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Personal Taxprep®

Release Notes

Personal Taxprep 2013 v.4.3

T1/TP1

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Modifications Made to Version 4.3

This version includes the modifications introduced in the latest Ontario budget (2014).

Tax Modifications

Planner Mode – Rates and amounts updated for 2014 (Ontario)

- Modification to the personal income tax rates and income brackets:
 - Decrease in the taxable income threshold to which applies the 13.16% tax rate from \$514,090 to \$220,000
 - Addition of a new tax rate of 12.16% applicable to taxable income between \$150,000 and \$220,000
- The Ontario dividend tax credit is applied after surtax. Note that no change has been made with respect to the dividends tax credit for purposes of calculating tax on split income (T1206).

Modifications Made to Version 4.2

The modifications made to version 4.2 only relate to tax rates. The 2014 federal and provincial government tax rates have been included to help you forecast your clients' needs for the next taxation year (with the Planner mode).

Tax Modifications

Planner mode – Rates and amounts updated for 2014

- Addition of a new tax bracket in British Columbia for taxation income of more than \$150,000. The taxation rate will be 16.80%.
- Rate of the British Columbia, Saskatchewan and Newfoundland and Labrador dividends tax

credits for dividends other than eligible dividends.

- Rate of the Ontario and Newfoundland and Labrador dividends tax credits for eligible dividends.
- Income threshold for the reduction of the Newfoundland and Labrador tax for low-income individuals.
- Newfoundland and Labrador seniors' benefit.

Other rates have been updated in *Personal Taxprep* 2013 v.4.0. For more details, click [here](#).

Modifications Made to Version 4.1

*If the problem described below does **not** affect your tax returns, you do not have to install version 4.1.*

Update

Correction to the printing problem of the filing date

In version 4.0, it was not possible to print the various forms (e.g., T1013, T183, etc.) without the filing date, even if you had cleared the option to that effect in the **Options and Settings** dialog box. Version 4.1 corrects this problem.

Note: If you had printed Form T1013 with a previous version of *Personal Taxprep* 2013 and you want to reprint this form without the date of signature with version 4.1, clear the **Date of signature locked** check box located next to the signature date on Form T1013. You will then be able to print Form T1013 without the date of signature.

Modifications Made to Version 4.0

Tax Modifications

Federal

Schedule 3 – Summary of Dispositions – Capital Gains (or Losses) in 2013 (Jump Code: 3)

If the exchange rate is not available in *Taxprep* for a foreign currency transaction, the program indicates “1.000000” as the exchange rate while allowing you to modify this rate if you know the actual value of this rate. If the transaction relates to an asset held with the spouse, the exchange rate entered, if applicable, to replace the default value of 1.000000 is now correctly transferred into the spouse's return.

Schedule 6 – Working Income Tax Benefit (Jump Code: 6)

Student with disabilities enrolled in part-time studies

The calculation that was made in the box for line *Student with disabilities enrolled in part-time studies* (Schedule 6) in the data entry screen of the T2202A slip has been removed. In addition, diagnostic N1750 has been implemented, because the program could not handle situations where a tax preparer who had entered a number of months in box B of the T2202A slip by mistake deleted this entry and re-entered the number of months in box C. Henceforward, you will have to confirm that the student is eligible for the WITB in Schedule 6 by selecting the box for line *Student with disabilities enrolled in part-time studies* (Schedule 6) in the data entry screen of the T2202A when diagnostic N1750 appears.

To learn more about those changes, access our [Troubleshooting Memo](#) on this topic.

Schedule 13 – Employment Insurance Premiums on Self-Employment and Other Eligible Earnings (Jump Code: 13)

Diagnostic N1044 will no longer display if the choice to pay employment insurance premiums on self-employment has not been made in Schedule 13.

For information purposes, here is the text for this diagnostic:

“N1044 - Schedule 13 - The income from the T4 slip differs from the total gross income shown on the self-employment statement. Verify that the amount in field 5355 represents the net income with respect to the amount transferred from the T4 slip.”

T3 – Statement of Trust Income (Jump Code: T3)

Henceforward, the amount in box 42 will always be transferred to the “History of the adjustments to the adjusted cost base of the investment fund - case 42” section, at the bottom of the data entry screen of the T3 slip. In prior versions, this transfer took place only if a data transfer was made to the ACB form.

To learn more about those changes, access our [Troubleshooting Memo](#) on this topic.

T776 – Statement of Real Estate Rental (Jump Code: 776)

In the case where a statement relates to a building owned with the spouse, the overridden amounts on lines 9281a and 9281, as well as the amount on line 9281b, are now transferred correctly into the spouse's copy.

In this same situation, the postal code entered in the taxpayer's copy is now transferred correctly into the spouse's copy. Note that this problem did not affect the rolled forward copies of Form T776.

To learn more about those changes, access our [Troubleshooting Memo](#) on this topic.

T776 AUTO – Calculating Vehicle Expenses for Business Use Purposes (Jump Code: 776 AUTO)

In the situation where a taxpayer and the spouse are co-owners of a building and they want to share the vehicle expenses deduction, the number of kilometres driven during the fiscal period to earn rental income indicated in this form, which is used to calculate the percentage of business use of a vehicle, will no longer be automatically transferred to the spouse's copy, unless it is specified that the vehicle belongs to the co-ownership or the partnership, i.e. that the check box **Co-owners/partnership's vehicle** is selected. This way, you will now be able to claim the respective shares of the expenses for the taxpayer and the spouse in each of their returns.

Forms AUTO – T2125 and other business statement

In English only, the name of the box used to indicate if the vehicle belongs to the partnership has been modified from **Corporation's vehicle** to **Partnership's vehicle**.

Client Instalments Worksheet (Jump Code: CINST and QCINST)

The presentation of these forms has been enhanced in order for the instalments payable, instalments paid, as well as the information relating to the cheque numbers and dates of payments to be presented in a single table.

Donations – Charitable Donations (Jump Code: DONATIONS)

It is now possible to request the transfer of any donations entered in the "List of charitable donations" section in the spouse's Donations form and of any donations made in the current year indicated on the spouse's slips to the taxpayer's Donations form to claim a credit with regards to all donations made by the couple in a single return.

Med – Medical Expenses Worksheet (Jump Code: MED)

Henceforward, the check box **Eligible in Québec only** in the medical expenses input table displays only for taxpayers who reside in Québec.

T2209 C – Federal Foreign Tax Credits (Jump Code: 2209 C)

Employment income earned in the United States of \$10,000 or less is now taken into account in the foreign tax credit calculation.

In addition, the foreign tax that is not eligible for the foreign tax credit is now calculated correctly when the rate of withholding tax in accordance with the tax

treaty between Canada and the other country is 15% or more and that no deduction under section 20(11) of the federal *Income Tax Act* is claimed with respect to this tax withholding.

T1135 – Foreign Income Verification Statement (Jump Code: 1135)

When a data transfer to Form T1135 is requested using Form ACB, *Tracking the Adjusted Cost Base*, for asset classes "Publicly traded shares, mutual fund units, deferral of eligible small business corporation shares and other shares" and/or "Bonds, debentures, promissory notes, and other similar properties," the maximum cost amount during the year is now correct.

Rates and countries – Foreign Exchange Rates Worksheet (Jump Code: RATES)

Canada has been added to the list of countries of the foreign exchange rates worksheet.

SC ISP-3025 and SC ISP-3026 – Application for the Guaranteed Income Supplement or Statement of Income for the Allowance or Allowance for the Survivor (Jump Codes: SC ISP 3025 and SC ISP 3026)

The latest update of these forms published by Service Canada is now included in *Taxprep*. Contrary to prior years, this form will be printed on two 8 ½ x 11 inch pages, and no longer on an 8 ½ x 14 inch page.

Planner Mode – Rates and amounts updated for 2014

- Maximum fees for the federal adoption expenses tax credit
- Dividends other than eligible dividends gross-up rate (except for dividends from a T5013 slip)
- Federal and provincial tax credits related to dividends other than eligible dividends
- Capital gains maximum deduction (increase from \$750,000 to \$800,000 for current year dispositions only, and not for prior-year provisions)
- Amounts used to calculate the Ontario tax credit for children's activities
- Amounts used to calculate the Ontario political contribution tax credit



TP1 Line 101 – Employment Income (Jump Code: Q101)

The wage loss replacement contribution amount displayed on line 103 of the T1 Jacket is now deducted from the employment income reported on line 101 of both the T1 and TP1 returns. In previous versions of *Personal Taxprep*, this amount was deducted only from the employment income reported on line 101 of the T1 return.

Schedule F – Contribution to the Health Services Funds (Jump Code: QF)

The calculation on line 41 of this schedule has been corrected to no longer take into account payments received from the Wage Earner Protection Program.

In addition, the maximum income rate used to calculate the contribution to the Health Services Funds has been updated.

Labour-Sponsored Funds Tax Credit

On line 424 of the TP1 return, the calculation of this credit has been corrected, with the result that this credit is now granted to a taxpayer who is between 45 and 65 years old and who receives a disability pension. Previously, the program considered that this benefit was a pension benefit and, accordingly, did not grant the credit.

QCOMP2 – Two Year Comparative Review – Québec (Jump Code: QCOMP2)

In English only, the reference “N/A” in the 2013 column, that incorrectly displayed on line 385, *Interest student loans*, has been moved to line, *Tuition fees*, because line 384 was renumbered in 2013 and it now corresponds to line 398, and not line 385.



ON-BEN – Application for the Ontario Senior Homeowners’ Property Tax Grant (Jump Code: ON BEN)

The jump relating to diagnostic N1707 has been corrected to jump to the box requiring an override when this diagnostic applies.

For information purposes, here is the text for this diagnostic:

“ON BEN – The taxpayer has resided at two different addresses during the taxation year. To claim the OSHTPG, the taxpayer and/or the spouse must own and occupy the principal residence on December 31, 2013. If this is not the case, clear this field using an override.

Modifications Related to EFILE



TP-1.D – Income Tax Return (Jump Code: TP1)

For purposes of the electronic transmission of a Québec return in which a deduction is claimed on line 250, a description of the deduction must be entered in field 2051 of Form *Summary of EFILE Data Fields - Québec* (Jump Code: QEFILE SUM), which *Taxprep* makes by calculation. The description of the deduction related to the legal fees incurred to recover, establish or increase support payments has been added.

Schedule D – Solidarity Tax Credit (Jump Code: QD)

The claim for the solidarity tax credit in Schedule D based on family income for the 2013 taxation year can be made in 2014 or in 2015. The display conditions for diagnostic QE546 have been modified to allow you to enter a filing date included in 2014 or in 2015 for this schedule.

For information purposes, here is the text for this diagnostic:

“Schedule D - The date must be either in 2014 or 2015.”

Rolling forward the date of death

When, in the File form, the spouse’s date of death rolled forward from the previous year is included in the current year, diagnostic QE525 no longer displays.

For information purposes, here is the text for this diagnostic:

“ID - The taxpayer has a new spouse on December 31, 2013 and no date of marital status change has been entered.”



BC479 – Sales Tax Credit and Taxpayer Deceased in 2014

Diagnostic E700 will no longer display in the return of taxpayers deceased in 2014.

For information purposes, here is the text for this diagnostic:

“BC479 - You have either indicated this is a Pre-bankrupt return or that you client is deceased. The British Columbia Sales tax credit is calculated for the calendar year when the Post-bankrupt return is assessed. This claim is also not allowed on a Section 70(1) return. In both cases, please delete the entries at fields 6033 and/or 6035.”

Modifications Related to TaxprepConnect



Section “RRSP, HBP and LLP” of Form TaxprepConnect Download (Jump Code: CONNECT)

The display conditions of this section have been modified in order for this section to display as soon as data has been downloaded from the CRA.

Section "Allowable business investment loss" of Form TaxprepConnect Download (Jump Code: CONNECT)

The amounts already transferred to Form T657 now display correctly in the **Amount as per Form T657 in Taxprep** column of Form *TaxprepConnect Download*.

T657 – Calculation of Capital gains Deduction (Jump Code: 657)

A diagnostic has been added to advise you that the inclusion rate for 2000 at the bottom of Form T657 differs from the one downloaded using TaxprepConnect.

In addition, another diagnostic has been added, in order to advise you when data has been transferred into the **Eligible taxable capital gains** column of Form T657 using TaxprepConnect and that this column contains rolled forward data.

Québec

Data transfer

The error message that appeared during data transfer to the return no longer displays.

For information purposes, the message was the following:

"You must first download data before you can transfer it to the return."

RL-2 slip 2 – Retirement and Annuity Income (T4A(P))

A modification has been made in order for the number months in box C-6 to be imported correctly when it relates to a disability pension.

RL- 10 slip – Tax Credit for a Labour-Sponsored Fund

A change has been made in order for the box indicating that the shares acquired have been paid in the taxpayer's RRSP to be selected automatically.

Modification Made to Taxprep Slips Data Import

RL-15 Slip - Amounts Allocated to the Members of a Partnership

A diagnostic has been added to advise you when the farming income amount has been imported in duplicate in the data entry screen of the RL-15 slip.

Modification Related to CCH Scan

Current date following the printing of a CCH Scan cover page

The date that displays in certain forms where a signature is required (for example, the federal return

(T1), Forms T1013 and T183, as well as the forms applicable to Québec residents, such as Schedule D) has been corrected to remain accurate following the printing of the *CCH Scan* cover page.

Returns in the process of being prepared in which the date is incorrect can be re-opened and recalculated with this version of *Personal Taxprep* to correct the problem.

A *Troubleshooting Memo* on this topic will soon be published, and it will be accompanied by a client filter allowing you to identify the problem.

About

Personal Taxprep 2013 v.4.0 integrates the most recent tax measures pursuant to the 2013 taxation year.

This version is approved by the Canada Revenue Agency (CRA) and *Revenu Québec* (RQ) for both paper filing and EFILE (including electronic filing of Form T1013).

This version allows for printing of bi-dimensional (2D) bar codes on the federal and Québec returns and on Form T1013.

Training

Webinars on various *Personal Taxprep* topics started in January 2014. Please [click here](#) for more information.

TaxprepConnect now available

In December 2013, Wolters Kluwer CCH announced the certification by the CRA of **TaxprepConnect** - an innovative functionality that forms a bridge between *Personal Taxprep* and the Client Summary information in the CRA's *Represent a Client* service.

We are pleased to announce that this functionality is available since the release of *Personal Taxprep* 2013 v.2.0.

TaxprepConnect marks a breakthrough in improving both the efficiency and accuracy of the tax return preparation process. For details on using **TaxprepConnect** with the CRA's *Represent a Client* service, including pricing information, [click here](#).

Availability during tax season

It is our goal to offer **TaxprepConnect** during the entire season. However, during peak times, should traffic on the CRA's *Represent a Client* service cause significant performance slowdowns, an interruption of **TaxprepConnect** may be required. We therefore encourage you to use this functionality early in your process, if possible. In future years, you can expect both an expansion of the downloadable data as well as faster download speeds as we work with the CRA to enhance the technology.

Using TaxprepConnect for TP1 returns

If you prepare TP1 returns, **TaxprepConnect** also allows you to access RQ's *Tax Data Download* service, to download multiple RL slips and other info. This year, RQ opens this service in the first week of March.

Rolling Forward Preparer Profiles

Once your preparer profiles from last year are rolled forward to the current year, it is important to verify that the options defined with respect to the returns of your clients and to the electronic filing of data (EFILE) still correspond to your situation for the current season. For more information on the new options offered in the preparer profiles of the current version, please refer to the "[Modifications Made to Forms](#)" section.

Improve Your Productivity

Once again this year, *Personal Taxprep* contains several enhancements and new features that have been added as per your suggestions. They are intended to optimize the time that you spend preparing tax returns.

Preparer Profiles

To allow you to use a standard list of employee's name, the preparer profiles now include a new section entitled "Accounting firm staff," which allows you to create a list of employees that will be accessible in the "Internal information for the preparer" section of Form ID, *Identification and Other Client Information* (Jump Code: ID). This enhancement has been developed to make it easier to manage internal information. You can, however, turn off this option, which will allow you to continue to manually enter the names of the partner, preparer and/or reviewer directly in the ID form.

Options allowing you to customize the list using the ID form, as well as whether or not to display the names rolled forward from the preceding year have also been added.

ID – Identification and Other Client Information (Jump Code: ID)

Using the preparer profiles, you may now create a list of the staff members of the firm, which will make it easier to manage the "Partner," "Preparer," "Reviewer" and "Assigned to" fields in the "Internal information for the preparer" section of the ID form.

Note that this new functionality will only be enabled once a preparer profile has been created or converted from the prior year.

New fields have been added to Form *File Identifier Worksheet* (Jump Code: FILE) in order to display in the

predefined filters the names of the staff members involved in the client file preparation. These new fields will contain the values from the "Partner," "Preparer," "Reviewer" and "Assigned to" fields of the ID form, whether you are using the list of staff members or the input fields. We recommend that you use the fields from the *File Identifier Worksheet* in your customized filter to display this information.

Following roll forward of the client file, the fields in the *File Identifier Worksheet* will display the rolled forward data in the ID form as long as this data is not modified.

T2209 C – Federal Foreign Tax Credits (Jump Code: 2209C)

Henceforth, you no longer have to manually enter the foreign countries in the Foreign form to create your list of countries. *Taxprep* provides a predefined search box to select foreign countries. In addition, the automatic data update to Form T2209 C is now done using Form T776 and Schedule 3. For more information, consult the "[Modification Made to Forms](#)" section.

T3, Statement of Trust Income (allocations and designations) (Jump Code: T3)

The amount in box 42, *Amount resulting on cost base adjustment*, can now be allocated in order to be carried over to different copies of the ACB form when the property class is "Publicly traded shares, mutual funds units, deferral of eligible small business corporation shares, and other shares."

DONATIONS – Charitable Donations – Federal (Jump Code: DONATIONS)

It is now possible to optimize the donations made by the taxpayer and the spouse, by selecting the appropriate check box in the DONATIONS form.

FAM – Family Profile (Jump Code: FAM)

A new section, entitled "Display sections," has been added to this form. With this section, it is possible to display all sections of the form or display only the applicable sections.

To display all sections for all clients, select the appropriate box in Section C, "Options - Other forms," of the preparer profile used.

If you do not select this box in the preparer profile, the program will determine which of the following section could be applicable for that dependant based on various conditions:

- "Amount for children" (Schedule 1, line 367);
- "Schedule 5";
- "Mental or physical impairment";
- "Post-secondary studies";

- “Amounts transferred by the dependant”;
- “Dep Qc - Tuition or examination fees transferred by a child”;
- “Schedule S - Amount Transferred by a Child 18 or over Enrolled in Post-Secondary Studies”;
- “Schedule H/TP-1029.8.61.64 - Tax Credit for Caregivers”;
- “Other information”;
- “Other information regarding the Québec income tax return.”

You can modify these choices to display or hide one or more sections of the form for that dependant. Note that a message of type “Rejected data” will prevent you from hiding the sections containing data.

Schedule 3 – Capital Gains (or Losses) (Jump Code: 3)

Several new options have been added to Sections 3, 4 and 5 of this schedule.

First, for each transaction, it is now possible to select the currency code for applying an exchange rate, and choose whether the exchange rate should be based on an annual or monthly average. A check box has been added to allow you to use the annual average for all transactions. If you select this box, you will still be able to use the monthly average for a particular transaction by selecting the check box provided for this transaction.

In addition, *Taxprep* now allows you to automatically transfer data for a transaction into Form T2209 C. In order for this transfer to be made, enter the foreign tax paid relating to the transaction, and select the appropriate country code in the search box.

As well, *Taxprep* now allows you to automatically transfer data for a transaction to Form T1135. In order for this transfer to be made, for each transaction you must select the appropriate country code in the search box, and choose the related property class from the drop-down menu (in order for the data to be transferred to the correct class of specified foreign property).

ACB, Tracking the Adjusted Cost Base (Jump Code: ACB)

A number of enhancements have been made to the ACB form in *Personal Taxprep 2013*.

The column **Proceeds of disposition** has been added for all asset classes. Where there is a disposition in the taxation year, the proceeds of disposition can now be transferred from the ACB form to Schedule 3 (Jump Code: 3).

The field “Held with” has been added to the asset classes *Publicly traded shares, mutual fund units, deferral of eligible small business corporation shares and other shares* and *Bonds, debentures, promissory notes, and other similar properties*. If the taxpayer has multiple investment accounts, you can now use this field to identify the account associated with each asset for tracking purposes.

When you click the **Search** button, you will now be able to search on not only the description, but also on the date of the last transaction as well as the content in the new “Held with” field. This will allow you to search for an asset based on the date of the most recent transaction entered (e.g. transactions in 2013) or search for an asset in a particular investment account.

In addition, the ACB form also now allows you to identify specified foreign property for purposes of transferring the data related to this asset into Form T1135 (Jump Code: 1135) for the following classes:

- *Publicly traded shares, mutual fund units, deferral of eligible small business corporation shares and other shares;*
- *Bonds, debentures, promissory notes and other similar properties;*
- *Real estate, depreciable property, and other properties.*

For more information on transferring data into Form T1135, consult the Help.

ACB SUM, Adjusted Cost Base Summary (Jump Code: ACB SUM)

An option has been added to the top of the *Adjusted Cost Base Summary* to allow you to filter the list of assets by investment account, i.e. to filter by the “Held with” field. Note that as the “Held with” field is only used for the asset classes *Publicly traded shares, mutual fund units, deferral of eligible small business corporation shares and other shares* and *Bonds, debentures, promissory notes, and other similar properties*, only these types of assets will be listed when this filter is applied.

In addition, two new **Sort** buttons have been added to the “Publicly traded shares, mutual fund units, deferral of eligible small business corporation shares and other shares” and “Bonds, debentures, promissory notes, and other similar properties” sections. You can now sort these assets chronologically based on the date of the most recent transaction entered. Alternatively, you can sort the list of these assets alphabetically based on the description provided for the asset.

Bill - Invoice (Jump Code: BILL)

You can now create a coupled invoice for the family. This invoice will group the fees paid for the taxpayer and, if applicable, for the spouse and any dependant whose returns are prepared in the taxpayer's return. This invoice will be printed only with the taxpayer or the spouse's return. If you do not want the invoice of a dependant to be coupled, clear the check box **Transfer this invoice's information into the coupled invoice** in the *Invoice* form of the applicable dependant.

Displaying a diagnostic when slips are imported twice

A diagnostic has been added to advise you if slips have been imported twice. To prevent inadvertently reporting an imported amount more than once, this diagnostic displays when slips with identical content are detected regardless of the type of import used (*Taxprep Forms*, *CCH Scan* or *TaxprepConnect*).

Comparative reviews

You may now select variable printing and display for all comparative reviews in order to display and print only the lines on which an amount has been entered for the current year or one or more prior years. This change applies to the following forms:

- 2125COMP5 - Five-Year Comparative Review
- Q80COMP5 - Five-Year Comparative Review
- 1163COMP5 - Five-Year Comparative Review
- 1273COMP5 - Five-Year Comparative Review
- 2042COMP5 - Five-Year Comparative Review
- Q2042COMP5 - Five-Year Comparative Review
- 2121COMP5 - Five-Year Comparative Review
- Q2121COMP5 - Five-Year Comparative Review
- 776COMP5 - Five-Year Comparative Review
- Q128COMP5 - Five-Year Comparative Review

Modifications Made to Version 3.0**Modifications Made to Forms****T1135 – Foreign Income Verification Statement (Jump Code: 1135)**

On February 26, 2014, the CRA extended the filing deadline of Form T1135 for the 2013 taxation year until July 31, 2014, for all taxpayers.

On that same date, the Agency has also issued instructions for 2013 Transitional reporting for Form T1135. These instructions appear on the revised version

of the T1135, which has been implemented in version 3.0. A preview of these instructions is found below.

Specifically, a taxpayer who held specified foreign property in an account with a Canadian registered securities dealer (as defined in subsection 248(1) of the *Income Tax Act*) may now report the combined value of all such property at the end of the tax year, rather than reporting the details of each property. This combined value should be included in Category 6, "Other property outside of Canada" of Form T1135. If a taxpayer chooses to use the 2013 transitional reporting method, the taxpayer must use this reporting method for all accounts with Canadian registered securities dealers. Note that the T3/T5 reporting exception cannot be used for an account with a Canadian registered securities dealer if the 2013 transitional reporting method has been used for any other account with a Canadian registered securities dealer.

Per the revised instructions for the T1135 (which are available in the online help), if the 2013 transitional reporting method is being used, you must provide the following information for property in Category 6:

- "Description of property" - enter the name and account number of each Canadian registered securities dealer account on a separate row;
- "Country code" - enter CAN;
- "Maximum cost amount during the year enter" - enter "0";
- "Cost amount at year end" - enter the market value of all specified foreign property held in that account at the end of the particular tax year;
- "Income (loss)" - provide the total income earned on all specified foreign property held in that account at any time during the particular tax year;
- "Gain (loss) on disposition" - provide the total gross gain or loss realized on the disposition of all specified foreign properties held in that account at any time during the particular tax year.

All letter templates

A check box allowing you to indicate that Form T1255, *Designation of a Property as a Principal Residence by the Legal Representative of a Deceased Individual*, must be signed has been added to the "Forms to be Signed" section of the letter templates and Form *Client Letter Worksheet* (Jump Code: LW).

 Québec

Schedule K, Premium Payable Under the Québec Prescription Drug Insurance Plan (Jump Code: QK) and TP1 Line 448, Health Contribution (Jump Code: Q448)

As a result of the update of Guide IN-117, *Guide to Filing the Income Tax return of a Deceased Person, of Revenu Québec*, the exemption situations mentioned at numbers 27, 28, 29, 31 and 33, which concern a person who was 65 years of age or over and who was receiving the net federal supplements, must now be adjusted when the person is deceased. In this situation, the amounts indicated as criteria in these numbers must be replaced by the result of the following calculation:

Amount shown in the number in question	X	Number of months before death (including the month of death)
12		

 Ontario

Prov Ben – Provincial or Territorial Benefit Worksheet (Jump Code: PROV BEN)

The Ontario Child Care Supplement for Working Families (for low- to moderate-income working families with child care expenses) will end in July 2014. Therefore, *Taxprep* no longer makes this calculation.

 Manitoba

Manitoba Retail Sales Tax Rate

In *Taxprep*, the Manitoba Retail Sales Tax rate has been increased from 7% to 8%.

This change has an impact on:

- The Invoice form;
- Form RC71, *Statement of Discounting Transaction*;
- The “Eligible leasing costs for passenger vehicles” section of the following forms:
 - T2125, *Statement of Business or Professional Activities*;
 - T2042, *Statement of Farming Activities*;
 - T2121, *Statement of Fishing Activities*;
 - T1163, *AgriStability and AgriInvest Programs Information and Statement of Farming Activities for Individuals*;
 - T1273, *Harmonized AgriStability and AgriInvest Programs Information and Statement of Farming Activities for Individuals*;
 - T776, *Statement of Real Estate Rentals*;
 - T777, *Statement of Employment Expenses*; and
 - Partner, *Partner’s Income and Expenses Workchart*.

Electronic Filing

What’s New for EFILE in 2013

 Federal

Removal of the EFILE On-Line Plus

Starting February 2014, the CRA will no longer allow the transmission of returns using the EFILE On-Line Plus service. A key advantage of using EOL over EOL+ is that you receive the CRA’s response instantly.

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. You will know right away, in a single operation, whether the returns in your batch are accepted.

Therefore, we have removed the “EFILE On-Line Plus” option from the transmission methods. In addition, because the transmission results will be returned automatically, the commands in the **Transmission** menu have been reviewed, and the “Transmitted” and “Received” EFILE status values have been deleted.

To make it easier to process the transmitted returns, *Personal Taxprep 2013* now offers a new intuitive and easy to use dialog box. For more information, see the “Improved handling of transmission confirmations” section.

To learn more about those changes, access our [Frequently Asked Questions](#) on this topic.

Removal of the Taxprep Transmission Service

The *Taxprep* Transmission Service was using the EFILE On-Line Plus method. Because this method is no longer supported by the CRA, the service has been removed from services offered by Wolters Kluwer CCH.

Implementation of EFILE On-Demand

To remedy the removal of the *Taxprep* Transmission Service, we now offer the new **EFILE On-Demand** functionality to users who are not expecting to file a lot of returns using the Internet. When using this new functionality, you will not notice any changes with regards to the use of a version including an unlimited use of EFILE. The returns will be registered and then billed individually.

Transmission of prior years returns

The EFILE On-Line service now allows you to electronically transmit prior years personal tax returns, up to a maximum of three preceding years using your current year transmission credentials. However, because this is a new service, the CRA will only accept 2012 returns the first year. To benefit from this

new service, which has been available since February 10, 2014, make sure to:

- use *Personal Taxprep 2012*;
- select EFILE On-Line as a transmission method (**Preferences** pane of the “Electronic Services” section of the **Options and Settings** dialog box);
- choose contact code 2 or 3 if you had selected code 1 as a means of communicating with the preparer in the **EFILE** tab of the preparer profile (for more information, consult the “[The option to communicate by fax has been eliminated](#)” section); and
- update your current year EFILE number and password for the current taxation year in the **Identification** pane of the “Electronic Services” section of the **Options and Settings** dialog box.

Note: The Alternative Address Authorization for the assessment and/or refund is for the current taxation year only (Form T183, Part C). Alternative Address Authorization is not allowable on the preceding year returns. If you submit the 2012 return with alternative address information, the authorization will be cancelled and the return will take longer to be processed.

If you were using the Taxprep Transmission Service last year, you will need to activate the **EFILE** module in the **Preferences** pane of the “Electronic Services” section of the **Options and Settings** dialog box in order to transmit using the EFILE Online transmission method.

To activate this module, you will also need to select **Activate Product** on the **Help** menu and enter the appropriate activation key. You will find this activation key allowing you to activate the module for 2012 in the “Downloads” section on the *Taxprep* Web site.

Enhanced handling of transmission confirmations

For a simpler and more intuitive handling of transmission results, a new dialog box, entitled **EFILE transmission results**, has been implemented. This box groups the results (accepted or rejected) and the errors on a single screen. In addition, the content of this dialog box is printable and will be kept so you can print it later.

Similarly, the “Acknowledgement Report” section has been removed from the EFILE Log. The information is now transferred into the EFILE INFO form, which now contains all information relating to each client file concerning electronic transmission. This allows you to have a customized report for each file.

The option to communicate by fax has been eliminated

The CRA eliminated the option to communicate with the preparer by fax (code 1) for pre-assessment and post-assessment reviews. Henceforth, the default contact code in the **EFILE** tab of the preparer profile will be code 2 (preparer). Ensure that this choice is adequate for all returns that you want to transmit electronically. You can also modify this option in Form EFILE, *Electronic Filing Worksheet* (Jump Code: **EFILE**), for each return.

EFILE – Electronic Filing Worksheet (Jump Code: EFILE)

The box **At least one of the CRA’s exclusion criteria is applicable to this return** has been added to Form EFILE, *Electronic Filing Worksheet* (Jump Code: **EFILE**), to help you identify the returns that are EFILE-excluded according to the CRA’s exclusion list. The status of this new box is automatically determined by the program and only takes into account the list of exclusion provided by the CRA. This list is presented in Schedule A of Guide RC4018, *Electronic Filers Manual for 2013 Income Tax Returns - Chapter 1*.

Electronic filing of returns for immigrants

Starting with this version and for future tax years, the CRA will allow electronic filing of returns for newcomers (immigrants). However, returns for emigrant or non-resident taxpayers still cannot be EFILED.

Box 24 of T3 slips

Because the amount on line 24 (foreign business income) of the T3 slips is generally very small, the amounts in boxes 24 of all T3 slips are now grouped in a single form, i.e. Form SFD, *Selected Financial Data Record* (Jump Code: **SFD**). Previously, a separate SFD form was created for each T3 slip.

T1013 – Authorizing or Cancelling a Representative (Jump Code: 1013)

This version of *Personal Taxprep* has been approved for electronic filing of the 2013 version of Form T1013. Note that you can also print the 2D bar code.

Note: You should not use *Personal Taxprep 2012* to electronically file Form T1013 as this will result in a rejection.

New transmission status

A new T1013 status value “Accepted with condition” has been added to indicate that the request has been accepted by the CRA. However, please review the additional message received from the CRA in the EFILE INFO form. An action may be required on your part in order for the CRA to be able to complete the processing of your request.



NetFile Québec – Instant receipt of the reply

NetFile Québec has modified the protocol for transmitting personal tax returns. Therefore, starting with this version, when you electronically transmit a return to RQ, you will instantly receive, following the transmission, a response from RQ for each of the transmitted return.

Henceforth, you will be able to see the confirmation number in the “Transmission” transaction in the EFILE log. In case of error, two types of transactions will be displayed in the EFILE log, i.e. the “Transmission” transaction, without confirmation number, and the “ERR” transaction, which will include the number of errors returned by RQ, as well as a description of the errors.

To make it easier to process the transmitted returns, *Personal Taxprep 2013* now offers a new intuitive and easy to use dialog box.

What’s new for NetFile Québec

It will now be possible to transmit data from up to nine Forms QC SFD, *Selected Financial Data Record* (Jump Code: QSFD), using NetFile Québec.

However, note that at the federal level, the maximum number of Forms SFD, *Selected Financial Data Record* (Jump Code: SFD), whose data can be transmitted remains at six.

Information about EFILE

Mandatory electronic filing for tax preparers

Since the 2012 taxation year, tax preparers who accept payment to prepare more than 10 returns are required to file them electronically.

Taxprep Print Service (via the Internet)

The Taxprep Print Service can be used in this version.

Please note that you will need to send your Taxprep Print Service files and EFILE transmission separately.



Important dates

- **February 10, 2014** - The EFILE On-Line transmission system opened.
- **January 16, 2015** - The CRA will stop accepting electronically filed T1 returns.

Registration and Renewal On-line

To renew your EFILE privileges and your System for Electronic Notification of Debt (SEND) account for this year’s tax season, you must register online by

completing the “Renewal” page on the CRA Web site at <http://www.efile.cra.gc.ca/l-rnwl-eng.html>.

To register as a new electronic filer and use the System for Electronic Notification of Debt (SEND), you must register online by completing the EFILE Registration On-Line form on the CRA Web site at <http://www.efile.cra.gc.ca/l-rgstr-eng.html>.

You will find more information concerning renewals and new applications at <http://www.efile.cra.gc.ca/>.

In order to be able to electronically file Form T1013, you must meet the following two criteria:

1. Have a valid EFILE number and password; and
2. Be a registered representative (online access).

A registered representative is a person who is registered with the CRA’s *Represent a Client* service. To register with the service, go to <http://www.cra.gc.ca/representatives>.

System for Electronic Notification of Debt (SEND)

Personal Taxprep 2013 v.2.1 enables you to obtain information on a client’s account by sending a request to the System for Electronic Notification of Debt (SEND).

For each SEND request submitted, your client must have read, signed and dated a current version of Form T1153, *Consent and Request Form*. You must keep the original copy of Form T1153 for your files for up to three years after the taxation year in which it was signed, even if you are not discounting the client’s return.

The CRA started processing SEND requests on December 9, 2013.

Note that the CRA anticipates receiving information on Employment Insurance and Other Benefits (T4E), Social Assistance and Worker’s Compensation Benefits (T5007), Universal Child Care Benefits (RC62), Working Income Tax Benefit Advance Payments Statement (RC210) and Statement of Canada Pension Plan Benefits [T4A(P)] in February 2014. The CRA systems will be updated as taxpayers’ information slips are processed. Once its systems are updated, the CRA will display SEND results for taxpayers who were issued these benefits or payments.



Important dates

- **February 10, 2014** - The NetFile Québec system opened.
- **February 10, 2014** - The Refund Info-line system opened.
- **February 24, 2014** - Issuing of the accelerated refund cheques begins.
- **January 16, 2015** - The NetFile Québec system will shut down.

NetFile Québec

If you want to register for NetFile Québec as a preparer or a transmitter, you must complete Form TP-223, *NetFile Québec Registration Form 2013*. For more details on how to register, access <http://www.revenuquebec.ca/en/>.

A preparer who was registered in 2012 should have already received a pre-completed Form TPZ-223, *Renewing a Tax Preparer's NetFile Québec Registration*. This form includes the preparer's number and a notice number. This information allows the preparer to make the renewal online on the RQ Web site at <http://www.revenuquebec.ca/en/>.

The online registration service is reserved for preparers who are renewing their annual registration with NetFile Québec. Preparers registering for the first time must register by mail.

Technical Information

Roll Forward

Rolling forward 2012 client files

Your 2012 client files must be rolled forward using the **Roll Forward** command on the **File** menu, or from the Client Manager, if you want to do a batch roll forward, before you can access them with this version.

Planner Files

As indicated in the past, client files created using the Planner mode in any of the 2012 versions of the program cannot be rolled forward for use with this version, however, you can use the **Export Tax return** and **Import Data** functions.

Slips

The roll forward is performed only for slip copies in which amounts were entered last year as well as for copies including balances to carry forward, or attached notes or schedules to roll forward.

Attached notes

The attached notes are rolled forward, except if this option is cleared in the roll forward data options.

Rolling Forward ProFile and DT Max client files (competitive products)

Make sure that the workstation's regional settings are set to "English (Canada or United-States)" before rolling forward.

Corrected Calculations



Federal

- **DONATIONS** - Error in the calculation of the first-time donor super credit (FDSC) in the connected return of a dependant

Modifications Made to Version 2.1

Update

Correction to the roll forward problem

Version 2.1 corrects the crash that occurs during roll forward if data had been entered in the 2012 MED form. Note that the problem only occurred in the T1 version.

Modifications Made to Version 2.0

Forms, Schedules, and Workcharts Added to the Program



Federal

Form RC381 – Inter-Provincial Calculation for CPP and QPP Contributions and Overpayments (Jump Code: RC381)

For the 2013 taxation year, this new form is used to calculate contributions to the Canada Pension Plan (CPP) and the Québec Pension Plan (QPP). The CPP/QPP contributions payable by self-employed individuals and the repayments of CPP overpayments on employment income will be calculated in this new form.

When the taxpayer earned employment income in Québec **and** in another province, the \$3,500 basic exemption used to calculate the CPP/QPP contributions must be calculated proportionally. In addition, the basic CPP exemption must now be calculated based on the proportion of the employment income subject to CPP compared to the employment income eligible for CPP and QPP. This new calculation must be made, because the contribution rates for the CPP and the QPP

are no longer the same, the QPP contribution rate (5.10% for salaried workers and 10.20% for self-employed individuals) being higher than the CPP contribution rate (4.95% for salaried workers and 9.90% for self-employed individuals).

Note that contrary to what is indicated at the top of the form, the program automatically completes Form RC381 as the CRA requires taxpayers to file this form for each applicable return (even if no employment income has been earned in Québec).

RC383 – Tax-exempt Earned Income Information for a Pooled Registered Pension Plan (Jump Code: RC383)

For the 2013 and subsequent taxation years, the *Income Tax Act* allows tax-exempt income earned by an Indian (as defined by the *Indian Act*) to be included in the calculation of his or her non-deductible PRPP limit for the year for the purpose of contributing to a pooled registered pension plan (PRPP). Form RC383 is to be used to calculate the total tax-exempt earned income.



Form LE-35 – Québec Pension Plan (QPP) Contribution on Income from Self-Employment (Jump Code: QLE-35)

For the 2013 taxation year, this new form is used to calculate the Canada Pension Plan (CPP) and the Québec Pension Plan (QPP) for the TP1 return. Henceforward, all calculations relating to CPP or QPP contributions for the TP1 return will be made in this new form. This form is the Québec equivalent of federal Form RC381 and replaces Form Q445.

TP-1029.ER – Tax Credit for Eco-Friendly Home Renovation (EcoRenov) (Jump Code: Q1029.ER)
RQ has introduced this new form to calculate the EcoRenov tax credit amount that can be claimed on line 462 of the tax return.

The taxpayer could be entitled to this new refundable tax credit for 2013 and 2014 if he or she or the spouse paid eligible expenses for eco-friendly renovation work done on the principal residence or cottage under a contract entered into with a qualified contractor after October 7, 2013, and before November 1, 2014.

Modifications Made to Forms



T626 – Overseas Employment Tax Credit (Jump Code: 626)

Over the period from 2013 to 2016, the Overseas Employment Tax Credit (OETC) will be phased out. During that period, the percentage of qualifying foreign

employment income (QFEI) and the maximum QFEI used in the calculation of the OETC will be reduced as follows:

- 2013 – 60% of QFEI to a maximum QFEI of \$60,000;
- 2014 – 40% of QFEI to a maximum QFEI of \$40,000;
- 2015 – 20% of QFEI to a maximum QFEI of \$20,000;
- 2016 – 0% of QFEI to a maximum QFEI of \$0.

This phase out will not apply to the QFEI earned by the taxpayer in connection with a contract that his or her employer committed to in writing before March 29, 2012 (referred to as protected QFEI). The phase-out rules will apply to all QFEI that are not protected.

T1032 – Joint Election to Split Pension Income (Jump Code: 1032)

From 2013 onwards, if a taxpayer is 65 or older at the end of the year and he or she received certain life annuity payments from a retirement compensation arrangement (box 17 from slips T4A-RCA, *Statement of Distributions from an RCA*), the taxpayer will now be able to split this amount with his or her spouse. If this is the case, the calculations will be done automatically in Form T1032, *Joint Election to Split Pension Income*.

Schedule 7 – RRSP and PRPP Unused Contributions, Transfers, and HBP or LLP Activities (Jump Code: 7)

The pooled registered pension plan (PRPP) is a new, accessible, straightforward retirement savings option for individuals, including those who are self-employed. A PRPP enables its members to benefit from lower administration costs that result from participating in a large, pooled pension plan. It is also portable, so it moves with its members from job to job.

Like RRSP contributions, PRPP contributions can be deducted on the income tax and benefit return, but the deduction must not exceed the difference between the RRSP deduction limit and the employer's contributions to the employee's PRPP. The employer's PRPP contributions cannot be deducted on the employee's income tax return and benefit; the calculation of the deduction is made on the RRSP form and the result is updated to Schedule 7.

RRSP – RRSP/PRPP/SPP Deduction Worksheet (Jump Code: RRSP)

A column entitled **Type** has been added to provide you with the possibility of indicating the nature of the contribution (RRSP, PRPP or SPP). By default, the "RRSP" type is selected.

FAM – Family Profile (Jump Code: FAM)

Section “Children amount (Schedule 1, line 367)”

The CRA has recently revised its position with regards to the amount for children born in 1996 or later that can be claimed on line 367 of Schedule 1, *Federal Tax*, when two or more eligible children reside with both parents throughout the year. Until 2012, only one parent could claim this amount with respect to all eligible children. Starting in 2013, each parent will be able to claim the amount for children born in 1996 or later, provided that each parent is claiming the amount for a different eligible child.

The program automatically optimizes the amount for children born in 1996 or later by allocating the credit for all eligible children, in the return of either the taxpayer or the spouse.

If you want to modify the optimized result, select the taxpayer’s or the spouse’s box for each child in the “Children amount (Schedule 1, line 367)” section of this form.

T4 – Statement of Remuneration Paid (Jump Code: T4)

A new box named *Wage-loss replacement plan contributions* has been added to the T4 slip. The amount entered in this box is both displayed on the new line 103 of the T1 Jacket and deducted from the employment income reported on line 101.

Information Relating to Immigrants and to Emigrants (Jump Code: IMM EMI)

Boxes have been added to indicate the net income for the spouse or common-law partner for the period of the year where the taxpayer was resident of Canada, or indicate that the spouse or common-law partner has had no income for this period. These boxes are used to calculate the spouse or common-law partner amount.

Boxes have also been added to allow you to indicate the net income for the spouse or common-law partner for the period of the year where the taxpayer was not resident of Canada, or indicate that the spouse or common-law partner has had no income for this period.

These boxes are used to determine the income for the spouse or common-law partner for the calendar year. This income is used for the purpose of various calculations such as the GST credit and the provincial low-income tax reduction calculations.

All letter templates

The new paragraph that had been added to advise the taxpayer that he or she elected to stop making CPP contributions to the Canada Pension Plan (CPP) has been modified. Henceforward, the taxpayer will also be advised if this election has been made in a prior year and if the election to stop contributing has been revoked.

**TPZ-1026.0.1 – Remittance Slip for NetFile Québec (Jump Code: QEFIL 1026)**

Because of the increase in the number of personal tax returns filed with NetFile, RQ has been receiving more and more unaccompanied cheques by mail (i.e. without an accompanying reference document).

To reduce identification problems for the payer and the time required to process and cash these cheques, RQ now permits tax software to print personalized remittance slips. These slips can be used by taxpayers wishing to make their payment by mailing a cheque to RQ.

Therefore, Form TPZ-1026.0.1 has been modified accordingly in *Taxprep*.

Note that the slips printed using tax software are not valid for making a payment directly at a financial institution, either at the counter or in the banking machine.

Client Letter Worksheet and all TP1 letter templates

A new paragraph has been added to advise the taxpayer that he or she is claiming the EcoRenov tax credit.

In order not to include this paragraph in the letter, clear the appropriate box in the “Québec - General paragraphs” section of Form *Client Letter Worksheet*.

Preparer Profiles – Authorization Forms tab

The contact person’s information for this form has been moved to Section “MR69 - Authorization or revocation respecting the communication of confidential information”. In addition, three new fields have been added to allow you to enter the title of the contact person and the last three digits of his or her Social Insurance Number (SIN) as well as the professional representative number. This information will update to the corresponding field in Form MR-69 for all your client files.

Forms Removed

**TP1 Line 445 – QPP contributions on income from self-employment (Jump Code: Q445)**

Form TP1 Line 445, *QPP Contributions on Income from Self-Employment - Québec*, has been removed, because RQ implemented Form LE-35, *QPP Contribution on Income from Self-Employment and QPP or CPP Overpayment*.

Technical Information

Technical Changes

Possibility of ignoring the Taxprep slips import added

A modification has been made to the **Taxprep Slips Import** dialog box, which displays automatically on opening a client file when *Taxprep* detects slips to import from *Taxprep Forms* or from *Taxprep for Trusts*.

Henceforward, you may ignore the import step for all detected slips, by pressing the new **Ignore** button. If you press this button, the **Taxprep Slips Import** dialog box will no longer display when opening the active client file.

However, this dialog box will automatically display again when opening the client file if *Personal Taxprep* detects that slips have been modified in *Taxprep Forms* or *Taxprep for Trusts*.

Note that you can disable the search for *Taxprep* slips to import when opening client files in the **Taxprep Slips Data** pane in the “Import/Export” section of the **Options and Settings** dialog box.

Modifications Made to Version 1.0

Forms, Schedules, and Workcharts Added to the Program

Federal

T1 – Income Tax and Benefit Return for the Province of Prince Edward Island (Jump Code: J)

In 2013, the CRA introduced a new T1 tax return for the province of Prince Edward Island.

T1204 – Government Service Contract Payments (Jump Code: T1204)

This new slip is used to report income relating to contract payments carried out with government departments, federal organizations or Crown corporations. Income entered on this slip can be reported either on line 130 of the T1 return, as other income, or in a statement of business activities (Forms T2125 and T2042).

T1255 – Designation of a Property as a Principal Residence by the Legal Representative of a Deceased Individual (Jump Code: 1255)

This new form is used to designate a property as a principal residence and to calculate the capital gain for the year when the deceased person was in one of the following situations:

- he or she disposed of, or was considered to have disposed of, his or her principal residence, or any part of it; or
- he or she granted someone an option to buy his or her principal residence, or any part of it.

This form must be attached to the final return of the deceased person only if a capital gain has to be reported. The deceased person may be entitled to a reduction as a result of the capital gains election. To calculate this reduction, use Form *Principal Residence Worksheet* (Jump Code: 2091 WS).

T776 – Calculating Vehicle Expenses for Business Use Purposes (Jump Code: 776 AUTO)

This new form has been added to calculate vehicle expenses for business use purposes relating to rental income.

Québec

Schedule V – Tax Credit for Donations and Gifts (Jump Code: QV)

RQ has introduced this new schedule to calculate the tax credit for donations and other gifts (Part A), the additional tax credit for a large cultural donation (Part B) and the tax credit for cultural patronage (Part C).

RL-27 Slip – Government Payments (Jump Code: QR27)

This new slip is used to report amounts received from a government department or a Québec government organization. Income entered on this slip can be reported either on line 130 of the T1 return and on line 154 of the TP1 return, as other income, or in a statement of business activities (Forms T2125 and TP-80).

Line 462 – Children’s Activity Tax Credit – Québec (Jump Code: QACTIV)

Starting this year, a new refundable tax credit is available for the physical activities and artistic or cultural activities of a child born after December 31, 1996, but before January 1, 2008. This tax credit is equal to 20% of the amount for eligible registration or membership expenses that were incurred in the year. The maximum eligible expenses amount is \$100 per child, for a maximum tax credit of \$20 per child.

Because equivalent credits exist federally (lines 365 and 370 of Schedule 1), the input of these eligible expenses will continue to be made in those federal workcharts and the expenses entered will be automatically updated to the Québec workchart.

Modifications Made to Forms



Direct Deposit Request (Jump Code: DD)

Direct deposit requests now have to be made on page 4 of the federal tax return.

In *Personal Taxprep*, the CRA Form T1-DD, *Direct Deposit Request - Individuals*, has been modified and replaced by a *Taxprep* form which will retain, when the client file is rolled forward, the banking information previously transmitted to the CRA. The CRA has limited the number of accounts that can be entered for new direct deposit requests to a single account. To make a new direct deposit request, enter the banking information in Form *Direct Deposit Request (DD)* and it will be updated to the appropriate section on page 4 of the federal tax return.

ID – Identification and Other Client Information (Jump Code: ID)

The check box **Use the taxpayer’s mailing address** has been added to the “Mailing address” section of the ID form in the connected return of dependants. This check box will be selected automatically if the address entered in the dependant’s ID form is identical to the taxpayer’s address. If this box is selected in the connected return of a dependant and you modify the taxpayer’s mailing address, the mailing address entered the ID form of that dependant will be automatically modified.

Also note that it will no longer be possible to enter a “c/o” or “care of” reference before the recipient’s name. This type of reference cannot be indicated before the recipient’s name in the “care of” field or in any other field in the taxpayer’s address. The presence of these references will generate a reject when EFILING the federal tax return.

Line 130 – Statement of Other Income (Jump Code: J130)

Starting this year, parents can receive compensatory payments as a result of taking time away from work to cope with the death or disappearance of a child caused by a *Criminal Code* offence. This amount will be shown in box 136 of the T4A slip and has to be reported on line 130 of the T1 return.

Schedule 11 – Tuition, Education, and Textbook Amounts (Jump Code: 11)

When the connected return of a dependant is included in a client file, a new section displays to indicate the amount of tuition fees transferred and the beneficiary of the transfer. This section is displayed in Schedule 11 and the T2202A slip for the dependant.

T2202A – Tuition, Education and Textbook Amounts Certificate (Jump Code: T2202A)

The “Other eligible fees not shown on a T2202A slip” section has been added to the T2202A slip, in order to be able to enter the following amounts:

- Examination fees;
- Other eligible tuition fees;
- Other eligible tuition fees - Outside Canada.

In order for the eligible tuition fees outside Canada to be converted automatically in Canadian dollars, a drop-down list allowing you to select the currency in which the fees have been incurred and a field to enter the corresponding exchange rate have also been added. The default value used for the exchange rate is “US” (average).

T5013 – Statement of Partnership Income (Jump Code: T5013)

The T5013 slip has been redesigned and the box numbers have been changed. In addition, the new version of this slip includes certain items that were found on the T5013A slip, which has been removed. Much of the information on this new version of the slip will now be provided using generic boxes, with no description.

To make it easier to enter the amounts on a T5013 slip using just the box number as a reference, we have added a new section entitled “T5013 - Data entry” above the listing of all of the various generic codes that may appear on a T5013 slip. This new section will allow you to type in the box number, country or province code (when applicable) and the amount. This amount will then update to the appropriate cell below the section. The input cells for the various items that will now be reported using a generic box have been converted to calculated overrideable cells.

Note that when business income from a T5013 slip is updated to Forms T2042, T2121 or T2125, the business number and the tax shelter identification number will also be transferred.

T4A-RCA – Statement of Distributions from an RCA (Jump Code: T4ARCA)

It is now possible to complete more than one copy of a T4A-RCA slip.

T1A – Request for a Loss Carryback (Jump Code: T1A) and COMP5 – Five-Year Comparative Review - Federal (Jump Code: COMP5)

New lines have been added under line 260, *Taxable income*, in the *Five-Year Comparative Review - Federal* (Jump Code: COMP5) in order to list the loss carrybacks claimed in the previous year according to Form T1A, *Request for a Loss Carryback* (Jump Code: T1A), as well as the current-year losses carried back to prior

years according to the current year Form T1A. This will allow you to calculate the taxable income adjusted as a result of loss carrybacks for each of the years.

Because of this addition, the **Income** column located to the left of fields 6625 to 6627 in Section 1 of Form T1A is now calculated using data from Form COMP5 to allow you to track the taxable income adjusted as a result of the various request for loss carrybacks made in prior years.

In addition, these changes also apply to the equivalent sections of Form *Carry-Back of a Loss* (Jump Code: Q1012.A) and Form *Five-Year Comparative Review - Québec* (Jump Code: QCOMP5).

T657 – Calculation of Capital Gains Deduction (Jump Code: 657)

The net capital loss amounts subject to a request for carry back to one of the three preceding years in Section III of Form T1A, *Request for Loss Carryback* (Jump Code: T1A), are transferred automatically to Form T657, under the *Carryforward workchart - Capital gains deduction*, in order for the **Net capital losses from other years claimed** column to be updated on roll forward.

T1170 – Capital Gains on Gifts of Certain Capital Property (Jump Code: 1170) and 1170 QC – Capital Gains on Gifts of Certain Capital Property - Québec (Jump Code: Q1170)

Forms T1170 and 1170 QC now contain multi-line tables.

DONATIONS – Charitable Donations – Federal (Jump Code: DONATIONS)

First-Time Donor’s Super Credit (FDSC)

The form has been modified to take into account the First-Time Donor’s Super Credit (FDSC).

If the taxpayer is a first-time donor, you may claim, for FDSC purposes, up to \$1,000 for donations of money made after March 20, 2013. To be a first-time donor, the taxpayer and the spouse or common-law partner, if applicable, must not have claimed a charitable donations tax credit after 2007.

If the taxpayer is a first-time donor, select the check box **The taxpayer and the spouse or common-law partner (if applicable) are considered to be first-time donors** at the top of the form and the FDSC will be calculated on line 343 of Schedule 9. Note that this check box will be automatically selected for rolled forward files that meet eligibility criteria.

Donations subject to a different tax treatment in Québec

In addition, two new sections have been added for individuals who must file a Québec return, i.e. Sections “Donations of a public art work subject to a different

tax treatment in Québec” and “Other donations subject to a different tax treatment in Québec.” These sections allow you to take into account the new elements in Schedule V and to enter all donations (even those eligible in Québec only) in the same place.

Summary of American claims to carry forward to future years

The DONATIONS and QC DONATIONS forms have been modified by the addition of a section entitled “Summary of American donations to carry forward to future years.” Data in this summary will be carried forward from year to year to retain the history of American donations.

T2209 C – Federal Foreign Tax Credits (Jump Code: 2209C)

Modifications have been made to forms associated with the calculation of the foreign tax credit to facilitate data entry and updating the data to the appropriate forms.

Here is a list of the main changes:

1. Addition of a search box to select a country

Henceforth, you no longer have to manually enter the foreign countries in the Foreign form to create your list of countries. *Taxprep* provides a predefined search box to select foreign countries. This search box has been added to forms where foreign income and taxes can be entered.

In Form Rates and Countries (Jump Code: RATES), you can customize the list for the predefined search box by adding a maximum of 10 countries, if some of the countries that you want to use **are not included in this list**.

If you want, you can also customize your preparer’s profile at point 7 in Section C, “Options – Other forms,” by entering a default country, which will display in the slips and forms related to foreign tax.

2. Addition of a table and an option allowing you to calculate the deduction under subsection 20(11)

A table detailing the types of income has been added to Form T2209 C and to the equivalent Québec form (TP-772). In addition, an option allowing you to select the calculation of the deduction under subsection 20(11) is now provided in Form T2209 C.

3. Automatic data update to Form T2209 C

Data from Form T776, Schedule 3 and the T5008 slip can now automatically be updated to Form T2209 C. Enter a country name in the search box and input a foreign tax amount paid in order for the amount to be updated. In addition, in Form

T776 and Schedule 3, it is now possible to translate foreign currency amounts into Canadian dollars.

4. Printing the FIT form

Henceforth, only the applicable sections of Form FIT, *Foreign Income and Taxes Paid by Country* (Jump Code: FIT) will print.

5. Diagnostic P3 -Québec residents

You can control the display of diagnostic P3, by defining a threshold with regards to the minimum deduction in the preparer's profile at point 7 in Section C, "Options – Other forms."

For information purposes, here is the text of diagnostic P3: "T2209 - The program does not calculate the deduction under subsection 20(12) for a Québec resident. However, you can claim this deduction if it is advantageous for the taxpayer."

For more details on these modifications, consult the Help with respect to Form T2209 C.

Continuity of Capital Losses Carryforward (Jump Code: LOSSC)

A new table has been added to this form to track, year by year, the net capital losses incurred and the carryback or carryforward of these losses to a preceding or subsequent year. This new table will also facilitate the comparison between data entered in *Taxprep* and data available through the CRA's *Represent a client* online service.

When rolling forward a client file in *Personal Taxprep* 2013, the program will group the prior-year loss amounts based on the applicable inclusion rate. If an inclusion rate applies to several years, the amounts are grouped on the line for the most recent year to which the rate applies. However, you will be able to modify the allocation of the amounts in this table using the data available through the *Represent a client* service.

Resource – Income/Loss and Expense Pool (Jump Code: RESOURCE)

You can now update the portion of income relating to the active business from the Resource form to Form T2125.

T1135 – Foreign Income Verification Statement (Jump Code: 1135)

Because of the major revision to this form, the "Categories of Specified Foreign Property" section must now include, for each specified foreign property, information more detailed than in the former version of the form. For example, the maximum cost amount during the year and the cost amount at year end.

In addition, it is now possible to transfer data contained in the following forms into Form T1135:

- Schedule 3;
- T776 form;
- Foreign form;
- ACB form;
- T5008 slip.

A predefined filter, entitled *T1135*, has been added. This filter allows you to generate a list of returns for which Form T1135 should be completed.

T776 – Statement of Real Estate Rentals (Jump Code: 776)

A new section has been added to this form to allow you to indicate, if applicable, that the rental income has been earned outside Canada, and to enter the foreign income tax paid. Once this section is completed, you can transfer the income and the foreign income tax to Form T2209C for purposes of calculating the foreign income tax credit.

LLP – Lifelong Learning Plan (Jump Code: LLP)

Several lines have been added to the table of cumulative withdrawals made under an LLP. These additions have been made to take into account the fact that the repayment period for the amounts withdrawn can begin no later than the fifth year after the first withdrawal, and this period can be spread over 10 years. The cumulative table now covers a 15-year period.

Instalments – Instalments Worksheet – Federal (Jump Code: INST) and TP-1026 – Calculation of Instalment Payments to Be Made by Individuals (Jump Code: Q1026)

It is now possible to enter instalment payments that were already made.

Client Letters

The following changes have been made to letter templates and Form *Client Letter Worksheet* (Jump Code: LW):

Letters EFILE-TED and EFILE-TED (TP1)

The salutation for a Deceased taxpayer has been modified to: "To the Executor/Trustee."

All templates

The letters now indicate that a signature is required for the T2202 slip when a student transfers tuition fees to a parent.

A new paragraph has been added to indicate that the taxpayer elected to stop contributing to the Canada Pension Plan (CPP).

In order not to have those notes in the letter, clear the appropriate check box in the “General paragraphs” section of the *Client Letter Worksheet* form.

The instalment table has been modified to display the payments that were already made.

Rates and Countries – Foreign Exchange Rates Worksheet (Jump Code: RATES)

The program now includes the annual average exchange rates for the current year for all countries, as well as the history of monthly and annual averages for 30 countries.

Preparer Profiles

Profile tab

The following options have been added at point 10, “T1-ADJ” of Section C, “Options – Other forms”:

- **The form will be signed by the representative**
This option ensures that the representative’s information is provided automatically in the “Authorization” and “Certification” sections of the T1-ADJ form.
- **Name to enter in the “Authorization” section of the form**
This option allows you to select the representative or preparer’s name to enter in the “Authorization” section.
- **Print the “Additional internal information” section**
When this option is selected, the corresponding box of Form T1-ADJ is selected for all client files.

These new options for Form T1-ADJ also apply to Form TP-1.R, *Request for an Adjustment to an Income Tax Return* (Jump Code: QTP1R).

Client Letter tab

The following options have been added at point 5, “Additional printing options,” of the “Client letter information” section:

- **Use the partner’s name indicated in the “Internal information for the preparer” section on Form Identification and Other client information**
When this option is selected, the partner’s name is automatically updated to the signature field in the *Client letter* for all client files.
- **Include the paragraph relating to the calculation of the First-Time Donor’s Super Credit**
This option is selected by default when converting or creating a profile.
If the related tax situation is applicable, the corresponding box in Form Client Letter Worksheet (Jump Code: LW) will be selected for the client file, and the paragraph will display in the letter.

Clear those options if you do not want to apply them to all client files.

Authorization Forms tab

The following options have been added to the “Options” subsection in Section “MR69 - Authorization or revocation respecting the communication of confidential information”:

- **All information held by Revenu Québec with regard to the person identified in Part 1 for the application or enforcement of Québec tax legislation, the Excise Tax Act, the Act to facilitate the payment of support and the shelter allowance program; and**
- **Personal income tax return(s).**

These options have been added to the existing option **All information held by Revenu Québec with regard to the person identified in Part 1 for the application or enforcement of Québec tax legislation and the Excise Tax Act**. You can select one of these options to apply to the corresponding box in Form MR-69 (Jump Code: MR69) for all client files.

A new field allows you to enter the professional representative number you have received from RQ in this section. This way, it will be updated to Part 2, “Information on the designated person”, for all client files.



ON BEN – Application for the 2014 Ontario Trillium Benefit and Ontario Senior Homeowners’ Property Tax Grant (Jump Code: ON BEN)

It is now possible to automatically transfer the taxpayer’s address to the “General information” section of Form ON BEN. To use this functionality, select the **Use the taxpayer’s mailing address** check box.

It is now possible to elect, in field 6109, if the 2014 Ontario Trillium Benefit should be paid in one single payment, in June 2015, or in monthly payments from July 2014 to June 2015.

ON COOP – Ontario Tax Credits for Self-Employed Individuals (Jump Code: ON COOP)

In order to correctly calculate the Ontario training tax credit (ATTC) and the Ontario co-operative education tax credit (CETC), a box has been added to enter the taxpayer’s percentage of the business or partnership. The taxpayer’s percentage of the business or partnership should only be entered if it is different from 100%.



ID – Identification and Other Client Information (Jump Code: ID)

Two check boxes have been added to the “Other information regarding provincial or territorial credits” section with respect to Schedule K and the workchart for line 448. These boxes must be selected if the taxpayer’s medications were free throughout the year and/or if the taxpayer held a valid claim slip for all the months before his or her 65th birthday. They allow the program to determine if the situations for numbers 33 and 35 of Schedule K and the workchart for line 448 are applicable.

TP1 Line 448 – Health Contribution (Jump Code: Q448)

This form has been updated to be consistent with the new RQ calculation workchart for line 448.

Schedule D – Solidarity Tax Credit (Jump Code: QD)

In previous years, line 38, *Date on which you completed this schedule*, was calculated and contained the system’s date which could vary each time the file was saved. Because the information provided in Schedule D must correspond to the taxpayer’s situation at a specific date, the date on this line must remain fixed. Therefore, the calculation on line 38 has been modified in order for the date to be locked when you confirm that data in Schedule D is accurate. We ask that you confirm the accuracy of data in Schedule D in any file for which the taxpayer is eligible for the credit, whether it is a new file or a rolled forward file.

LM-53 – Insurable Earnings Under the QPIP and Pensionable Earnings Under the QPP of a Person Responsible for a Family-Type Resource or an Intermediate Resource (Jump Code: QLM-53)

This form is now a multiple copy form.

RL-29 Slip – Remuneration of a Family-Type Resource or an Intermediate Resource (Jump Code: QR29)

This slip is now a multiple copy slip.

RL- 8 Slip – Amount for Full-Time Post-Secondary Studies (Jump Code: QR8)

New boxes have been added to differentiate tuition or examination fees that qualify for the 20% tax credit rate (Section 1 in Part A of Schedule T) from tuition or examination fees that qualify for the 8% tax credit rate (Section 2 in Part A of Schedule T.)

MED – Medical Expenses Worksheet (Jump Code: MED)

A new check box has been added in this calculation worksheet so you can identify the expenses that are

eligible only in the Québec return. If you select this box, the related expenses amount will no longer be included in the total medical expenses claimed federally; it will only be included in the total medical expenses claimed in Québec.

Q128 – Calculating Vehicle Expenses for Business Use Purposes (Jump Code: Q128 AUTO)

This new form has been added to calculate vehicle expenses for business use relating to rental income.

TP-965.39.4 – Calculation of the CIP Deduction (Jump Code: Q965.39.4)

Form TP-965.32, *Calculation of the CIP Deduction* has been renumbered in 2013. It is now Form TP-965.39.4 (Jump Code: Q965.39.4). However, note that no other change has been made to this form.

MR-69 – Power of Attorney, Authorization to Communicate Information, or Revocation (Jump Code: Q69)

Important modifications have been made to the form. Here is an overview of those changes:

In Parts 1 and 2, the **Mr.** and **Ms.** check boxes have been added.

In Part 2, two new lines have been added. The first allows you to enter the last three digits of the social insurance number of the designated person and the second is used to enter the professional representative number.

In Part 3, the following three subsections have been added:

- 3.1, “General power of attorney or authorization”;
- 3.2, “Limited power of attorney or authorization”; and
- 3.3, “Periods or taxation years covered.”

All fields in former Part 3 are split among the three subsections. In addition, each line in that part, which was used to specify the related file number(s), has been replaced by three fields allowing you to enter these numbers. When rolling forward a client file, the information that was entered on those old lines, where appropriate, will not be retained. You will have to enter them manually on the three new related fields.

Furthermore, the line *The authorization or power of attorney covers the following years or periods* has been removed from Part 3.

The signature fields from former Parts 4 and 5 have been removed and a new part, i.e., Part 6, “Signature,” has been added. Henceforward, only one signature is required for the form.

Note that you cannot use the same form to give or revoke an authorization or a power of attorney. You must complete separate forms.

DONS – Charitable Donations – Québec (Jump Code: QDONS)

The form has been modified to take into account the new elements in Schedule V, i.e. the treatment of charitable donations or gifts of cultural property made after July 3, 2013, the additional tax credit for a large cultural donation (Part B of Schedule V) and the tax credit for cultural patronage (Part C of Schedule V).

Nova Scotia

GSTC – Goods and Services Tax Credit (Jump Code: GSTC)

The Nova Scotia Poverty Reduction Strategy tax credit is no longer calculated in the GSTC form, because it is administered by the Nova Scotia Department of Community. This credit is now calculated in Form PROV BEN, *Provincial or Territorial Benefit Worksheet* (Jump Code: PROV BEN).

British Columbia

BC479 - British Columbia Credits (Jump Code: BC 479)

The BC sales tax credit has been re-introduced effective for the 2013 and subsequent tax years. The maximum annual tax credit will be \$75 per adult. The maximum credit will be reduced by 2% of family net income over \$15,000 for single individuals and over \$18,000 for those who have a spouse or common-law partner.

Saskatchewan

SK428 – Saskatchewan Tax (Jump Code: SK 428)

The graduate tax exemption amount (line 5879) has expired and has been removed from this tax form.

Note: The graduate tax exemption amount and the graduate retention program are two distinct programs and the latter still exists.

Forms Removed

Ontario

1272F – Direct Deposit Request – Ontario Child Care Supplement for Working Families Program (Jump Code: 1272F)

Form 1272F, *Direct Deposit Request - Ontario Child Care Supplement for Working Families Program*, has been removed because the CRA does not want to receive this form with the tax return.

Technical Information

Technical Changes

Integration of IntelliConnect

IntelliConnect is the new tax research platform to which the products offered via *CCH Online* will be migrated one by one. In order for you to be able to access your research products as soon as they are available in *IntelliConnect*, we have added this choice of viewer in the **Tax Research** panel in the “Options” section of the **Options and Settings** dialog box.

Enhanced Searching in the Form Manager

The search tool available in the Form Manager has been redesigned and enhanced to allow you to better filter the contents of the Form Manager, which will make your searches easier.

To use the new search field (Ctrl+F), simply enter the desired search term(s) and the search will be done automatically. If you were used to search for forms using their jump code, just enter a code and the search tool will identify the associated form.

Incidentally, there are three options allowing you to customize the search tool:

- **Keep the focus in the Search field** - If you select this option, the focus will already be in the search field when you revert back to the Form Manager after a first search; you can therefore make a new search right away.
- **Highlight results found** - This option ensures that the words entered in the search tool are highlighted in the search results. This option is selected by default, but you can turn off the highlight or change the highlight colour.
- **Use approximate search** - When selecting this option, you can increase the number of results found by ignoring certain possible errors. For example, if you enter “Installments” as your search text, the program will also list all of the forms that include the word “instalments” in the description. Therefore the highlight of these approximate matches will be lighter than when it is an exact match.

These three options are available in the **Search Settings** panel in the “Options” section of the **Options and Settings** dialog box.

Roll forward of the cell “Assigned to”

An option has been added to the **Data Options** panel in the “Roll Forward” section of the **Options and Settings** dialog box, which allows you to choose whether or not to roll forward the name entered in the “Assigned to” cell of *Form Identification and Other Client*

Information (Jump Code: ID). Note that roll forward of this value is selected by default.

Importing data whose values are identical to the calculated values

During data import, the values of the fields into which data value must be imported will be overridden, regardless of whether or not the value imported is identical to the value calculated by *Taxprep*.

Where to Find Help

If you have any questions regarding the installation or use of the program, there are several options for getting help. Refer to the *QuickStart Guide* in the **Professional Centre** for tips and useful information on how to use the program. If you are in the program and need help, press F1 to get help on a specific topic.

Videos available in the Professional Centre and on our Web site!

To learn more about *Taxprep* or to become familiar with the different features, consult the videos available in the **Professional Centre** or at www.taxprep.com.

To view a tutorial, access the "Tutorials" section in the **Professional Centre**, or visit the *Taxprep* Web site and, in the **Support** menu, select your product, then click the 2012 tax year. Videos are displayed under the **Tutorials** link. Simple as that!

Taxprep e-Bulletin

For your convenience, you are automatically subscribed to **Taxprep e-Bulletin**, a free e-mail service that ensures you receive up-to-date information about the latest version of *Personal Taxprep*. If you wish to review your subscription to **Taxprep e-Bulletin**, visit www.taxprep.com and click **My e-Bulletin** in the "e-Bulletin" section. You can also send an e-mail to cservice@cch.ca to indicate the products for which you wish to receive general information or information on our CCH software (*Personal Taxprep*, *Corporate Taxprep*, *Taxprep for Trusts*, *Taxprep Forms* or *CCH Accountants' Suite*).

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