



#### New Item - Week of October 7

#### CCTB recipients - Change in marital status between January 1, 2011, and June 30, 2011

##### QUESTION

How do we identify clients that were affected by the premature implementation of the 2011 budget measure with regards to the in-year notification of marital status change?

Budget 2011 (see p. 321): <http://www.budget.gc.ca/2011/plan/Budget2011-eng.pdf>

##### ANSWER

Recipients of the Canada Child Tax Benefit (CCTB), and similar provincial and territorial programs, whose marital status changed between January 1 and June 30, 2011, may have received incorrect CCTB payments. The Canada Revenue Agency (CRA) applied the new rules to taxpayers who had a new spouse for tax purposes within this period, while the old rules were still applicable.

To help you identify which of your clients could be affected by the premature implementation of this measure, we made a client filter available to allow you to quickly access a list of those clients. To get this client filter, click [here](#).

The taxpayers concerned should notify the CRA of the actual date of their change in marital status, if that date is included between January 1 and June 30, 2011, by using the "My Account" electronic service, filing a duly completed Form RC65 or calling 1-800-387-1194. Once the actual date of the change is provided to them, the CRA will be able to correctly calculate the taxpayer's payments for the 2010 base year (payments made from July 2011 to June 2012).

#### Federal

#### T1 General - Condensed return

##### QUESTION

The CRA just introduced a new version of the T1 return, i.e., the T1 *General - Condensed* return. What is a T1 *General - Condensed* return?

##### ANSWER

The T1 *General - Condensed* return is a 3-page abbreviated version of the computer-generated T1 General Return that includes Form T1-KFS, a new keying field summary form. The CRA has introduced this new return in order to reduce the number of pages to store in its files when a preparer prepares a paper return.

The *General - Condensed* version of the T1 return will be included in *Personal Taxprep* 2012. For the 2011 taxation year, the CRA has exempted *Taxprep* from the obligation of implementing this new return.

For this year, continue printing the regular return. It will be processed as quickly as T1 *General - Condensed* returns.

The new T1 *General - Condensed* return should only be used if you are paper filing T1 returns. For returns being electronically filed, paper reduction has already been achieved. If you wish to further reduce the amount

of paper generated in your Client or Office copies, you have the option in *Personal Taxprep* of printing the T1 Outline which is shorter than the condensed T1 return. Note also that the CRA will continue to process paper returns by scanning bar codes, where applicable.

On February 21, the CRA sent a message to preparers with regards to the T1 *General - Condensed* return. The message mentions that a processing delay may occur in the event where the condensed return and the regular return are transmitted to the CRA at the same time. This situation will not occur with *Personal Taxprep* and the CRA assured us that returns prepared with *Taxprep* will not be subject to additional processing delays.

## Technical Question

### CCH Scan compatibility with Adobe Enhanced Security

#### QUESTION

Is the *CCH Scan* integration with *Personal Taxprep* compatible with Adobe Enhanced Security?

#### ANSWER

Yes, this integration is compatible with the recent Adobe Reader and Adobe Acrobat updates, versions 8, 9 and 10 (x).

However, if you are using Adobe Acrobat 10 and you define the **All files** value for the **Protected View** setting, this will limit the functions available in internal mode, which is used to view PDF files in the *Taxprep* window.

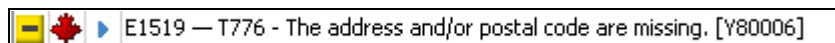
Since the **All files** value setting is compatible with the external mode, you can access the PDF files using the external mode and edit them directly with Adobe Acrobat.

## EFILE

### T776 - EFILE and property located abroad

#### QUESTION:

I would like to EFILE a return including rental income from a property located abroad, but an EFILE diagnostic requires that I enter a Canadian postal code in the "Address of property" subsection. Is there a way to EFILE such a return?



#### ANSWER:

Starting this year, the CRA requires that a complete postal address be provided on all T776 statements filed electronically. Based on current CRA technical requirements, the address must include a Canadian postal code. This requirement causes a problem when the property is located abroad, because, in this instance, there is no Canadian postal code.

However, the CRA confirmed that rental income from a property located abroad should have no impact on EFILE eligibility. To transmit this type of return this year, the CRA accepts that preparers indicate the taxpayer's Canadian postal code shown on Form *Identification and Other Client Information* (Jump Code: ID) in the field for the property's postal code of Form T776 when no other Canadian postal code is available for the property.

🇨🇦 ID 🇨🇦 776

1-100-A, Palm Drive

New Delete Search

### Income

Address of property

Number Avenue, boulevard, street, P.O. Box

100-A Palm Drive

City, town Province Postal code

Miami, FL, USA 33122 M4M 3J8

Enter the total of your gross rents

Other related income

**Gross rental income** – (enter this amount on line 160 of your income tax and benefit return)

Taxpayer's postal code

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