clients who provided us with anonymous examples of the different sections in the "Client Summary" page. However, nine tables in the "Carryover Amounts" section are presently not supported by **TaxprepConnect**. Thus, these tables will not display in the CONNECT S form even if they appear on the "Client Summary" page. Because none of our collaborators could provide us with an example, these tables are not currently supported.

Here is the list of tables that are not supported in *Personal Taxprep*:

- Manitoba Odour-Control Tax Credit (Individuals)
- Manitoba Tuition Fee Income Tax Rebate
- Manitoba Community Enterprise Investment Tax Credit
- Saskatchewan Graduate Tax Exemption
- Saskatchewan Graduate Retention Rebate
- Saskatchewan Mineral Exploration Tax Credit
- Capital Gains and Losses Before March 19, 2007 (note that this table is on the "Client Summary" page only if capital gains and losses have been realized or sustained between January 1, 2007, and March 18, 2007)
- Capital Gains Reserves – Before March 18, 2007
- Capital Gains Reserves – After March 18, 2007

Therefore, if one of your clients has one of the above-mentioned tables in his or her file, a message will appear during download that this table could not be downloaded, because it is not supported by **TaxprepConnect**.

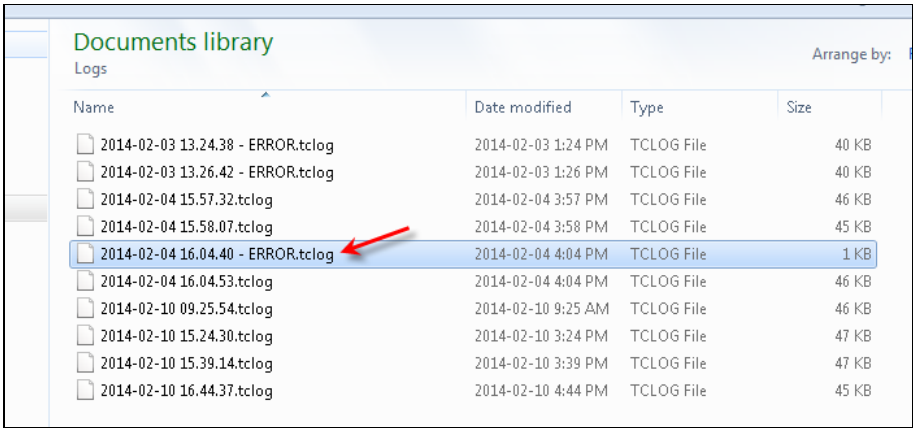
> **Message overview:**
> Data in the "*Name of the section*" section of the Client Summary cannot be retrieved. To help us enhance the TaxprepConnect service, which can be updated during the season, do not hesitate to send us the anonymous error report regarding this matter by e mail at support@cch.ca. This report includes the .tclog extension, can be found in the folder My Documents/CCH/T1 Taxprep 2013/Logs and its name contains the "Warning" reference.

In order for the CONNECT S form to accurately reflect the "Client Summary" page with regards to these missing tables, we need your cooperation.

If you receive an error message during download, you can forward the .tclog file related to the download to our Support team in attachment to an e-mail and send it to support@cch.ca. This .tclog file will allow us to analyze the missing tables and integrate them into the CONNECT S form for version 3.0 if possible.

Your .tclog files can be found in the following folder: Documents\CCH\T1 Taxprep 2013\Logs.

Make sure to select the appropriate .tclog file. The time and date are indicated in the name of the file. In addition, the "ERROR" or "WARNING" reference should appear in the file name in the case of a table not supported by **TaxprepConnect**.



Note that the .tclog files contain no personal data and are therefore entirely anonymous.

Federal

T5013 slip with a negative amount shown in box 135 and/or box 146

(Published in April 2014)

QUESTION

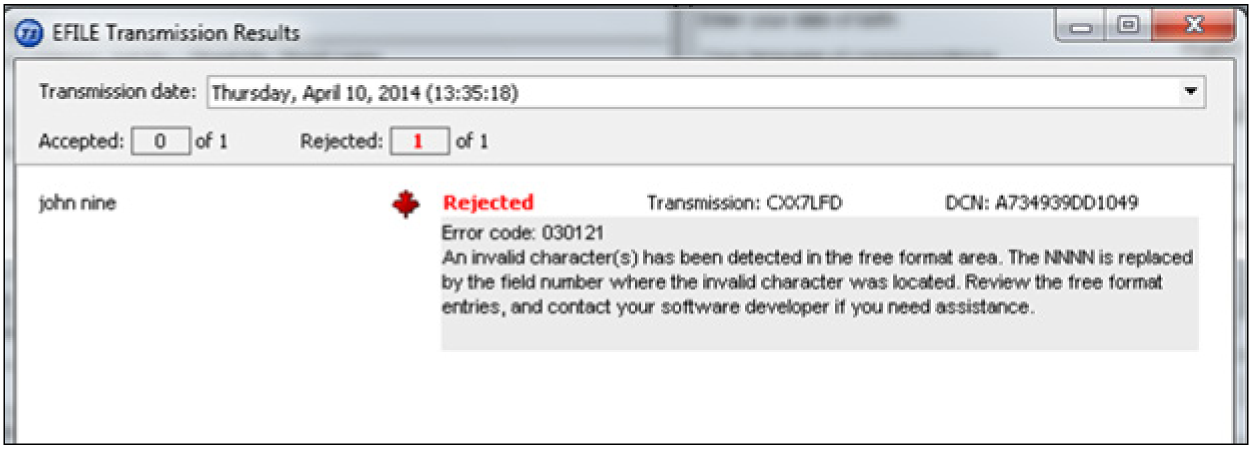
Is it normal to have a T5013 slip with a negative amount shown in box 135 or in box 146?

ANSWER

If you have entered a negative amount in box 135 or in box 146 of the T5013 slip in *Personal Taxprep*, you probably noticed that several diagnostics are displayed (in particular, diagnostics N179, N696, N1389, N1726, E591, E595 or E603).

We have been informed that T5013 slips with a negative amount in box 135 or in box 146 have been issued to certain taxpayers. Our diagnostics have been created under the assumption that the amount in box 135 or in box 146 of a T5013 slip cannot be negative.

Any amount shown in box 135 or in box 146 is updated to line 121 of the T1 return. However, the CRA does not allow a negative amount on that line. Therefore, any return EFILED with a negative amount on line 121 might be rejected with the 030121 error code.



Some partnerships have already indicated what measures should be taken with regards to the negative amounts in boxes 135 and 146. If the partnership is unable to provide you with these instructions, we suggest that you enter the negative amount shown on the T5013 slip as a positive amount using box 210, *Total carrying charges* of the T5013 slip, which will be added to the amount already entered for that box, if any. This amount will then be taken into account on line 221 of the T1 return, which can thereafter be easily EFILED.

T1 batch filing through the EFILE Online Plus system is being eliminated by the CRA.

(Published in October 2013)

QUESTION

I received an e-mail from the Canada Revenue Agency (CRA) indicating that T1 batch filing through the EFILE Online Plus (EOL+) system will no longer be possible. Does that mean that I will need to individually EFILE my clients' returns in the upcoming tax season?

ANSWER

Fortunately, you will not need to EFILE returns one at a time because *Taxprep* allows you to simulate batch processing through the Client Manager when using the EFILE Online (EOL) system.

For the user, the workflow remains the same as with EFILE Online Plus. You can simply continue to select the returns in the Client Manager and transmit (either through right-clicking or the **Transmission** menu). The difference lies in the way *Taxprep* transmits those returns in the background and the way you will receive the CRA's responses.

With this method, *Taxprep* is transmitting each return individually in the background. This is done very quickly, while a progress bar informs you of how many returns are left to EFILE.

Once *Taxprep* is done EFILING all the returns in a batch, a result log identifying which returns are accepted and which ones are rejected will display.

A key advantage of using EOL over EOL+ is that you receive the CRA's response instantly. No need to wait for the CRA's response. You will know right away, in a single operation, whether the returns in your batch are accepted or not.

Another difference, as noted in the CRA e-mail, is the availability of the service. EOL Plus used to open around mid-January and would stockpile EFILED returns until mid-February, when EFILE processing began. This year, the CRA will start accepting and processing returns through EOL on February 10, 2014. Stockpiling is therefore eliminated.

The CRA Represent a Client service

(Published in February 2012)

QUESTION

What are the steps to start using the CRA *Represent a Client* service?

ANSWER

An increasing number of firms use the CRA *Represent a Client* service as part of the T1 tax return preparation process. This secure service provides online access to tax information on behalf of individuals that you represent.

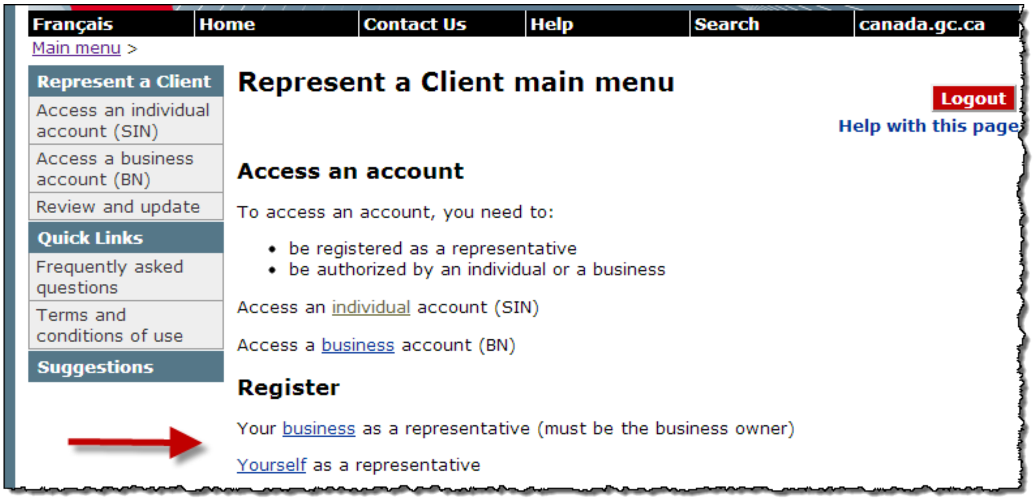
Detailed information is available, including the following:

Tax information slips	T4, T4A, T4A(P), T4A(OAS), T4E
Returns	Detailed assessment for all available tax years
Carryover amounts	Capital gains and losses, capital gains deduction, losses other than capital losses, tuition fees, education and textbook amounts
Accounts and payments	Instalments, account balance and statement of accounts
Benefits and credits	GST/HST credit, disability tax credit, Canada Child Tax Benefit, Universal Child Care Benefit, Working Income Tax Benefit
RRSPs and savings plans	RRSP deduction limit, unused RRSP contributions, Home Buyers' Plan, Lifelong Learning Plan, tax-free savings account (TFSA)
Notice of assessment	Latest notice of changes and summary of assessment or re-assessment.

The steps to start using this service are as follows:

1. On the CRA Web site, click **Register** to create your own CRA user ID and password for using the *Represent a Client* service.
   - To validate your identity, you will need to enter your access code from your notice of assessment as well as your postal code.
   - The next step is to create your security questions and answers.
   - You will be able to log on to the CRA *Represent a Client* service immediately after this process is complete.

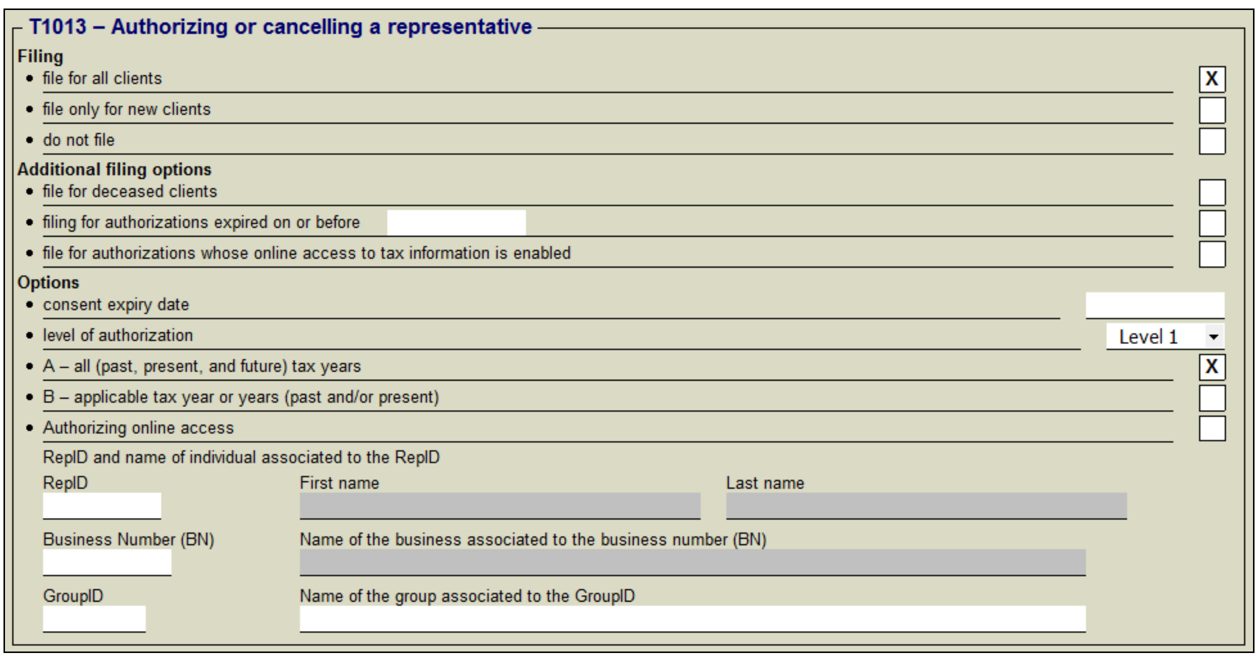
2. On the CRA Web site, log on to the *Represent a Client* service, using your CRA user ID and password, then register your firm (using your business number), or yourself, to receive a GroupID or a RepID.



Note: If you want any of your employees to also have online access to client information, those employees will also need to obtain a RepID from the CRA as explained in step 1.

3. Obtain authorization from your clients

- In *Personal Taxprep*, complete the **AUTHORIZATION FORMS** tab of the chosen preparer profiles by selecting the **Authorizing online access** check box and entering your Business Number, GroupID or RepID. Then, verify that Form T1013 is applicable for printing and eligible for electronic filing.



- To obtain online access to your clients' data before preparing their tax return, you can print and have them sign Form T1013 when they bring their source documents to your office. If you want to print Form T1013 for several clients at a time, you can create a print format used solely to print this form. You can then select, from the Client Manager, the files or clients for which you want to print Form T1013, and use the previously created print format.

- Use the **Transmission/T1013** command in *Personal Taxprep* to transmit Form T1013 once it has been signed. This can also be done for several clients at the same time using the Client Manager.

Additional info

- The best practice for a firm to request authorization via Form T1013 is to do it based on the Business Number(or GroupID), instead of an individual RepID. This prevents having to get a new authorization should the employee using the RepID leave your firm. This also allows your firm to easily create groups of employees so you can better control who has access to your client information.
- The CRA recently announced that starting in February, the approval process for Form T1013 will be immediate when using this electronic transmission process.
- Furthermore, the CRA announced that after this tax season, it will be possible to submit post-assessment requested support documents (such as medical or donation receipts) via the *Represent a Client* service.

For more details on using this service, go to:

http://www.cra-arc.gc.ca/esrvc-srvce/tx/rprsnttvs/hwts-eng.html