

Personal Taxprep®

PART OF THE CCH ACCOUNTANTS' SUITE

Release Notes

Personal Taxprep 2014 v.4.2

T1/TP1

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Modifications Made to Version 4.2

The modifications made in version 4.2 relate to the correction of the electronic transmission problems that were only encountered by clients using a proxy server to access the Internet with version 4.1.

Modifications Made to Version 4.1

Tax Modifications

The modifications made to version 4.1 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).

Note that the 2015 Budget for Prince Edward Island had not yet been tabled at the time this version was released. Therefore, the 2015 tax rates have not been integrated for this province.

Increase in the lifetime capital gains exemption

For taxation years after 2014, the lifetime capital gains exemption is indexed for inflation. For 2015, the indexation factor is 1.7%, which brings the lifetime capital gains exemption for federal tax purposes to \$813,600 for the disposition of qualified small business shares, qualified farm property and qualified fishing property. However, for qualified farm and fishing property disposed of after April 20, 2015, the exemption is increased to \$1,000,000 at the federal level.

In Québec, the lifetime capital gains exemption for 2015 is also \$813,600 for the disposition of qualified small business shares, but, starting January 1, 2015, it is \$1,000,000 for qualified farm property and qualified fishing property.

If you are using the Planner mode, a diagnostic will prompt you to override the lifetime exemption amount based on the type of property disposed of.

Québec

CARE – Child Care Expenses (Jump Code: CARE) – Additional Subsidized Childcare Contribution

In Québec, a change in childcare rates based on family income is in effect since April 22, 2015. As a result, an additional subsidized childcare contribution will have to be paid to *Revenu Québec* when filing the 2015 tax return. **In Planner mode**, a section has been added to the CARE form so you can calculate the additional subsidized childcare contribution that the taxpayer will have to pay when filing the 2015 tax return. In addition, to integrate the additional subsidized childcare contribution to the return, an additional line has been added under line 448 of the TP1 return.

Modifications Made to Version 4.0

Tax Modifications

Federal

Schedule 1-A – Family Tax Cut (Jump Code: 1A)

The family tax cut calculation has been corrected for situations where a child born in 2015 is identified in the *Family Profile* (Jump Code: FAM). When no other child is identified in that form, the family tax cut is no longer calculated, because a child born in 2015 does not give rise to this tax credit for the 2014 taxation year.

For more information, consult the [troubleshooting memo T12014-010](#).

T1 version only – MED – Medical Expenses Worksheet – Federal (Jump Code: MED)

A correction has been made for cases where information with respect to expenses for care in certain types of facilities (e.g. care in a nursing home) and/or attendant care expenses for care provided in Canada are entered. In prior versions, this information was not transferred into the other spouse's form.

For more information, consult the [troubleshooting memo T12014-008](#).

RC249 – Post-Death Decline in the Value of a RRIF, an Unmatured RRSP and Post-Death Increase or Decline in the Value of a PRPP (Jump Code: RC249)

Form RC249 has been updated to include the post-death increase or decline in the value of a PRPP.

RRSP MAX – RRSP Deduction Limit (Jump Code: RRSP MAX)

The line numbers listed in the description of the lines in this form have been modified to refer to the relevant lines (as a result of the renumbering of the lines of the form).

Québec

Schedule G – Capital Gains and Losses (Jump Code: QG)

If a provision relating to the disposition of capital property has been claimed in federal Form T2017 and in Québec Schedule G, you must mail to *Revenu Québec* a paper copy of federal Form T2017, *Summary of Reserves on Dispositions of Capital Property* (Jump Code: 2017).

A diagnostic has been added to remind you of this requirement in the case where it applies to the taxpayer.

If you are EFILING a return, you must mail this form duly completed to the following address: C. P. 3000, succursale Place-Desjardins, Montréal (Québec) H5B 1A4. In addition, you must enclose with the form a letter indicating that the taxpayer elected, at the federal level, to claim a provision relating to the disposition of capital property. The “EFILE” predefined print format has been adjusted in version 4.0 to include Form T2017 (Jump Code: Q2017).

If you are paper filing the return, you must enclose this form duly completed and a letter indicating that the taxpayer elected, at the federal level, to claim a provision relating to the disposition of capital property. The “Govt” predefined print format has been adjusted in version 4 to include Form T2017 (Jump Code: Q2017) with the Québec return.

Form T2017 must be filed no later than 30 days after the federal election or at the filing deadline applicable to the person concerned by the election.

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

The calculation on line 1 has been corrected for situations where Schedule V is applicable and where the taxpayer is claiming a current-year tax credit for donations and gifts made by the spouse or common-law partner.

For more information, consult the [troubleshooting memo T12014-013](#).

Manitoba

MB479 – Manitoba Credits (Jump Code: MB 479)

On March 20, 2015, the CRA published a new version of Form MB479. In this new version, the Seniors' School Tax Rebate is no longer deducted from the Education Property Tax Credit. The CRA should shortly provide additional information on possible reassessments arising from this change.

Nova Scotia

NS 428 – Nova Scotia Tax and Credits (Jump Code: NS428)

Calculation problem of the age credit amount - Death occurred in 2015

The Nova Scotia age credit amount calculation has been modified. In prior versions, this credit was not calculated when a date of death in 2015 was entered for the taxpayer in Form ID, *Identification and Other Client Information* (Jump Code: ID). This tax credit is now calculated in this situation when the taxpayer meets all eligibility criteria.

For more information, consult the [troubleshooting memo T12014-012](#).

Modifications Related to EFILE

Federal

EFILE error 2507

To prevent returns from being rejected with the CRA EFILE error code 2507, fields 333 and 334 from Schedule 9 are no longer transmitted when there are no donations claimed on line 340 of this schedule.

Here is a description of error code 2507:

The total of field 333 and field 334 on Schedule 9 is greater than the amount at field 340.

EFILE error 2508

A modification has been made to the calculations at fields 6694 and 6695 of Form T2017, *Summary of Reserves on Dispositions of Capital Property* (Jump Code: 2017), because the description of those fields is incorrect on the CRA Form T2017.

Despite the indications provided on the form, the CRA requires that an amount is shown in field 6694 and/or field 6695, as applicable, even if no reserve is entered for a prior year disposition.

Here is the description of error code 2508 (points 5 and 6 of this description are related to the problem described above):

“One of the following situations applies to the return of your client:

- 1) The entry at field 6684 is greater than the entry at field 6708 and no gain reported at field 110; OR
- 2) The entry at field 6685 is greater than the entry at field 6709 and no gain reported at field 107; OR
- 3) The entry at field 6694 is greater than the entry at field 6684; OR
- 4) The entry at field 6695 is greater than the entry at field 6685; OR
- 5) The entry at field 6684 is greater than field 6708, gains reported at field 110, but no entry at field 6694; OR
- 6) The entry at field 6685 is greater than field 6709, gains reported at field 107, but no entry at field 6695.”

EFILE error 90423

In situations where the Family Tax Cut is being claimed and the spouse's return is not being processed with the taxpayer's return, a new EFILE diagnostic (E735) now displays prompting you to enter some additional information on Schedule 1A with regards to the spouse's return. This will prevent the return from being rejected with the CRA EFILE error code 90423.

Here is a description of error code 90423:

One of the following situations applies to your client's return:

- 1) There is an entry for the Family Tax Cut at field 423 on Schedule 1, but no entry at fields 496, 497, 498, and/or 499 on Schedule 1-A; or
- 2) The Family Tax Cut is claimed on Schedule 1-A, but there is no entry at field 423 on Schedule 1.

Québec

NetFile Québec Error TPH0153C

A correction has been made for cases where an amount is indicated on line *Benefit relating to motor vehicles received by a shareholder* of the calculation workchart TP1 Line 154 (Jump Code: Q154). In these situations, the program now displays a description in field 1541 of the *Summary of EFILE Data Fields - Québec*. The prior versions of *Personal Taxprep 2014* (2.0 and 3.0) did not transmit this description to RQ, and therefore, the TPH0153C error code was received when transmitting the TP1 return.

Modifications Related to TaxprepConnect

Federal

T4 - Statement of Remuneration Paid (Jump Code: T4) - Amount in box 56

The amount in box 56 is no longer set to zero as a result of the transfer of data downloaded from the CRA.

For more information, consult the [troubleshooting memo T12014-011](#).

T4A(P) slip in Form TaxprepConnect Download (Jump Code: CONNECT)

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.”

Section “Capital gains and losses” of Form TaxprepConnect Download (Jump Code: CONNECT)

The transfer dates now remain displayed in the **Date** column after a second download.

Québec

Association of slips in Form TaxprepConnect Download (Jump Code: CONNECT)

A change has been made to enhance the association of the following slips and RL slips: T4E slip, RL-1 slip (T4), RL-1 slip (T4A), RL-2 slip (T4A), RL-2 slip (T4A(P)) and RL-16 slip (T3).

T4A slip in Form TaxprepConnect Download (Jump Code: CONNECT)

A correction has been made to make it possible to associate an RL-1 slip downloaded from RQ with a T4A slip downloaded from the CRA.

RC62 slip in Form TaxprepConnect Download (Jump Code: CONNECT)

The transfer date now remains displayed in the **Date** column after download from a different source (CRA/RQ).

T4A(OAS) slip in Form TaxprepConnect Download (Jump Code: CONNECT)

The transfer date now remains displayed in the **Date** column after download from a different source (CRA/RQ).

RL-1 slip – Employment Income and Other Income (T4A)

The download and transfer dates now display correctly in Form T4A, *Statement of Pension, Retirement, Annuity, and Other Income* (Jump Code: T4A), as subsection “RQ - RL-1 slip / RL-2.”

About

Personal Taxprep 2014 v.4.0 contains the forms released by the Canada Revenue Agency (CRA) and *Revenu Québec* (RQ) for the 2014 taxation year.

This version of *Personal Taxprep* was updated in order to integrate the most recent tax measures pursuant to the 2014 taxation year.

This version is approved for:

- Paper filing;
- EFILE;
- Electronic filing of Form T1013;
- Electronic filing of Form T1135;
- Tax Data Delivery (TDD) service (TaxprepConnect);
- The 2D bar code (printed on the federal and Québec returns as well as on Form T1013);
- NetFile Québec.

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.

TaxprepConnect for the 2014 tax season

What’s new with TaxprepConnect?

Two years ago, the *Taxprep* team was the first to propose an innovative integration with the CRA’s *Represent a Client* service. As a result of this initiative, the CRA implemented an official online service named *Tax Data Delivery*, which will be available for use starting this year. We are pleased to announce that integration with this new secure service has been developed in *Personal Taxprep* 2014. To download a client’s tax data, you will require the same credentials and authorization as you do to access the [Represent a client](#) service on the CRA Web site. The *Tax Data Delivery* service opened on February 9, 2015.

Here are some of the enhancements that were made for the 2014 tax season:

- **TaxprepConnect** is now available at no charge and no longer requires an identification code.
- The *Tax Data Delivery* service allows for instant download.
- The tax data from the slips accessible via the *Represent a Client* service can now be downloaded. [Click here](#) for more information about how to use **TaxprepConnect**.
- Form *TaxprepConnect Download* (Jump Code: **CONNECT**) groups all the tax data downloaded from the CRA and is split into two sections: “Downloaded slips” and “Downloaded data.” The “Downloaded slips” section displays only when one or more slips are available for the taxpayer. Only the downloaded data is listed in this section. The “Downloaded data” section is always displayed and includes fields for all information that can be obtained through the CRA service, whether or not this information is available for the taxpayer. A note now displays to advise you that the CRA files do not indicate rolled forward amounts, if applicable.
- The *Client Summary* form has been removed as a result of the change made to the *TaxprepConnect Download* form.

Note: Some of the data that was available for download using the **TaxprepConnect** functionality last year (e.g. instalment information) will not be available this year, as this data is not part of the CRA’s *Tax Data Delivery* (TDD) service for 2014 returns. However, the CRA has indicated that they hope to be able to eventually expand their TDD service to allow the download of a greater number of data accessible through the *Represent a Client* service. However, note that the data that cannot presently be downloaded is still accessible in *My Account* and can be viewed by accessing the *Represent a Client* service outside of *Taxprep*.

Using the CRA’S Tax Data Delivery service

When using their service, the CRA requires that you manually enter, in a Web browser, your authentication information for the Represent a client service as well as the social insurance number (SIN) of the clients whose tax data you want to download. This is the first year this service is being offered, and we can expect it to eventually evolve through the automation of these steps.

Carefully read the information provided during tax data download with **TaxprepConnect**.

Revenu Québec’s tax data download service

No change has been made to **TaxprepConnect** with respect to the use of *Revenu Québec’s* service.

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.

Take advantage of an enhanced tax information research experience when preparing tax returns

For all forms and cells with a tax link to a Wolters Kluwer tax research product, the new **InfoConnect** functionality gives you access to an excerpt of the entire document available on the new *IntelliConnect* research platform. Click the **Learn More** button, to directly access additional cell/form relevant content from your Wolters Kluwer Tax and Accounting Research subscription(s)* without ever leaving the return in which you are working.

InfoConnect displays when you put your cursor on a field with a tax link.

Your Income Tax Returns Hide

Net	126	CRA References Relating to this Chapter
	127	
unt	128	CRA Guides
	129	
	130	
Net	135	CRA Forms
Net	137	
Net	139	
	141	Additional content and links to other documents are offered.
Net	143	

[Learn more](#)

Not currently a Wolters Kluwer research subscriber?

To mark the introduction of **InfoConnect**, take advantage of the complimentary, limited-time, trial of Wolters Kluwer’s entire Tax and Accounting Research collection on *IntelliConnect*. Start your trial by following the prompts in the *Taxprep* software to see all the authoritative content you have been missing.

* The **InfoConnect** functionality will vary by subscription(s). For the fullest experience, a comprehensive Wolters Kluwer Tax and Accounting Research subscription(s) collection is recommended.

Enhancement of the Planner Mode

Personal Taxprep offers an enhanced Planner Mode that provides you with the following functionalities so you can now use planner data for tax return filing purposes:

- Importing data from the planner file: once the 2014 client file is rolled forward, you will be able to retrieve data entered in the planner file created with *Personal Taxprep* 2013.
- Import all data entered this year: when creating a planner file from the 2014 client file, you can import all data entered in this client file to the planner file (*.1p5).

For more details on this new functionality, please consult the [Technical Changes](#) section.

FAM – Family Profile (Jump Code: FAM)

Section “Amount for children (Schedule 1, line 367)” Since 2013, each parent can claim the amount for children born in 1997 or after, as long as the parent claims the amount for eligible children other than children for whom the other parent is claiming the amount.

The calculation for the optimization of this amount has been modified to take this change into account. Previously, *Taxprep* was optimizing the amount for children by allocating the total either to the taxpayer or to the spouse. Starting in 2014, this amount is now optimized child per child.

For more details on this new functionality, please consult the “[Modifications made to forms](#)” section.

Optimization of the nursing home expenses and the attendant care expenses (Jump Code: MED)

Taxprep now optimizes the amounts of nursing home expenses and the attendant care expenses between the taxpayer and the spouse.

For more details on this new functionality, please consult the “[Modifications made to forms](#)” section.

T2203 – Provincial and Territorial Taxes – Multiple Jurisdictions (Jump Code: 2203)

In cases of multiple jurisdictions, *Taxprep* is now able to make an automatic allocation to the various jurisdictions in Form T2203 based on the net income from different sources (the T5013 slip and the self-employment statements).

Creating Taxprep Forms files

You can now create a *Taxprep Forms* file and copy the appropriate data from the ID form of a taxpayer into the ID form of the new *Taxprep Forms* client file.

For more details on this new functionality, please consult the “[Technical Changes](#)” section.

Electronic Filing

What’s New for EFILE in 2014

🇨🇦 Federal

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

Starting this year, the CRA allows preparers to electronically file Form T1135. This type of transmission is available in this version of *Personal Taxprep*.

The T1135 form is transmitted separately from the T1 return. However, the electronic filing of the T1135 form has been implemented in *Personal Taxprep* so that you can transmit both the T1 return (and TP1 return, if applicable) and the T1135 form at the same time.

Alternatively, you can transmit returns without T1135 forms and vice-versa.

Transmitting an applicable Form T1135

When Form T1135 is to be filed for a client and you want to transmit it electronically, select the check box **Select this form for electronic filing** in the “Electronic filing” section of this client’s Form 1135:

Electronic Filing	
Select this form for electronic filing	<input type="checkbox"/>
None of the CRA's exclusion criteria are applicable to this form	<input type="checkbox"/>
None of the CRA's error conditions are applicable to this form	<input type="checkbox"/>
Form T1135 applicable	<input type="checkbox"/>
T1135 electronic filing status	<input type="checkbox"/> Not applicable

To transmit Form T1135 once it is ready, use the command utilized to transmit federal returns, i.e. the **Transmit and Receive** command, available in the **Transmission/EFILE** menu. Since you can transmit the T1135 forms and the returns at the same time, ensure that you select the forms and returns that you want to transmit before transmitting.

Information about EFILE

🇨🇦 Federal

Important dates

- **February 9, 2015** - The EFILE transmission system opened.
- **January 15, 2016** - 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 follow the instructions on 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 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/>.

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

This version of *Personal Taxprep* has been approved for electronic filing of the 2014 version of Form T1013. Note that you can also print the 2D bar code.

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>.

Printing of accepted T1013 forms

As required by the CRA, a watermark will now print on each page of the T1013 form when a hard copy or a PDF copy is printed after having been successfully transmitted and given the "Accepted" or "Accepted with conditions" value for the EFILE T1013 status.

Transmission of prior years returns

The EFILE 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, the CRA will only accept 2012 and 2013 returns this year. Prior year T1 returns (2012 and 2013) should be transmitted before the 2014 T1 returns. To benefit from this service, use *Personal Taxprep* 2012 or 2013, select EFILE On-Line as a transmission method (applies only to 2012) and, finally, update your 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.

Also, note that the **alternative address** option in Part C of Form T183 cannot be used in a prior year return.

System for Electronic Notification of Debt (SEND)

Personal Taxprep 2014 v.3.0 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 January 1, 2015.

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 2015. 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 9, 2015** - The NetFile Québec system opened.
- **February 9, 2015** - The Refund Info-line system opened.
- **January 15, 2016** - The NetFile Québec system will shut down.

NetFile Québec

- **Tax preparers** are no longer required to register or renew their registration for NetFile Québec in order to request NetFile Québec transmission codes. From now on, they must instead register for [My Account for professional representatives](#) (available in French only), a secure space on RQ's Web site.
- Consult the [À qui s'adresse Mon dossier](#) page (available in French only) to see which profile applies to you and what actions you can perform online on behalf of a business or an individual.

Technical Information

Roll Forward

Rolling forward 2013 client files

Your 2013 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

Commencing this year, you can roll forward client files in Planner Mode of version 2013. For more details, consult the [“Technical Changes”](#) section.

Slips

The roll forward is performed only for copies of slips 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.

Forms T776, T2125, T2121, T2042, T1163, T1273 and Partner

These forms are now rolled forward when the business name, an income amount, an expense amount, a closing inventory amount or a carryover of business-use-of-home expenses are entered, or when there is a UCC at the end of the year in the related Auto form or in the CCA, except in cases where this is the final year of business.

Note that the check box **This copy will be retained during roll forward of the file** has been added at the top of the forms. This box will be selected automatically when one of the above conditions is met. Commencing this year, it will have to be selected in order for the form to be rolled 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.

Modifications Made to Version 3.0

Forms, Schedules, and Workcharts Added to the Program



TP-785.2.5 – Property Owned by an Emigrant (Jump Code: Q785.2.5)

This form has been added so you can provide the list of property owned on the date of emigration for an individual who ceased residing in Canada at any time in the year concerned. This form is the equivalent of federal Form T1161, *List of Properties by an Emigrant of Canada* (Jump Code: 1161).

If you are using this form, modify the status from “Unknown” to “If applicable” in the **Print when?**

column of your customized print formats in order for this form to print.

TP-1033.2 – Election to Defer the Payment of Income Tax on Income Relating to the Deemed Disposition of Property (Jump Code: Q1033.2)

This form has been added so you can indicate the election to defer the payment of income tax on income relating to the deemed disposition of property for an individual who ceased residing in Canada at any time in the year concerned and who must pay such income tax. This form is the equivalent of federal Form T1244, *Election to Defer the Payment of Income Tax on Income Relating to the Deemed Disposition of Property* (Jump Code: 1244).

If you are using this form, modify the status from “Unknown” to “If applicable” in the **Print when?** column of your customized print formats in order for this form to print.

TP-1033.2.A – Deemed Disposition of Property by an Emigrant (Jump Code: Q1033.2.A)

This form has been added so you can provide data relating to the calculation of capital gains (or losses) resulting from the deemed disposition for an individual who ceased residing in Canada at any time in the year concerned. This form is the equivalent federal Form T1243, *Deemed Disposition of Property by an Emigrant of Canada* (Jump Code: 1243).

If you are using this form, modify the status from “Unknown” to “If applicable” in the **Print when?** column of your customized print formats in order for this form to print.

Modifications Made to Forms



Schedule 1-A – Family Tax Cut (Jump Code: A1A)

In the client files where the returns of spouses or common-law partners are coupled, the family tax cut is claimed in the return of the spouse who has the highest federal tax payable, by taking into account the federal dividend tax credit, the tax credit for federal political contributions and the labour-sponsored funds tax credit.

In addition, the optimization relating to the medical expenses tax credit has been modified to take the family tax cut into account.

Generally, the program claims the non-refundable tax credits that can be split with the spouse or common-law partner (lines 306, 313, 315, 318, 364, 365, 367, 369 and 370 of Schedule 1) in the return of

the person who has the highest taxable income, provided this person has sufficient federal income tax payable to benefit from these credits. However, in certain cases, it could be advantageous to claim one or more of these credits in the return of the other person, if this generates a family tax cut amount or if it increases the amount of this credit.

A diagnostic has been added to advise you that it could be advantageous to transfer an amount to the spouse or the common-law partner. This diagnostic will display in the cases where the program detects that a family tax cut amount could be generated or that the amount of this credit could be increased.

Schedule 4 – Statement of Investment Income (Jump Code: 4)

Commencing in the 2014 taxation year, the expenses incurred by a taxpayer for the rental of a safety deposit box are no longer deductible. Because of this change, the line *Safety deposit box* has been removed from Section III of this schedule for version 1.0 and subsequent versions.

Forms SC ISP 3025 and SC ISP 3026 – Calculation Workcharts

The instruction “Do not submit” has been added on screen in the following forms:

- SC ISP 3025, *Application for the Guaranteed Income Supplement or Statement of Income for Payment Period of July 2015 - June 2016* (Jump Code: **SC ISP 3025**);
- SC ISP 3026, *Statement of Income for the Guaranteed Income Supplement, the Allowance or Allowance for the Survivor for Payment Period of July 2015 - June 2016* (Jump Code: **SC ISP 3026**).

These forms are used to calculate income qualifying for the Guaranteed Income Supplement and determine if the taxpayer is eligible for this supplement for the period of July 2015 to June 2016.

Note that the versions of these forms included in the program are not the official versions. Therefore, they must not be submitted to the federal government to apply for the Guaranteed Income Supplement, the Allowance or the Allowance for the Survivor.

The data calculated in these *Taxprep* forms will have to be re-entered in the official versions of Forms SC ISP 3025 and SC ISP 3026, downloadable from the Service Canada Web site at the following address: <http://www.servicecanada.gc.ca/fra/services/pensions/sv/srg/index.shtml>.

For more information on how to complete these forms, consult the page “Guaranteed Income Supplement” of the Service Canada Web site.

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

The applicability of certain forms with regards to foreign income and foreign tax has been modified. Form T2209 C is now applicable when the taxpayer claims a federal foreign tax credit. The FIT form is applicable when a corresponding Form T2209 C is applicable. The QFIT form (for Québec returns) is applicable when the corresponding Form Q772 is applicable.

Client Letter Worksheet (Jump Code: LW)

When the taxpayer earns income as a person responsible for a family-type resource or an intermediate resource, the deadline for filing the return has been extended until June 15, 2015. This change is applicable with regard to *Revenu Québec* only. New boxes have been added in Form LW to allow for the calculation of the date for filing the Québec return, and the paragraph indicating when the return must be filed has been modified to take this change into account.

Preparer Profiles

A new check box named **select the Yes check box for all existing clients at the question *Do you have a valid authorization or power of attorney?*** has been added in Section “MR-69 - Power of attorney, authorization to communicate information, or revocation” in the **AUTHORIZATION FORMS** tab of the preparer profiles. This box allows you to indicate that you have a valid authorization or power of attorney for all your existing clients.

For more information, consult the complete [note](#) on the subject.

In addition, a new check box named **Do not manage the registration for the online mail service** allows you to define the status of the corresponding box located in the “Other information” section of Form ID, *Identification and Other Client Information* (Jump Code: **ID**), for all taxpayers. If this option is selected, the e-mail address indicated will not be transferred to the T1 return for the application for registration for the online mail service.

For more information, consult the complete [note](#) on the subject.

Québec

TP1 – Income Tax Return (Jump Code: TP1)

If a capital gains deduction is claimed on line 254 of the T1 return and on line 292 of the Québec return, you must mail to *Revenu Québec* a paper copy of federal Form T657, *Calculation of Capital Gains Deduction* (Jump Code: 657).

A diagnostic has been added to remind you of this requirement in the case where it applies to the taxpayer.

If you are EFILING a return, you must mail this form duly completed to the following address: C. P. 3000, succursale Place-Desjardins, Montréal (Québec) H5B 1A4. In addition, you must enclose with the form a letter indicating that the taxpayer elected, at the federal level, to claim the capital gains deduction. The “EFILE” predefined print format has been adjusted in version 3.0 to include Form T657 (Jump Code: Q657).

If you are paper filing the return, you must enclose this form duly completed and a letter indicating that the taxpayer elected, at the federal level, to claim the capital gains deduction. The “Govt” predefined print format has been adjusted in version 3.0 to include Form T657 (Jump Code: Q657) with the Québec return.

Form T657 must be filed no later than 30 days after the federal election or at the filing deadline applicable to the person concerned by the election.

Corrected Calculations

Federal

- Forms AUTO - CCA opening balance - Client files rolled forward with version 1.0 of *Personal Taxprep* 2014
- DONATIONS, *Charitable Donations* (Jump Code: DONATIONS) - Rolling forward the charitable donations tax credit claimed on line 349 of the 2008 Schedule 1

Québec

- MR-69 - Power of Attorney, Authorization to Communicate Information, or Revocation - Part 1 - Error in the transfer of the street name of a deceased person

Manitoba

- Manitoba - Problem rolling forward the amount on line 1 of Form T1005

TaxprepConnect

- TaxprepConnect Download - T4E slip downloaded but not visible

Templates

- Preparer Profiles – PROFILE and STAFF tabs – Incident causing the program to close when deleting a line

Modifications Made to Version 2.0

Modifications Made to Forms

Federal

T1 General - Income Tax and Benefit Return (Jump Code: J)

To file a paper return, you must send the T1 General - Condensed, *Income Tax and Benefit Return* (Jump Code: J CONDENSED) to the CRA, and whenever applicable, the two-dimensional (2D) bar codes will be included on page 1 or on pages 1 and 2. Because the T1 General, *Income Tax and Benefit Return* (Jump Code: J), no longer needs to be sent to the CRA, the two-dimensional (2D) bar codes that displayed on page 1 or on pages 1 and 2 of this form have been eliminated.

Schedule 1-A – Family Tax Cut (Jump Code: A1A)

In the client files where the returns of spouses or common-law partners are coupled, the family tax cut is claimed in the return of the spouse who has the highest federal tax payable, by taking into account the federal dividend tax credit, the tax credit for federal political contributions and the labour-sponsored funds tax credit.

In addition, the optimizations relating to the federal charitable donations tax credit, the medical expenses tax credit and the federal credit for interest paid on student loans have been modified to take the family tax cut into account.

Generally, the program claims the non-refundable tax credits that can be split with the spouse or common-law partner (lines 306, 313, 315, 318, 364, 365, 367, 369 and 370 of Schedule 1) in the return of the person who has the highest taxable income, provided this person has sufficient federal income tax payable to benefit from these credits. However, in certain cases, it could be advantageous to claim one or more of these credits in the return of the other person, if this generates a family tax cut amount or if it increases the amount of this credit.

A diagnostic has been added to advise you that it could be advantageous to transfer an amount to the spouse or the common-law partner. This diagnostic will display in the cases where the program detects that a family tax cut amount could be generated or that the amount of this credit could be increased.

T1028 – RRSP Deduction Limit Statement (Jump Code: 1028)

Since 2013, the *Income Tax Act* allows tax-exempt income earned by an Indian (as per the *Indian Act*) to be included in the calculation of the non-deductible pooled registered pension plan (PRPP) limit for the year for PRPP contribution purposes. Form T1028 has been modified to include a section to calculate the non-deductible PRPP limit.

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

A taxpayer who held specified foreign property with a Canadian registered securities dealer (as defined in subsection 248(1) of the ITA) or with a Canadian trust company (as determined under paragraph (b) of the definition of restricted financial institution stated in subsection 248(1) of the ITA) can report the aggregate amount of all such property in category 7, "Property held in an account with a Canadian registered securities dealer or a Canadian trust company."

The category 7 table should be completed as follows:

- all of the property held with a particular securities dealer or trust company should be aggregated on a country-by-country basis;
- you can provide aggregate totals per country for each account;
- the maximum fair market value during the year may be based on the maximum month-end fair market value per country for each account.

In spite of the fact that the fair market value is used for this category, the criteria to determine if a taxpayer held foreign property at any time in 2014 with a total value of more than \$100,000 remains based on cost, not the fair market value, pursuant to section 233.3 of the ITA.

In addition, when the transfer to Form T1135 is made from Form T776, *Taxprep* transfers the undepreciated capital cost at the end of the year of all CCA classes that are linked to the related T776 form.

When a transfer to Form T1135 is made from Form T776 and the rental property is operated by a partnership, *Taxprep* transfers the undepreciated capital cost at the end of the year of all CCA classes that are linked to the T776 form based on the taxpayer's share in the

partnership. When the rental property is held through co-ownership, *Taxprep* transfers all of the undepreciated capital cost at the end of the year for all CCA classes that are linked to the T776 form. These amounts already correspond to the taxpayer's share.

A diagnostic has been added to advise you that the cost of the land must be included in the columns **Maximum cost amount during the year** and **Cost amount at year end** when *Taxprep* is able to identify that land is associated with the T776 form whose data has been transferred to Form T1135.

At present, Form T1135 can only be transmitted electronically for an individual taxpayer. As a result, you can no longer use Form T1135 in *Personal Taxprep* for a corporation, trust or partnership. Therefore, the fields allowing you to indicate for whom you are preparing this form in the "Identification" section are now protected.

In addition, check boxes have been added in Form 1135 to reflect the different ways in which this form may be prepared and filed. The check box **Your firm has not been engaged to prepare and/or transmit Form T1135** allows you to identify the clients for whom you are not preparing and/or transmitting Form T1135. When this check box is selected, a paragraph prompting the taxpayer to file Form T1135 displays in the client letter. The check box **Form T1135 will be transmitted or paper-filed at a later date** allows you to identify the clients for whom Form T1135 is not transmitted at the same time as the tax return. When this check box is selected, a paragraph on this topic displays in the client letter.

The new check box **Date locked** is selected when Form T1135 is printed for the first time. When this box is selected, the date in the "Certification" section becomes locked. This mechanism ensures that the electronically transmitted date of signature is the same as the one printed on the T1135 form signed by the client.

Form T1135 will be applicable and data can be transmitted, if:

- the answer to the question *Did the taxpayer own or held foreign property at any time in 2014 with a total cost amount of more than CAN\$100,000?* is "Yes";
- the check box **Your firm has not been engaged to prepare and/or transmit Form T1135** is not selected; and
- the check box **Form T1135 will be transmitted or paper-filed at a later date** is not selected.

OR

- The check box **If this is an amended return check this box** is selected.

T2038 – Investment Tax Credit (Individuals) (Jump Code: 2038)

The rates used to calculate the investment tax credit (ITC) in Part A of Form T2038 have been modified.

The amounts from box 186 and/or box 187 of the T5013 slip are now updated to a new chart in Part A of Form T2038.

The list of ITC codes found in box 189 of the T5013 slip and in Form CCA FA for the various self-employment and rental statements has been modified.

Therefore, when opening a client file prepared with version 1.0 of *Personal Taxprep*, the ITC code will not be retained and will have to be re-entered, if:

- an ITC code had been entered in box 189 of the T5013 slip; or
- an ITC code had been entered in CCA FA of one of the following statements: T2042, T2121, T2125, T1163, T1273, T776 or RES CCA.

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

For the 2014 taxation year, the instruction “and enter the result at line 431” has been added to note 2 of note (e) in Form T2209. Therefore, 55% of the business income tax paid to a foreign country must be included on line 431, *Non-business income tax paid to a foreign country*, and the net foreign business income must be included on line 433, *Net foreign non-business income*, of Form T2209 for a Québec resident.

DONATIONS – Charitable Donations (Jump Code: DONATIONS)

A line has been added to the “Donations not limited to a percentage of net income” section of this form for ecological gifts made after February 10, 2014. These donations can be carried forward ten years.

RRSP EI – RRSP Earned Income Worksheet (Jump Code: RRSP EI)

Income paid to an amateur athlete trust is now earned income and is used to calculate the registered retirement savings plan (RRSP) limit of the trust’s beneficiary. Form RRSP EI has been modified to include the line *Amateur athlete trust’s income*, which allows you to include this amount to the calculation of RRSP earned income.

Table of Rates and Values Used in the Return (Jump Code: RATES FED)

The “Start date” and “End date” cells of Form *Table of Rates and Values Used in the Return* are now protected cells. If you are preparing the 2015 return of a deceased person or a 2015 pre-bankruptcy return,

modify the taxation year at the top of the form to refer to 2015.

Preparer Profiles

CLIENT LETTER tab

An option has been added at point 5, “Additional printing options,” of the “Client letter information” section. You can now choose whether or not to include the paragraph relating to the Family tax cut. This option is selected by default and applies to all letter templates.

Client letters

When the check box **Family tax cut (line 423 of Schedule 1)** is selected, a paragraph mentions that the Family tax cut has been claimed in the taxpayer’s return. The amount of this non-refundable credit is also indicated.

When the check box **Your firm has not been engaged to prepare and/or transmit Form T1135** is selected, a paragraph prompting the taxpayer to file Form T1135 displays in the client letter.

When the check box **Form T1135 will be transmitted or paper-filed at a later date** is selected, a paragraph on this topic displays in the client letter.



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

Note that RQ no longer wants to receive a new authorization request or a new power of attorney for taxpayers for whom you already have a valid authorization or power of attorney. We have made changes to comply with RQ requirements. The question *Do you have a valid authorization or power of attorney?* has been added. If you answer “Yes,” the form will not become applicable while if you answer “No,” the form will be prepared based on the information entered in the form and in the **AUTHORIZATION FORMS** tab of the preparer profiles. This way, you will be able to properly keep track of the status of your authorizations or powers of attorney. Note that the answer to his question will default to “No” for a new client file. A diagnostic has been added to prompt you to answer this question.

For more information, consult the complete [note](#) on the subject.

Schedule J – Tax Credit for Home-Support Services for Seniors (Jump Code: QJ)

The taxpayer can elect to not complete Parts A, B, C and D of Schedule J if he or she answers “Yes” to the following three statements:

- You received advance payments of the tax credit for home-support services for seniors in 2014.
- Your conjugal status was the same throughout 2014 (you either had a spouse or had no spouse throughout the year).
- You lived in the same dwelling throughout 2014.

In that case, one of the check boxes of field 4 and one of the check boxes of field 5 (fields relating to the level of independence of the taxpayer and/or the spouse, where applicable) must still be selected, and the taxpayer must complete the section relating to the eligible services for which he or she made no application for advance payments, where applicable. The applicability of Schedule J has been modified to take this information into account.

TP-776.42 – Alternative Minimum Tax (Jump Code: Q776.42)

Losses from partnerships

As announced in the *Information Bulletin* 2014-3, the Québec legislation will be amended so that the losses arising from partnerships of which the taxpayer is a specified partner or a limited partner will be deductible for alternative minimum tax (AMT) purposes for the 2012 and following taxation years. Only losses arising from a partnership for which a tax shelter identification number has been assigned or must be assigned will no longer be deductible for AMT purposes.

Even though the Bill introducing this new measure has not yet been tabled, this change is reflected this year in Form TP-776.42, *Alternative Minimum Tax*, and the *Personal Taxprep* calculations were already taking the change into account in versions 3.0 and subsequent versions for 2013. When a taxpayer incurred losses that were considered as non-deductible for AMT purposes in 2012 and those losses became deductible under the new measure, a copy of Form TP-1.R, *Request for an Adjustment to an Income Tax Return*, should be filed to amend the AMT calculation by RQ. In addition, as indicated at notes 4 and 5 of Form TP-776.42, an election can be made in order for losses from 2006 to 2011 to be considered as non-deductible losses only if they result from tax shelters.

New diagnostic

A diagnostic has been added to advise you that the tax credit for tuition or examination fees transferred by a

child cannot be claimed for alternative minimum tax purposes. This diagnostic only displays when the alternative minimum tax applies to a return.

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

The additional deduction relating to resources, in connection with Québec exploration expenses and surface mining or oil and gas exploration expenses, was decreased from 25% to 10% effective June 4, 2014. To take this modification into account, boxes 32-1, 32-2, 33-1, 33-2, 62-1, 62-2, 63-1 and 63-2 have been added to the T5013 slip.

QDONATIONS – Charitable Donations (Jump Code: QDONATIONS)

A line has been added to the “Gifts of cultural property, ecological gifts and gifts of musical instruments (Section 2 in Part A of Schedule V)” section of this form for ecological donations made after February 10, 2014. These donations can be carried forward ten years.



British Columbia

PROV BEN – Provincial or Territorial Benefit Worksheet - British Columbia Early Childhood Tax Benefit (Jump Code: PROV BEN)

Budget 2014 introduced the British Columbia early childhood tax benefit (BCECTB) as a tax-free monthly payment, effective April 1, 2015. Benefits from this program will be combined with the federal [Canada Child Tax Benefit](#) (CCTB) and the British Columbia family bonus program into a single monthly payment. The CRA will administer the BCECTB program for the province.

The BCECTB provides a benefit of up to \$55 per month per child under the age of 6. Benefits are based on the number of children in the family and the family's net income. The BCECTB will be reduced if the family's net income exceeds \$100,000 and will be zero once the family's net income exceeds \$150,000.

The calculation of this benefit is made on the PROV BEN form.

Technical Information

Selecting returns when the “Print Tax Return” command is used

To meet the different needs formulated by *Personal Taxprep* users, the program now allows you to configure the selection of returns for printing purposes with the **Print Tax Return** (Ctrl+R) command.

By default, when this command is used, only the active return is selected. However, you can modify this so

that all returns in the client file are selected. To do so, select the **Select all returns in the client file for printing** check box in the **Options and Settings** dialog box, under **Print/Tax Return**.

Modifications Made to Version 1.0

Forms, Schedules, and Workcharts Added to the Program

Federal

Schedule 1-A – Family Tax Cut (Jump Code: 1A)

A new tax cut has been introduced this year for couples with children under the age of 18. This tax cut allows one of the spouses to transfer up to \$50,000 of his or her taxable income to the spouse whose income is in a lower income tax bracket, providing tax relief up to a maximum of \$2,000. This tax cut is granted in the form of a non-refundable tax credit calculated in the new Schedule 1-A, *Family Tax Cut* and claimed on new line 423 of Schedule 1.

T2203 Detail – Detail of Net Income per Jurisdiction (Jump Code: 2203 D)

This form has been added to detail the source of the income allocated to each jurisdiction.

Québec

Line 246 - Deduction for a Repayment of Amounts Overpaid to You (Jump Code: Q246)

The deduction for a repayment of amounts overpaid to you that was at point 1 of line 250 is now at line 246 of the TP1 return.

Line 462 – Tax Credit for Seniors' Activities (Jump Code: QSENIORS)

Starting this year, a new refundable tax credit is available for individuals age 70 or older who registered for physical activities or artistic, cultural or recreational activities. This tax credit is equal to 20% of the amount of eligible registration or membership fees that have been incurred in the year after June 4, 2014. The maximum credit amount is \$40.

Because this credit has no federal equivalent, the eligible fees must be entered in the new Québec workchart (QSENIORS).

TP-22 TP-25 – Detail of Net Income From Businesses Carried on in Québec (Jump Code: Q22 Q25 D)

This form has been added to detail the source of the business income allocated in Québec.

TP-1029.LR – LogiRénov Home Renovation Tax Credit (Jump Code: Q1029.LR)

RQ has introduced this new form to calculate the tax credit for eco-friendly home renovation, which can be claimed on line 462 of the income tax return.

Taxpayers are entitled to this new refundable tax credit for 2014 and 2015 if they or their spouses incurred eligible expenditures for eco-friendly renovation work done on their principal residence under a contract entered into with a qualified contractor after April 24, 2014, and before July 1, 2015.

TPF-1.Z – Keying Summary for Forms TP-1029.ER and TP-1029.LR (Jump Codes: Q1029.ER TPFZ and Q1029.LR TPFZ)

For 2014, two new keying summaries have been added to update the data from Forms TP-1029.ER, *Tax Credit for Eco-Friendly Home Renovation* (Jump Code: Q1029.ER) and TP-1029.LR, *LogiRénov Home Renovation Tax Credit* (Jump Code: Q1029.LR). If one of these credits is claimed in the tax return, the summary related to that credit must be enclosed with the paper return mailed to RQ.

Manitoba

T1256-2 – Manitoba Employee Share Purchase Tax Credit (Jump Code: 1256 2)

This tax credit can be claimed by taxpayers who invested in a registered employee share ownership plan (ESOP) at any time in 2014.

The first \$27,000 in credits earned in the year is refundable. Any unused amount can be claimed as a non-refundable tax credit in the year, or may be carried forward ten years or back three years. However, the credit cannot be carried back to a taxation year prior to 2014.

Modifications Made to Forms

Federal

ID – Client Identification and Other Information (Jump Code: ID), and FAM – Family Profile (Jump Code: FAM)

A new field has been added to these forms to display the age of the taxpayer, the spouse and the dependants.

The **Age** column has been added to the predefined filter *Date of birth - Date de naissance*.

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

Delivery method

The following delivery methods have been added: *CD-ROM*, *USB key* and *Portal*.

In addition, the column **Delivery method** has been added to the *Ready to Print* filter.

T1 General – Income Tax and Benefit Return (Jump Code: J)

Note that commencing in 2014, the GST/HST credit, which will be paid starting in July 2015, no longer has to be claimed in the return. The CRA reserves the right to determine the eligibility for this credit. In the case of spouses or common-law partners, the taxpayer whose return is assessed first by the CRA will receive the GST/HST credit. For more information, refer to the “GSTC – Goods and services tax credit” section.

The residency information for tax administration agreements for residents of British-Columbia is now rolled forward from last year with the *Personal Taxprep*, *Cantax T1*, *ProFile* and *DT Max* software programs.

CRA Online mail service

This year, the CRA is deploying the *Online mail* service. By providing an e-mail address on page 1 of the federal tax return, a taxpayer can register for this service and authorizes the CRA to send him or her e-mail notifications when he or she has mail to view on *My Account*. The notice of assessment and notice of reassessment, and any future correspondence that can be transmitted online, will no longer be printed and mailed to the taxpayer.

A field has been added to page 1 of the return to allow you to enter the taxpayer’s e-mail address.

This field has also been added in Part A, “Identification and address as shown on your return,” of Form T183, *Information Return for Electronic Filing of an Individual’s Income Tax and Benefit Return* (Jump Code: T183).

Change to the preparer profile related to the CRA Online mail service

To allow you to manage your clients’ registration for this service, new options have been added to the preparer profiles, at point 1 in Section C, “Options - Other forms.”

The option **Register the taxpayer for the online mail service** allows you to define the status of the corresponding box located in the “Other information” section of Form ID, *Identification and Other Client Information* (Jump Code: ID), for all

taxpayers. If this option is selected, the e-mail address provided will be transferred to the T1 return for the registration request for the online mail service.

The option **Display the diagnostic if the registration choice for the online mail service is not indicated** allows you to display a diagnostic that will prompt you to make a choice with regards to the registration for each of the taxpayers if no choice has been made in the ID form.

Change in the letters related to the CRA Online mail service

A new paragraph has been added in the client letters to advise the taxpayer the he or she has registered for the *CRA Online mail* service. This paragraph will be applicable whenever the taxpayer’s e-mail address has been entered on page 1 of the federal tax return.

FAM – Family Profile (Jump Code: FAM)

Section “Amount for children (Schedule 1, line 367)”

Since 2013, each parent can claim the amount for children born in 1997 or after, as long as the parent claims the amount for eligible children other than children for whom the other parent is claiming the amount.

The calculation for the optimization of this amount has been modified to take this change into account. Previously, *Taxprep* was optimizing the amount for children by allocating the total either to the taxpayer or to the spouse. Starting in 2014, this amount is now optimized child per child.

If you do not want the optimization between spouses to be calculated for all dependants, select the check box that has been added to allow you to cancel it. You will then be able to allocate the amount for children to the spouse of your choice without taking the optimization into account. To do so, select the appropriate check box on the line *The amount for this child is claimed by*.

MED - Medical Expenses Worksheet (Jump Code: MED) and QMED - Medical Expenses Worksheet (Jump Code: QMED)

A new section, entitled “Expenses for care in certain type of facilities (e.g. care in a nursing home),” has been created to allow you to enter this type of expense for the taxpayer, the spouse, or a dependant. The disability amount cannot be claimed when nursing home expenses are claimed. The program optimizes the claim by determining which is more advantageous for the taxpayer and the spouse: claiming the nursing home expenses as medical expenses, or claiming the disability amount.

A new Section “Attendant care expenses for care provided in Canada” has been created to allow you to enter this type of expense for the taxpayer, the spouse, or a dependant. Both the disability amount and the attendant care expenses can be claimed, provided these expenses do not exceed \$10,000 (or \$20,000 for a deceased person) and the individual is not claiming nursing home expenses. Note that the Ontario limit is \$13,372 (or \$26,743 for a deceased person). The program optimizes the claim by determining whether it is more advantageous for the taxpayer and the spouse (where applicable) to claim the attendant care expenses as medical expenses (taking the limit into account) as well as the disability amount or claim the total amount of attendant care expenses paid instead of the disability amount.

Schedule 3 – Summary of Dispositions – Capital Gains (or losses) (Jump Code: 3)

Taxprep now allows you to designate capital losses as superficial losses. You can now select *Superficial loss* using the **Type of losses** drop-down list for a given capital loss for the asset categories “Qualified small business corporation shares,” “Qualified farm property and qualified fishing property (shares),” “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.” The loss will then be deemed nil, and *Taxprep* will display “\$0.00” in the **Gain (or loss)** column.

If the information on the disposition that gave rise to the superficial loss originates from Form ACB, *Adjusted Cost Base* (Jump Code: **ACB**), *Taxprep* will automatically adjust the ACB of the relevant property. In addition, a new transaction of type “Superficial loss” will be created in Form ACB. The date displayed in this form will be the date of the disposition that gave rise to the superficial loss, and the superficial loss amount will be added to the ACB, and then displayed in the **Adjustment (+/-)** column.

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

A number of enhancements have been made to the ACB form in *Personal Taxprep* 2014.

Taxprep now offers the option to use the monthly average foreign exchange rate for the selected foreign currency. When tracking the adjusted cost base of a particular asset, select the country where the asset is located. *Taxprep* will then automatically display the currency associated with the selected country in the “Foreign currency” field. If this currency is not the currency you want to use, you can select a different foreign currency. The average exchange rate of the

month during which the transaction occurred will be calculated if the check box **Calculate the exchange rate of the foreign currency in the Exchange rate column** is selected for the given transaction.

To facilitate the input of the proceeds of disposition, the column **Proceeds of disposition (foreign currency)** has been added for the asset categories “Publicly traded shares, mutual fund units, deferral of eligible small business corporations shares and other shares” and “Bonds, debentures, promissory notes, and other similar properties.” Simply enter the proceeds of disposition in foreign currency, select a country in the search box “Country where the asset is located” and select the check box **Calculate the exchange rate of the foreign currency in the Exchange rate column** in order for *Taxprep* to calculate the proceeds of disposition in Canadian dollars.

In addition, the table’s drop-down list now allows you to identify transactions of type “Distribution” or “Capital gain” for the asset categories “Publicly traded shares, mutual fund units, deferral of eligible small business corporations shares and other shares,” “Qualified small business corporation shares” and “Qualified farm property and qualified fishing property (shares).” Enter the number of shares acquired and, if applicable, the adjustment amount in order for *Taxprep* to calculate the adjusted cost base (ACB).

Using the drop-down list, you can also identify the transactions of type “Superficial loss” for the asset categories “Publicly traded shares, mutual fund units, deferral of eligible small business corporations shares and other shares,” “Bonds, debentures, promissory notes, and other similar properties,” “Qualified small business corporation shares” and “Qualified farm property and qualified fishing property (shares).” Enter the adjustment amount in order for *Taxprep* to calculate the ACB.

T4A – Statement of Pension, Retirement, Annuity and Other Income (Jump Code: T4A)

A new box 28 has been added in the data entry screen of the T4A slip so you can indicate the benefit related to motor vehicles received by a shareholder, where applicable. The amount entered in this new box will be updated to line 130 of the T1 tax return and on line 154 of the TP1 return.

Moreover, it is now possible to transfer the amounts from the following boxes into Forms T2042 (Jump Code: **2042**) and T2121 (Jump Code: **2121**):

- box 020, Self-employed commissions;
- box 028, Other income;
- box 048, Fees for services.

The choice of the destination statement is made using a drop-down menu listing all statements into which a transfer can be done.

In addition, a field whose amount will be transferred to Form RRSP/PRPP/RPP TRANS has been added under box 190, *Lump-sum payments from an unregistered plan*, of this data entry screen. By default, the amount in this new field will be identical to the amount in box 190. Use an override to transfer a different amount or make no transfer.

T4A(P) – Statement of CPP or QPP Benefits

You can now verify that the amounts in boxes 14 to 19 of the T4A(P) slip have been entered correctly, because box 20, *Taxable CPP or QPP benefits*, which contains the total of lines 14 to 19, has been added.

T5008 – Statement of Securities Transactions (Jump Code: T5008)

You can now select a country from the **Foreign exchange rate** drop-down list in order for *Taxprep* to translate the amounts entered into Canadian dollars.

Schedule 1 Lines 362 and 395 – Volunteer Firefighters' Amount and Search and Rescue Volunteers' Amount (Jump Code: 362/395)

The calculation workchart on line 362 of Schedule 1 has been modified and renamed. It now includes the calculation of the tax credit for search and rescue volunteers that can be claimed on line 395 of Schedule 1. Note that the volunteer firefighters' amount and the search and rescue volunteers' amount cannot be both claimed in the same return.

Schedule 1 Line 365 – Children's fitness amount (Jump Code: 365)

For the 2014 taxation year, the maximum amount of eligible fees for each child is increased from \$500 to \$1,000.

Schedule 2 – Federal Amounts Transferred from Your Spouse or Common-Law Partner (Jump Code: 2)

The calculation on line 8 of this schedule has been modified to take into account the new line 395 of Schedule 1.

Schedule 8 (Jump Code: 8) and Form T2204 (Jump Code: 2204)

Overpayments to the Canada Pension Plan (CPP) and Québec Pension Plan (QPP), which previously were calculated on Form T2204, are now calculated on Schedule 8. Starting in the 2014 taxation year, Form T2204 relates only to employment insurance: all calculations with respect to CPP and QPP have been

removed. Because of these changes, the description of this form has been replaced by the following: *Employee Overpayment of 2014 Employment Insurance Premiums*.

For the 2014 taxation year, all calculations with respect to CPP and QPP will be made on Schedule 8. Note that the description of this form has been replaced by the following: *Canada Pension Plan Contributions and Overpayment for 2014*.

Schedule 8 will now be used to calculate CPP contributions as well as the CPP overpayment on employment income. The deduction and tax credit for CPP contributions on self-employment income will always be calculated in Schedule 8.

However, if one of the T4 slips of a taxpayer residing in a province other than Québec indicates QPP contributions, Form RC381, *Inter-Provincial Calculation for CPP and QPP Contributions and Overpayments* (Jump Code: RC381), will have to be used instead of Schedule 8.

As well, if one of the T4 slips of a Québec resident indicates CPP contributions, Form RC381 will have to be used instead of Schedule 8.

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

The calculation on line 12 of this schedule has been modified to take into account the new line 395 of Schedule 1.

T1-M – Moving Expenses Deduction (Jump Code: T1M)

Lines relating to line 20 have been added on screen so you can enter the allowance and the reimbursement amounts that are not included in income separately. These new lines will allow the program to update these amounts correctly into Form TP-348.

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

Commencing in 2014, the lifetime capital gains exemption increases from \$750,000 to \$800,000 for dispositions of qualified small business corporation shares, and qualified farm and qualified fishing property made after 2013.

UCCB - Universal Child Care Benefit Worksheet (Jump Code: UCCB)

According to the measures announced on October 30, 2014, the government is proposing to enhance, starting in July 2015, the Universal Child Care Benefit (UCCB) by granting \$160 per month per child under the age of 6, which represents an increase in comparison with the current payment of \$100 per month. The government is

also proposing to introduce a new benefit of \$60 per month for children aged 6 through 17.

Note that the payments under the enhanced UCCB will begin in July 2015:

- The current UCCB beneficiaries, i.e., the parents of children under the age of 6, will receive higher monthly benefits commencing with the July 2015 payment. This payment will include up to six months of benefits to cover the January to June 2015 period.
- Parents who are eligible for the new benefit for children aged 6 through 17 will start receiving \$60 per month commencing with the July 2015 payment. This payment will include up to six months of benefits to cover the January to June 2015 period. To be eligible for this new benefit, the parents must complete Form RC66, *Canada Child Benefits Application* (available in *Taxprep Forms*, Gold version). The parents who already completed this form to receive other child benefits will not have to file the form again if their family situation has not changed.

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

Changes have been made to the forms related to the foreign tax credit calculation to facilitate data entry and the update to the applicable forms.

Here is a list of the principal changes:

1. Transfer of foreign income and income tax to Form T2209 C
Taxprep now transfers income to Form T2209 C regardless of whether or not foreign income tax is associated with this income. The same is true for foreign income tax: you do not need to enter foreign income in order for the foreign income tax associated with this income to be transferred to Form T2209 C.
2. Input of foreign income and income tax in Form T2209 C
 You can now enter foreign income and income tax directly in Form T2209 C. If you want to group foreign income and income tax or enter income that is not transferred automatically into this form, use the input lines in the appropriate section of the form. **Add** and **Delete** buttons allow you to input an unlimited number of amounts of foreign income and income tax.
3. Forms FIT and QC FIT (Québec returns only)
 Because all entries and overrides are now made in Form T2209 C, Forms FIT and QC FIT are presented

for information purposes. These forms provide you with a summary, per country, of foreign income and foreign income tax paid according to their source (for example, T3 slip, T5 slip, Schedule 3, etc.) and according to the type of income (for example, other non-business income).

4. Registered pension plan deduction (Forms RC267, RC268 and RC269)

You can enter, in Forms RC267, RC268 and RC269, the Canadian portion of the deduction that should not be taken into account in the foreign tax credit calculation. To do so, enter the amount on the applicable line in Forms RC267, RC268 or RC269, as the case may be. *Taxprep* then automatically transfers to Form T1109 C, the registered pension plan deduction that should be taken into account in the calculation of the foreign tax credit. If the adjustments are not made in Forms RC267, RC268 or RC269, you can still make them in Form T2209 C, using overrides.

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

A new line has been added in the expenses section so you can enter the amount of school taxes paid in the year. When printing the form, the property taxes and the school taxes will be added, and their total will print on line 9180.

T776 – Additions and Dispositions Workchart (Jump Code: 776 CCA)

The “Co-ownership” section has been modified to display the allocation of the additions and dispositions between all co-owners, and not only between the taxpayer and the spouse.

Forms T2125, T2121, T2042, T1163, T1273

These forms now include a new section entitled “Net income allocation to various jurisdictions.” This section has been added to allow you to allocate, if applicable, the net income from a self-employment statement among various jurisdictions.

T2203 – Provincial and Territorial Taxes – Multiple Jurisdictions (Jump Code: 2203)

In cases of multiple jurisdictions, *Taxprep* is now able to make an automatic income allocation to the various jurisdictions in Form T2203 based on the net income from different sources (the T5013 slip and the self-employment statements).

In the event where you want to continue making this income allocation manually, a check box has been added to this form to allow you to disable the automatic allocation functionality.

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

Commencing in July 2015, the CRA will reserve the right to determine the eligibility for this credit. In the case of spouses or common-law partners, the taxpayer whose return is assessed first by the CRA will receive the GST/HST credit.

Taxprep calculates the GST/HST credit in the return of the taxpayer for whom this credit has been claimed in the previous year. You can modify this by selecting the desired check box on the line *The tax credit is calculated in the return of*. Note that even if you modify this choice, this will have no impact on who receives the credit, because the CRA will determine to whom it will be paid.

GIS – Guaranteed Income Supplement Calculations (Jump Code: GIS)

A check box has been added to allow you to indicate that the taxpayer and the spouse are not living together for reasons that do not depend on them (involuntary separation). If you select this box, the spouse's income will not be taken into account for the Guaranteed Income Supplement calculation made in this form, and the spouse's income column will not be calculated in the forms used to claim (Form SC ISP-3025 (Jump Code: SC ISP 3025)) or renew (Form SC ISP-3026 (Jump Code: SC ISP 3026)) the Guaranteed Income Supplement.

Bill, Invoice (Jump Code: BILL)

The following items have been added to the *Invoice* form:

- the Schedule 1-A - Family tax cut;
- the "Payment date" field;
- the lines *TP-1.D - Income tax return, TaxprepConnect Download (CRA)* and *TaxprepConnect Download (RQ)*; and
- a new check box to allow you to lock the invoice's date. Once this check box is selected, the date is no longer updated when the form is printed at a later date.

Applicability of comparative reviews

A check box has been added to the comparative reviews in order to allow you to print these forms for new clients with regards to whom no data is indicated for the prior years. You can select this box for all client files in Section C, "Options - Other forms," of the preparer profile used. This modification affects the following forms:

COMP2, *Two-Year Comparative Review*;
COMP2 PROV, *Two-Year Comparative Review*;

COMP5, *Five-Year Comparative Review*;
COMP5 PROV, *Five-Year Comparative Review*;
T2125 COMP5, *Five-Year Comparative Review*;
T1163 COMP5, *Five-Year Comparative Review*;
T1273 COMP5, *Five-Year Comparative Review*;
T2042 COMP5, *Five-Year Comparative Review*;
T2121 COMP5, *Five-Year Comparative Review*;
T776 COMP5, *Five-Year Comparative Review*;
COMP2 QC, *Two-Year Comparative Review*;
COMP5 QC, *Five-Year Comparative Review*;
Q80 COMP5, *Five-Year Comparative Review*;
Q2042 COMP5, *Five-Year Comparative Review*;
Q2121 COMP5, *Five-Year Comparative Review*; and
Q128 COMP5, *Five-Year Comparative Review*.

Variable forms

You can now select the variable printing and display to display and print only the lines on which an amount has been entered. This modification affects the following forms:

- CFSUM, *Summary of Carryforward Balances*;
- CPL, *Coupling Worksheet*; and
- QC CFSUM, *Summary of Carryforward Balances*.

Preparer Profiles

PROFILE Tab

New options have been added at point 1 in Section C, "Options - Other forms" of the preparer profiles to allow you to manage your clients' registration for the CRA *Online mail* service.

The option **Register the taxpayer for the online mail service** allows you to define the status of the corresponding box located in the "Other information" section of Form ID, *Identification and Other Client Information* (Jump Code: ID), for all taxpayers. If this option is selected, the e-mail address provided will be transferred to the T1 return for the registration request for the online mail service.

The option **Display the diagnostic if the registration choice for the online mail service is not indicated** allows you to display a diagnostic that will prompt you to make a choice with regards to the registration for each of the taxpayers if no choice has been made in the ID form.

Accounting firm's staff section

We have removed the "Accounting firm's staff" section from the **PROFILE** tab in order to include it

in a new tab entitled **STAFF**. You will now have quicker access to the information that was contained in this section.

AUTHORIZATION FORMS tab

To allow you to comply with filing requirements of Form MR-69, the option **Designated person** has been added in the “MR-69 - Power of attorney, authorization to communicate information, or revocation” section. This option allows you to choose to include either the name of the contact person or the name of the contact person and the name of your firm.

Note that for the first year, the box **Contact person and firm** will be selected by default for this option when creating or rolling forward a profile.

The option Display the reminder diagnostic to indicate if the authorization or power of attorney is valid **has been added to allow you to clear this diagnostic. Modifications have also been made in the filing options of the form. The options File for all clients and File for only new clients have been replaced by the option File for clients for whom you do not have the authorization or whose authorization is expired.**

CLIENT LETTER tab

An option has been added at point 4, “Engagement period,” of the “Engagement letter” section. You can now choose to mention in the letter that the engagement relates only to the current taxation year, or that it relates to the current taxation year and subsequent years. Note that the check box **Current taxation year and subsequent years** will be selected by default when creating a new profile or when converting an existing profile.

An option has been added at point 2, “Indicate the printing type for the list of instalments,” in the “Client letter information” section, so you can choose to print the quarterly tax instalments only. Where applicable, the tax instalments for purposes of the federal and Québec returns will be printed in the same table. This choice can be modified for a given client in the *Client Letter Workchart* (Jump Code: **LW**).

An option has been added at point 5, “Additional printing options,” in the “Client letter information” section. You can now choose whether or not to include the paragraph relating to Form T1135 indicating that the taxpayer did not own, at any time in the year, foreign property with a total cost of more than CAN\$100,000. This option applies to the “EFILE - TED,” “EFILE - TED (TP1),” “Paper - Papier” and “Paper - Papier (TP1)” letter templates.

Client letters

A new paragraph has been added in the client letters to advise the taxpayer the he or she has registered for the CRA *Online mail* service. This paragraph will be applicable whenever the taxpayer’s e-mail address has been entered on page 1 of the federal tax return.

The paragraph relating to the Universal Child Care Benefit (UCCB) has been modified in order to mention the increase in the benefit for children under the age of 6, as well as the new benefit for children aged 6 through 17.

The paragraph for the GST/HST credit has been modified in order to indicate the changes that will be made by the CRA with respect to the attribution of this credit.

Form T1256-2, *Manitoba Employee Share Purchase Tax Credit*, has been added in the sections of forms to sign and forms to keep.

Form TP-1129.LR, *LogiRénov Home Renovation Tax Credit*, has been added in the sections of forms to sign and forms to keep.



TP1 – Income Tax Return (Jump Code: TP1)

Starting in 2014, the language of correspondence will have to be indicated only for taxpayers who are filing for the first time. A taxpayer who wants to make a modification to his or her language of correspondence will have to do so over the Internet, using *My Account*, or by contacting RQ in writing or by telephone.

Lines 245 and 246 have been added to allow you to enter respectively the deduction for retirement income transferred to the spouse and the deduction for a repayment of amounts overpaid to the taxpayer. These deductions previously had to be entered on line 250, *Other deductions*.

The maximum tax credit that can be claimed on line 422 of the return as a result of the acquisition of shares of the *Capital régional et coopératif Desjardins* is \$2,250 and the tax credit rate has been decreased from 50% to 45%.

TP1 Line 390 Tax Credit for Volunteer Firefighters (Jump Code: Q390)

The workchart on line 390 of the TP1 return has been modified to include a calculation for volunteers participating in search and rescue operations. In addition, the number of eligible hours of service may now be entered directly in the federal workchart for lines 362 and 395 of Schedule 1.

TP1 Line 462 – Children’s Activity Tax Credit (Jump Code: QACTIV)

The maximum amount of registration or membership fees for which the tax credit can be claimed increases from \$100 to \$200 per child, for a maximum tax credit of \$40 per child. The maximum tax credit increases from \$40 to \$80 if the child has an impairment in physical or mental functions which is both severe and prolonged.

Calculation of the contribution to the health services fund, the Québec Parental Insurance Plan (QPIP) premium and the Québec prescription drug insurance plan premium in the case of a bankruptcy

Starting in 2014, in each of the two returns to be completed in the case of a bankruptcy, the following premium or contribution will have to be calculated based on income subject to the premium or contribution for the period covered by each of these returns:

- the Québec Parental Insurance Plan (QPIP) premium (Schedule R - line 439 of the TP1 return);
- the contribution to the health services fund (Schedule F - line 446 of the TP1 return).

As for the premium payable under the Québec prescription drug insurance plan (Schedule K - line 447 of the TP1 return), it must be calculated only in the return covering the post-bankruptcy period.

Because of the complexity of the post-bankruptcy period calculations, a specific section has been added in each of Schedules F, R and K to detail those calculations.

Calculations of Québec Pension Plan (QPP) benefits in the case of a bankruptcy

Commencing in the 2014 taxation year, when a taxpayer residing in Québec filed for bankruptcy in the year, the contribution payable to the Québec Pension Plan (QPP) on income from self-employment (line 445 of the TP1 return) will be calculated as follows:

Pre-bankruptcy return

In the return covering the pre-bankruptcy period, QPP contributions on income from self-employment reported in the pre-bankruptcy return will be calculated on line 445 of the TP1 return.

Post-bankruptcy return

QPP contributions on income from self-employment will be calculated in that return and will have to correspond to the lesser of the following amounts:

- Contributions for the entire calendar year, minus contributions calculated in the pre-bankruptcy return
- Contributions for the entire calendar year \times $\frac{\text{Post-bankruptcy business income}}{\text{Business income for the entire calendar year}}$

Election to make QPP contributions on income from self-employment in the post-bankruptcy return

However, the taxpayer can elect to make QPP contributions on his or her self-employment income only in the return covering the post-bankruptcy period, but taking into account his or her income subject to QPP for the entire calendar year. To make this election, select the box relating to the pre-bankruptcy period on line 21 in the TP1 return.

This election must be made by the taxpayer in the income tax return covering the pre-bankruptcy period.

Schedule E – Tax Adjustments and Credits (Jump Code: QE)

Since January 1, 2014, eligible development expenses for which no property tax has been refunded can be carried forward five years. Expenses incurred before January 1, 2014, for which no property tax has been refunded could be carried forward two years.

Therefore, eligible development expenses incurred as of January 1, 2014, for which no property tax has been refunded, will automatically be carried forward to the line *Credits 5 years*. In addition, during roll forward of the client file, the amount that was entered on the line *Work 2 years* will be added to the amount on the line *Credits carried forward 2 years*, and the amount that was indicated on the line *Work carried forward 2 years* will be carried forward to the line *Credits carried forward 1 year*. Therefore, the eligible development expenses will be expired after the carryforward limit which was two years.

Schedule Q – Retirement Income Transferred to Your Spouse (Jump Code: QQ)

Starting in 2014, the transfer of retirement income between spouses is allowed only if the pensioner is 65 or older on December 31.

Schedule T – Tax Credit for Tuition or Examination Fees (Claiming or Transferring the Credit) (Jump Code: QT)

This schedule has been modified, because the tuition or examination fees paid for 2014 only give rise to the tax credit at a rate of 8%. Only the unused portion of the

tuition or examination fees indicated on line 40 of the 2013 Schedule T gives rise to the tax credit at a rate of 20%.

TP-1029.ER – Tax credit for Eco-Friendly Home Renovation (EcoRenov) (Jump Code: Q1029.ER)

If the tax credit for eco-friendly home renovation has been claimed for a dwelling in 2013 and the maximum credit amount, i.e. \$10,000, has not been reached, *Taxprep* rolls forward to 2014 the 2013 values in Form TP-1029.ER for this dwelling, because expenses might have been incurred for this dwelling in 2014. If applicable, the 2013 information below with respect to the dwelling is required to calculate the 2014 tax credit for eco-friendly home renovation:

- the total amount of eligible expenses for the 2013 taxation year;
- the tax credit for eco-friendly home renovation amount claimed for the 2013 taxation year.

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

You can now complete more than one copy of Form MR-69.

Note that a power of attorney or authorization and a revocation cannot appear on the same copy of the form, and it is important to enter only the information for the taxpayer or the business covered by the request. To transfer the required information to each section according to specifications from RQ, select the type of request, i.e., “Authorization or power of attorney” or “Revocation,” and indicate in the “Other information” section at the top of the form, whether the form is completed for the taxpayer or the business. When the request relates to a business, you can also select the name of the applicable business in the list added for that purpose. This list contains the name of the T2125, T2121 and T2042 business statements that exist in the client file. Thus, the information entered in the ID form, in the selected business statement and in the preparer profile will be transferred to the copy of Form MR-69.

This year, data from the previous year will be retained during roll forward to the first copy of the form. For the following years, data in each copy of the form relating to an authorization or a power of attorney will be retained.

Note that RQ no longer wants to receive a new authorization request or a new power of attorney for taxpayers for whom you already have a valid authorization or power of attorney. We have made changes to comply with RQ requirements. The question *Do you have a valid authorization or power of*

attorney? has been added. If you answer “Yes,” the form will not become applicable while if you answer “No,” the form will be prepared based on the information entered in the form and in the **AUTHORIZATION FORMS** tab of the preparer profiles. This way, you will be able to properly keep track of the status of your authorizations or powers of attorney. Note that the answer to his question will default to “No” for a new client file. A diagnostic has been added to prompt you to answer this question.

In the “MR-69 -Authorization or revocation respecting the communication of confidential information” section of the **AUTHORIZATION FORMS** tab of the preparer profiles, the option **Display the reminder diagnostic to indicate if the authorization or power of attorney is valid** has been added to allow you to clear this diagnostic. Modifications have also been made in the filing options of the form. The options **File for all clients** and **File for only new clients** have been replaced by the option **File for clients for whom you do not have the authorization or whose authorization is expired**. An authorization will be deemed to be expired if the date rolled forward in the form corresponds to the current date, a prior date or the date indicated in the “Additional filing options” section.

TP-726.7 – Capital Gains Deduction on Qualified Property (Jump Code: Q726.7)

Commencing in 2014, the lifetime capital gains exemption increases from \$750,000 to \$800,000 for dispositions of qualified small business corporation shares, and qualified farm and qualified fishing property made after 2013.

TP-1029.8.33.6 – Tax Credit for an On-the-Job Training Period (Jump Code: Q1029.8.33.6)

For training periods beginning after June 4, 2014, the 15% and 20% tax credit rates have been decreased to 12% and 16% respectively.



ON428 – Ontario Tax (Jump Code: ON 428)

The personal income tax rates and tax brackets have been modified:

- the taxable income threshold at which the 13.16% tax rate applies has been decreased to \$220,000 from \$514,090;
- a new 12.16% tax rate is now applicable to taxable income between \$150,000 and \$220,000.

In addition, the Ontario dividend tax credit is now applied after the surtax.

Also note that the community food program donation tax credit for farmers can be claimed, if the taxpayer meets all of the following conditions:

- the taxpayer is an Ontario resident;
- the taxpayer or the spouse or common-law partner has operated a farm;
- the taxpayer made an eligible donation to an eligible community food program during the year;
- the taxpayer reported the eligible donation on line 340 of federal Schedule 9 and on line 29 of Form ON428 as a donation for the year.

The amount of donations to a community food program must be entered in Form *Charitable Donations* (Jump Code: **DONATIONS**), on the line to that effect.

ON (S12) - Ontario Healthy Homes Renovation Tax Credit (Jump Code: ON S12)

A new field has been added, i.e., field 6089, to allow you to indicate that the taxpayer and the spouse or common-law partner were in an involuntary separation situation. When they claim the healthy homes renovation tax credit individually, enter, in this new field, the spouse's or common-law partner's address when the taxpayer and his or her spouse or common-law partner occupied separate principal residences because of an involuntary separation.

ON BEN – Application for the Ontario Trillium Benefit and the OSHPTG (Jump Code: ON BEN) and ON BEN CALC – Calculation of the OSHPTG and the Ontario Trillium Benefit (Jump Code: ON BEN CALC)

You no longer have to apply for the Ontario sales tax credit. Starting in July 2015, the CRA will reserve the right to determine the eligibility for this credit and decide to which spouse or common-law it will be paid. The section relating to claiming this credit has been deleted. In the case of spouses or common-law partners, the taxpayer whose return is assessed first by the CRA will receive the Ontario sales tax credit.

Boxes allowing you to indicate in which return the credit is calculated have been added in Form ON BEN CALC. *Taxprep* calculates the Ontario sales tax credit in the return of the taxpayer for whom the GST credit has been claimed in the previous year. You can modify this by selecting the desired check box on the line *The tax credit is calculated in the return of* in the GSTC form. Note that even if you modify this choice, this will have no impact on who receives the credit, because the CRA will determine to whom it will be paid.

The credit will be paid based on the information contained in the first return assessed by the CRA. If box 6109 of Form ON BEN of the first assessed taxpayer is selected and he or she is eligible for this choice

(consult the help for Form ON BEN CALC for more information), the credit will be paid in one lump-sum payment. If box 6109 of Form ON BEN of the first assessed taxpayer is not selected and he or she is eligible for this choice (consult the help for Form ON BEN CALC for more information), the credit will be paid monthly.

To make sure the Ontario Trillium Benefit (OTB) is paid in one lump-sum payment, select box 6109 of Form ON BEN in both the taxpayer's and the spouse's or common-law partner's return. To make sure the OTB is paid monthly, clear box 6109 of Form ON BEN in both the taxpayer's and the spouse's or common-law partner's return.

The OEPTC and the NOEC for the OTB will be paid to the taxpayer who will have claimed one of these credits or both. The payment will be made based on the chosen method through box 6109 of Form ON BEN of the taxpayer making the claim.

British Columbia

BC428 – British Columbia Tax (Jump Code: BC 428)

A sixth personal income tax rate has been added, for taxable income over \$150,000. The taxation rate is 16.80%.

In addition, Form Schedule 1 Line 365, *Children's fitness amount* (Jump Code: **365**), has been modified. A section for residents of British Columbia has been added to calculate the eligible amount that will be updated to line 5838 of Form BC428, in order not to exceed the maximum amount of \$500 per child. The additional amount for children with a disability will also be added on this line, as applicable.

Alberta

AB428 – Alberta Tax and Credits (Jump Code: AB 428)

Because the Alberta royalty tax rebate is no longer in effect, line 6006, which allowed you to claim the rebate, has been removed from this form.

Saskatchewan

SK428 – Saskatchewan Tax (Jump Code: SK 428)

Because the Saskatchewan royalty tax rebate is no longer in effect, the line which allowed you to claim the rebate has been removed from this form.

Manitoba

MB428 – Manitoba Tax (Jump Code: MB 428)

A line has been added to this form for a new non-refundable tax credit, i.e. the Manitoba employee share purchase tax credit (according to Form T1256-2).

MB479 –Manitoba Credits (Jump Code: MB 479)

Two lines have been added to this form for the following new refundable tax credits: the Manitoba community enterprise development tax credit (according to line 10 of Form T1256) and the Manitoba employee share purchase tax credit (according to Form T1256-2).

Also note that for purposes of calculating the education property tax credit and the school tax credit for homeowners, the seniors’ school tax rebate received should now be taken into account, if applicable.

T1256 – Manitoba Community Enterprise Development Tax Credit (Jump Code: 1256)

Effective for eligible shares issued after June 11, 2014, the maximum refundable credit that an individual investor can earn in a year is \$27,000. The credit amounts earned in the year for shares issued before June 12, 2014, are used to reduce the Manitoba tax payable for that year. The unused amounts can be carried forward ten years or back three years.

T1256-1 – Manitoba Small Business Venture Capital Tax Credit (Individuals) (Jump Code: 1256 1)

The maximum annual tax credit claimable by an investor for this tax credit is now \$67,500.

 **Newfoundland and Labrador**

NL428 – Newfoundland and Labrador Tax and Credits (Jump Code: NL 428)

The rates used to calculate the dividend tax credit have been modified. The rate applicable to eligible dividends has been decreased from 11% to 5.4%, while the rate applicable to dividends other than eligible dividends has been decreased from 5% to 4.1%. These rate changes came into force on July 1, 2014. Lines 6173 and 6168 have been added to this form to identify the eligible dividends and the dividends other than eligible dividends paid before July 1, 2014.

In addition, a new tax credit can now be claimed on line 6190 of this form, i.e., the venture capital tax credit. Taxpayers can claim this new credit for investments they made in a qualifying venture capital fund in 2014 or in the first 60 days of 2015. A maximum amount of \$75,000 can be claimed.

 **Nova Scotia**

NS428 – Nova Scotia Tax and Credits (Jump Code: NS 428)

A new \$1,000 non-refundable tax credit can now be claimed in this form, i.e., the age tax credit. Taxpayers can claim this new credit if they are resident of Nova Scotia on December 31, 2014, are 65 years of age or

older on or before this date and have taxable income of less than \$24,000 on line 260 of their return.

In addition, because the graduate retention rebate is no longer in effect, lines 6378 and 6379, which allowed taxpayers to claim the rebate, has been removed from this form. This tax measure became effective on January 1, 2014.

Form Removed

 **Québec**

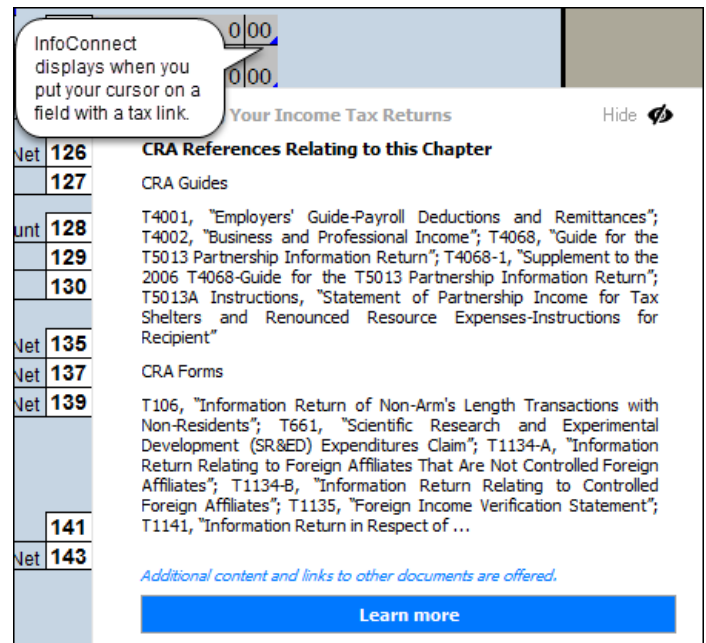
- TP-726.30 - *Income - Averaging for Forest Producers* (Jump Code: Q726.30)

Technical Information

Technical Changes

Take advantage of an enhanced tax information research experience when preparing tax returns

For all forms and cells with a tax link to a Wolters Kluwer tax research product, the new InfoConnect functionality gives you access to an excerpt of the entire document available on the new *IntelliConnect research platform*. Click the **Learn More** button, to directly access additional cell/form relevant content from your Wolters Kluwer Tax and Accounting Research subscription(s)* without ever leaving the return in which you are working.



The screenshot shows a software interface for tax preparation. A tooltip on the left says "InfoConnect displays when you put your cursor on a field with a tax link." The main area shows a tax form with fields for "Net" and "CRA References Relating to this Chapter". The sidebar lists CRA Guides and CRA Forms with descriptions. A "Learn more" button is at the bottom.

Net	126	CRA References Relating to this Chapter
	127	CRA Guides
unt	128	T4001, "Employers' Guide-Payroll Deductions and Remittances"; T4002, "Business and Professional Income"; T4068, "Guide for the T5013 Partnership Information Return"; T4068-1, "Supplement to the 2006 T4068-Guide for the T5013 Partnership Information Return"; T5013A Instructions, "Statement of Partnership Income for Tax Shelters and Renounced Resource Expenses-Instructions for Recipient"
	129	
	130	
Net	135	CRA Forms
Net	137	T106, "Information Return of Non-Arm's Length Transactions with Non-Residents"; T661, "Scientific Research and Experimental Development (SR&ED) Expenditures Claim"; T1134-A, "Information Return Relating to Foreign Affiliates That Are Not Controlled Foreign Affiliates"; T1134-B, "Information Return Relating to Controlled Foreign Affiliates"; T1135, "Foreign Income Verification Statement"; T1141, "Information Return in Respect of ..."
	141	
Net	143	

Additional content and links to other documents are offered.

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To mark the introduction of **InfoConnect**, take advantage of the complimentary, limited-time, trial of Wolters Kluwer's entire Tax and Accounting Research collection on *IntelliConnect*. Start your trial by following the prompts in the *Taxprep* software to see all the authoritative content you have been missing.

* The **InfoConnect** functionality will vary by subscription(s). For the fullest experience, a comprehensive Wolters Kluwer Tax and Accounting Research subscription(s) collection is recommended.

Creating Taxprep Forms files

You can now create a *Taxprep Forms* file and copy the appropriate data in Form *Identification and Other Client Information* (Jump Code: **ID**) of a taxpayer, to the ID form of the new *Taxprep Forms* client file.

As the preparer of the tax return of a taxpayer for whom you want, for example, prepare Form T2057, *Election on Disposition of Property by a Taxpayer to a Taxable Canadian Corporation* (Jump Code: **T2057**), or the T4 Slip, *Statement of Remuneration Paid* (Jump Code: **T4SUPP**), of his or her business, this functionality will save you time by preventing you from having to re-enter the data from the taxpayer's ID form into a new *Taxprep Forms* client file.

The **Create a Taxprep Forms file** command is available only when a version of the *Taxprep Forms* program supported by *Personal Taxprep* is installed. For *Personal Taxprep* 2014, it consists of one of the *Taxprep Forms* 2014 versions.

For more details on this new functionality, consult the Help.

Importing Planner Data

Personal Taxprep now allows you to use planner data for tax return filing purposes. Once the 2013 client file is rolled forward to 2014, you will be able to retrieve data entered in a planner file created with *Personal Taxprep* 2013. To perform this import, in the **File** menu, click **Import Data**, then click **Planner File Data**.

Note: Only data for the returns of taxpayers contained in the current-year client file can be imported from the planner file.

When using this feature, to make sure that the data in the client files that will be used to file tax returns is accurate, we recommend that you follow the best practices below:

1. Start preparing the returns by rolling forward the prior year return using the **Roll forward** command.
2. Then, import data from the planner file into the rolled forward client file. If *Personal Taxprep*

detects that the rolled forward value in a cell will be replaced during import, a message will display prompting you to confirm whether or not the rolled forward value should be replaced by the imported value.

3. Use the new Xpress filter **Data Imported from a Planner file** to verify the data imported from a planner file. If you had marked any of the data in a Planner file with review marks (e.g. to indicate estimates) you can also use the Xpress filters that display the cells with review marks.

For further details on this new functionality, consult the Help.

Enhancement of the Planner Mode

When creating a planner file from the 2014 client file, you can now import all data entered in this client file to the planner file (*.1p5). This is controlled by the option **Import all data entered this year**, available in the data options, when rolling forward a file to create a Planner file. This new option is selected by default. In the case where the tax situation of a client does not really change from one year to the other, this functionality simplifies planning by limiting input to data which you anticipate will vary greatly from the prior year.

Using a shortcut key to attach a note to a cell

The shortcut key Alt+F10 can now be used to attach a note to the selected cell or to access an existing note.

Automatic sort of attached notes in the Attached Notes - Summary for all client files

The attached notes displayed in the *Attached Notes - Summary* (Jump Code: **ATTN**) can now be sorted based on the order the forms appear in the Form Manager for all client files. In order for the attached notes to be sorted automatically, select the check box **Sort the attached notes automatically** in the "Options - Other forms" section in the **PROFILE** tab of the preparer profile used.

Wolters Kluwer Add-On Manager for Internet Explorer

When installing your new *Taxprep* version, the additional **Wolters Kluwer Add-On Manager** module for Internet Explorer has automatically been installed to be able to provide, during tax season, new content integration possibilities to make your work easier.

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 2014 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@wolterskluwer.com 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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