



2012 Training Manual

EFILE

Table of contents

Introduction	4
What is Efile?	4
History	4
Benefits of Electronic Filing.....	4
About SEND.....	4
Discounters	4
Taxpayer Data Provided by SEND	5
Efile Registration.....	6
Do You Have Your Efile Module?	6
Federal - On-line (Internet) Registration	6
Issuance of the EFILE number and password	7
Quebec Preparers – Registration/Renewal by Fax or Mail.....	8
Efiling Responsibilities	11
Federal - Electronic Filer	11
Quebec – Preparer.....	12
Configuring DT Max for Efile.....	12
Efile Setup.....	12
Federal T1	13
Transmitting via Dr Tax	13
Transmitting directly to CRA: individually (Efile On-Line), or by batch (Efile On- Line Plus)?	14
Quebec.....	15
Transmitting via Dr Tax or directly to the NetFile Québec site.....	16
Efile Defaults	16
Preparing the Returns.....	17
Preparing and verifying the returns.....	17
Selecting clients to Efile	17
Eligible returns.....	17
Non-eligible returns	17
Printing required forms and getting signatures	17
Forms required for efileing that are not submitted to governments	17
Required forms for efileing that must be submitted by mail to the governments	18
Ready to Efile.....	18
Government copies	18
Client copy.....	18
Office copy	19
Transmitting Electronic Returns.....	19

Selecting Clients for Transmission from the Client List.....	19
Transmitting the Returns	19
Automated Batch Transmissions and Status Updating.....	20
Efile Queue.....	20
Viewing and Printing Reports.....	21
Types of Transmission Reports	21
DT Max Keywords for an Accepted Return.....	21
DT Max Keywords for a Rejected Return.....	21
After Transmission	22
Pre-assessment verification	22
Post-assessment verification.....	22
Authorization forms	22
Exclusions to Electronic Filing	22
Federal Efile Exclusions	22
Quebec Efile Exclusions.....	24
General restrictions	24
Income restrictions	24
Tax credit restrictions	25
Tax form restrictions.....	25
T1013 e-submission.....	26
Efile help desk contact information	28

Introduction

What is Efile?

Efile, or electronic filing, is an alternative way to file income tax returns with the government. Efile allows authorized service providers to transmit client tax returns directly from their computers to both, the Canada Revenue Agency (CRA) and Revenue Quebec. You no longer have to print a paper version of the return and mail it to the government. At most, certain forms may need to be printed to fulfill the requirements of special situations.

Approximately 95% of Canadians are eligible for Efile. Certain exclusions include non-residents, people who owe taxes to more than one province or territory, people who have declared bankruptcy, etc. A complete list is provided under *Exclusions from Electronic Filing* on page 25.

History

The federal government was the first to launch the Efile program in 1992 for the 1991 tax year. Over a million people participated in the new program and in growing numbers ever since. Quebec delivered its own filing system in 1994.

Currently, in excess of 8.3 million Canadians use Efile to file their tax returns.

Benefits of Electronic Filing

- Efile radically reduces costs by saving on paper, printing, photocopying and postage.
- Efile saves time and energy since assembly is virtually eliminated from the process.
- Efile diagnostics eliminate potential errors.
- Governments acknowledge receipt of the tax return within 24 hours.
- Tax returns are processed faster; therefore clients receive their refunds faster. In the case of amounts owing, filing early eliminates the risk of receiving late assessments, and incurring interest and penalties on amounts owing.
- Another important factor is that e-filing is environmentally friendly.

About SEND

SEND, the System for Electronic Notification of Debt, available through the Efile program, is a CRA service that allows electronic filers to submit requests one at a time over the Internet and receive almost instantly selected information about their clients' account before filing a tax return.

Discounters

This system, initially set up for the needs of discounters, now has a wider scope since a greater amount of information has been made available to all preparers. Discounters prepare tax returns and provide their clients with an immediate discounted tax refund before filing the returns. Discounters keep part of the expected refund as a fee and pay the rest immediately to their clients. The Taxation Act limits the amount of fees that can be charged.

Taxpayer Data Provided by SEND

For the 2011 tax year, the SEND system will indicate if:

- The taxpayer is a Home Buyers' Plan participant and may be required to make a repayment for the year.
- The taxpayer is a Lifelong Learning Plan participant and may be required to make a repayment for the year.
- The taxpayer received social assistance or workers' compensation benefits (T5007).
- The taxpayer received Employment Insurance and other benefits (T4E).
- The taxpayer received Universal Child Care Benefits (RC62).
- The taxpayer had a reassessment carried out on a prior-year return between January 1, 2011 and the time of submission of the SEND request.
- The taxpayer has a debt owing to the CRA, and whether the debt is more or less than \$10.
- The CRA or any other federal, provincial, or territorial government department, agency, or Crown corporation has a claim against any refund to which the taxpayer may be entitled, and will identify the source of any such claim.
- The taxpayer does not show on the CRA's records.
- The taxpayer has already filed a return for the tax year.
- The CRA's records indicate that the taxpayer is bankrupt.
- Information on this taxpayer's account has previously been requested by another electronic filer through SEND since December 12, 2011.
- The taxpayer has requested a reassessment that is currently in progress.
- The taxpayer received Working Income Tax Benefit (RC210);
- The taxpayer has tuition, education, and textbook carry forward amounts available for the current year.
- The taxpayer qualifies for the "Disability amount" for the current tax year;
- The taxpayer may be entitled to the transfer of the "Disability amount" from his or her spouse or common-law partner for the current tax year;
- the taxpayer may be entitled to the transfer of the "Disability amount" from one or more of his or her dependants for the current tax year;
- one or more of the taxpayer's past 10 prior-year tax returns could still be filed;
- The CRA might perform a verification of the taxpayer's income tax return.

To gain access to SEND, the registered Efile preparer has to do the following for each request:

- Have the taxpayer read, sign (in person) and date a current version of form T1153 - Consent and Request Form.
- Keep the original copy of the T1153 Form on file for three years after the end of the taxation year in which it was signed.

More on *SEND* can be found on URL <http://www.efile.cra.gc.ca/l-snd-txt-eng.html>.

Efile Registration

Do You Have Your Efile Module?

In order to transmit electronically with DT Max T1, you first need to purchase the separate Efile module to upgrade your current licence. Also, the activation of the Efile module requires your Efile preparer number to be effective. By installing your Efile-enabled licence key, you will unlock the powerful features of this cost-cutting filing system. Please contact Dr Tax Client Services for details.

Federal - On-line (Internet) Registration

- Any firm, organization, or individual who wants to provide electronic filing services to members of the public, their clients, or their employees can apply for efileing.
- All new federal registrants must complete the EFILE Registration On-Line form.
- You must register yourself or your company as a provider with the CRA
- All new registrations with the CRA must be made on-line at <http://www.efile.cra.gc.ca/l-rgstr-eng.html>

The screenshot shows the Canada Revenue Agency website. At the top left is the CRA logo with the text "Canada Revenue Agency" and "Agence du revenu du Canada". At the top right is the "Canada" logo. Below the logos is a banner with a red maple leaf and the text "Canada Revenue Agency" and "www.cra.gc.ca". A navigation bar contains links for "Français", "Home", "Contact Us", "Help", "Search", and "canada.gc.ca".

The main content area is titled "New registration" and includes a left-hand navigation menu with the following items: Overview, Benefits, Responsibilities, **New registration**, Renewal, Account Maintenance, Suitability screening, Software, Availability, How to file a return, Balance Due?, Electronic Filers Manual, SEND, Form T183, Security, Verification, Support, Index, News, **File Now!**, On-Line, and On-Line Plus.

The "New registration" section contains the following content:

- New registration**
 - [Who can apply?](#)
 - [How can I apply?](#)
 - [Issuance of EFILE number and password](#)
- Who can apply?**

Any firm, organization, or individual who wants to provide electronic filing services to members of the public, their clients, or their employees can apply.
- How can I apply?**

Your first step in becoming an electronic filer is to complete the [EFILE Registration On-Line](#) form. This is a one-time application, but in some situations you will have to submit [revised](#) information.

The on-line application is designed primarily for those operating a tax preparation business. Individuals may also apply to become electronic filers. On the on-line application, where it asks to indicate the "Name of proprietorship, partnership, or corporation", if you are not operating a business, simply provide your name. At "Business Type", select "Proprietorship".

All new registrations must be made on-line.

There is no fee for processing your application.

An application may take up to 30 days to process. To give us enough time to review your application before the filing season starts, we encourage you to file your application before December 31. If we cannot process your application within this time frame, we will notify you.

And click on EFILE Registration Online and;

Fill in the application and submit.

Issuance of the EFILE number and password

The system will verify the submitted form and will generate error messages, if necessary. Make any required corrections, and resubmit the form. Once the application has been accepted, the system will display a confirmation page containing your EFILE number and password.

Please allow approximately a month to have your registration request completed and it is wise to make that request before December 31.

The confirmation will contain both your EFILE number and password.

EFILE	EFILE Registration Confirmation - Password Issuance
Overview	
Benefits	
Responsibilities	
New registration	This confirms receipt of your request to participate in EFILE. Your password is shown below. We will notify you when we have completed the suitability screening. Until then, your access is restricted to account maintenance activities only.
Renewal	
Account Maintenance	Should you have any questions, please contact your designated Shawinigan EFILE Helpdesk at 1-800-265-6201.
Suitability screening	
Software	Please check out the Information tours for tax preparers and professionals now available on the CRA's EFILE Web site at www.efile.cra.gc.ca/ . These narrated, self-guided Flash tours allow for easy navigation of information. Text-based versions of the presentations are also available.
Availability	
How to file a return	
Balance Due?	
Electronic Filers Manual	Important messages are regularly communicated to the electronic filing community via the EFILE Web site at News and through email. These capabilities provide the CRA with the opportunity to inform you of any system changes, maintenance schedules, filing deadlines, suitability screening status, and other noteworthy issues from other organizations within the agency.
SEND	
Form T183	
Form T1013	
Security	We have become aware that some Electronic Filers are not receiving EFILE emails. This occurs when the recipients' computer recognizes the incoming emails from efileted@cra-arc.gc.ca as spam and is dumping those emails into a junk folder, or firewalls may be configured in such a manner to prevent the receipt of these messages.
Verification	
Support	
Index	
News	You should access your own software communication programs to ensure that your spam filters, junk mailboxes, firewalls, etc. are not configured such that they prevent you from receiving the tax messages.
File Now!	
Online	
Online Plus	<p>Date : 2012/10/22 Time : 11:58:48 AM</p> <p>EFILE Number : 20000</p> <p>Name : CCCC</p> <p>Email Address : AAAA@BBBBBBBB@COM</p> <p>Business Name : DDDDDDD</p> <p>Mailing Address : 123 EEEEE</p> <p>City : OTTAWA</p> <p>Province : ON Postal Code : A1B 2C3</p> <p>Password : XXXXXXX</p> <p>Please print this page and keep it with your records. You will need your EFILE number and password to use the electronic filing services and to renew online your EFILE participation next fall. Remember, your password is confidential and must remain protected.</p>
	<p><input type="button" value="Submit another request"/> <input type="button" value="Sign off"/></p>

Note: You are required to renew your registration every year.

Once duly registered for Efile, please contact Dr Tax Client Services toll free at 1-800-663-7829 to update your licence information. In order for your Efile module to be fully operational, your DT Max licence must include the Efile number CRA assigned to you.

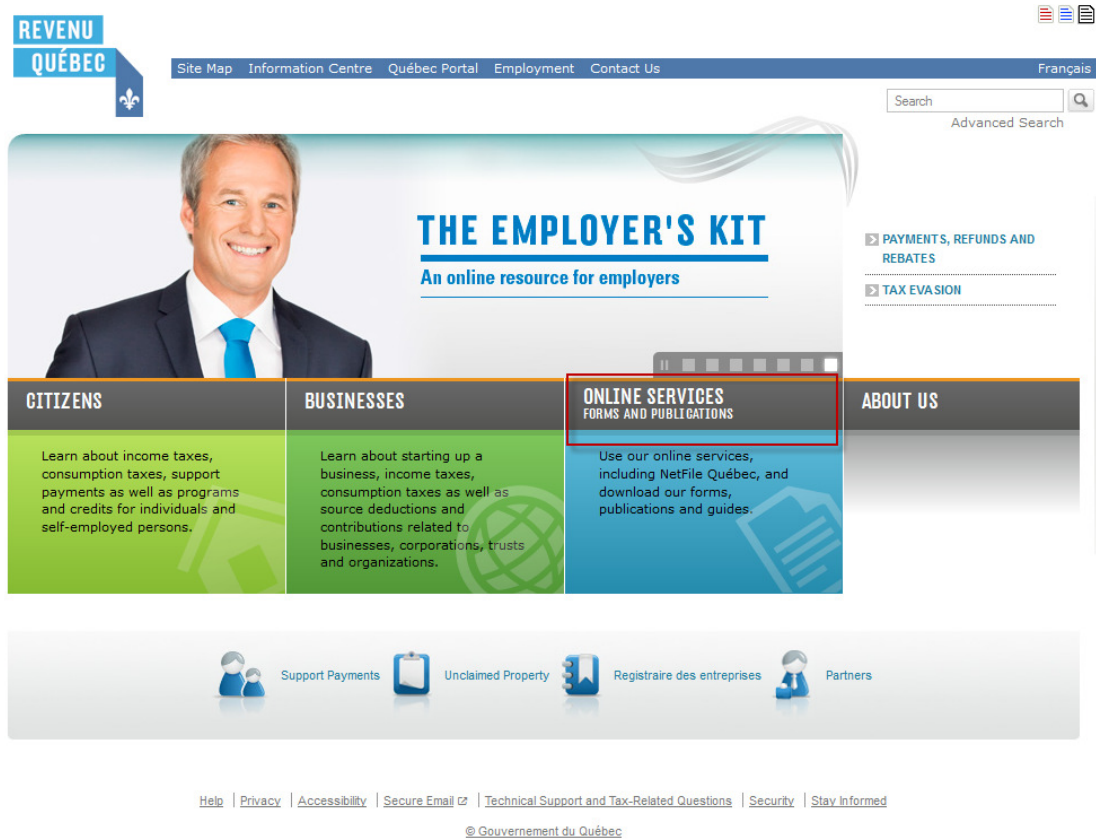
Quebec Preparers – Registration/Renewal by Fax or Mail

Once you have registered federally and you wish to Efile your Quebec returns, you must complete Form TP-223-V entitled *NetFile Quebec Registration Form 200* and submit it to Revenue Quebec by mail or fax.

To get this form on line, visit: <http://www.revenu.gouv.qc.ca/en>

On the Revenue Quebec home page

First select Online Services Forms and publications



Then under the “By Category” section, select *Income Tax*

The screenshot shows the REVENU QUÉBEC website interface. At the top, there is a navigation bar with links for Site Map, Information Centre, Québec Portal, Employment, and Contact Us. Below this is a search bar and a language selector for Français. The main navigation menu includes CITIZENS, BUSINESSES, ONLINE SERVICES (FORMS AND PUBLICATIONS), and ABOUT US. A secondary menu lists 'What Do You Want To Do?' with options for Online Services, Forms, Publications, and Administrative Documents. The main content area features a large banner for 'PRE-AUTHORIZED DEBIT' and several categorized sections: 'New Online Services', 'Software and Services', 'Calculators', 'New Forms', 'New Publications', 'ADMINISTRATIVE DOCUMENTS', 'EXTERNAL LINK', and 'CONTACT US'. The 'New Forms' section is highlighted with a red box, and within it, the 'By Category' sub-section is also highlighted with a red box, containing the following items:

- Consumption taxes
- Income tax
- Unclaimed property

Click on *TP-223-V*.

TP-157-V	Eligibility Certificate for Renovation or Alteration Expenses	2012-02
TP-163.1-V	Interest Paid on a Loan Taken Out on a Life Insurance Policy	2002-12
TP-223-V	NetFile Québec Tax Preparer Registration Form	2012-10

Download, save and/or print form TP-223-V. Complete and send the form to the appropriate fax number or address as indicated on the last page of the registration form.

Issuance of the NetFile Québec preparer number and password

An application submitted to Revenue Quebec will follow a parallel process to the federal's. When your application is approved, you will receive by mail a confirmation letter containing the same preparer number issued by the federal government and a Web access code that you will need to enter in your Quebec TP1 Efile setup in DT Max.

Efiling Responsibilities

Federal - Electronic Filer

- You must renew your participation in electronic filing on a yearly basis and inform the CRA of any changes to your EFILE registration. To modify your account, access the Account maintenance page.
- Deal directly with your client. You cannot accept and transmit records from an unregistered preparer. If you offer transmission services to clients who prepare their own returns, we consider you to be acting as the tax preparer and require you to fulfill all the responsibilities outlined below.
- To protect your interests and the integrity of our tax system, take proper care to verify the identity of your client. Ensure your client has documents (such as information slips and receipts) to support all income, deductions, and credits reported or claimed on the return. Verify the authenticity of these information slips before conducting financial transactions.
- Inform your client that elections, designations, agreements, waivers, and special elective returns must be submitted on paper by the appropriate due date, as established in the Income Tax Act.
- Make sure your client completes and signs Form T183, Information Return for Electronic Filing of an Individual's Income Tax and Benefit Return, before transmitting the return. When filing a pre-bankrupt return or a deceased person the T183 is to be signed by the legal representative. In the case of a deceased return, that would be the liquidator (executor) or administrator of the estate. Please note that as the legal representative for a deceased person, you are required to provide the electronic filer with a copy of the proof of death certificate. You must also keep this information for a period of six years.
- For each System for Electronic Notification of Debt (SEND) request submitted, get a signed Form T1153, Consent and Request Form from your client.
- Ensure the return is prepared with software that has been certified by the Canada Revenue Agency (CRA) as compatible with either EFILE On-Line or EFILE On-Line Plus, depending on which filing option you will use to transmit.
- Use only the EFILE number and password we assigned to you when you registered or renewed. Keep this information confidential.
- Transmit eligible returns using a secure Web browser that supports 128-bit secure socket layer encryption (SSL).
- Correct rejected records and transmit again. Inform your client of any delays in the transmission or acceptance of these returns. Advise your client, in writing, of any changes to refunds or balances owing.
- Protect the confidentiality of taxpayer information and let the government know immediately of any loss, suspected loss, or unauthorized disclosure of client information obtained through electronic filing.
- Ensure that all documents are properly disposed of to protect your clients' confidentiality.
- Comply with all provisions of the Income Tax Act.

Quebec – Preparer

Your profile must be that of:

- An individual who is the sole proprietor of a business;
- The managing partner of a partnership;
- A director, manager, senior officer, or majority shareholder of a corporation (a majority shareholder is a person who holds a majority of the corporation's shares having voting rights);
- A branch manager;
- Any person referred to above who holds a franchise;
- A person (such as an employer) who is responsible for supervising or managing any of the persons referred to above.
- You must be duly registered with NetFile Quebec.
- You must meet the eligibility requirements.
- You must have your access code and your NetFile Quebec number.
- You must have obtained your client's authorization.
- You must use approved software to file your clients' returns.
- You must deal directly with your clients.
- You must examine supporting documents when completing your clients' returns, to ensure that the documents substantiate the income reported, and the deductions and credits claimed.
- You must follow up on requests for information or supporting documents with respect to certain returns.
- If you are not the transmitter, you must ensure that the transmitter promptly forwards all messages to you, including the confirmation message respecting accepted and rejected returns.

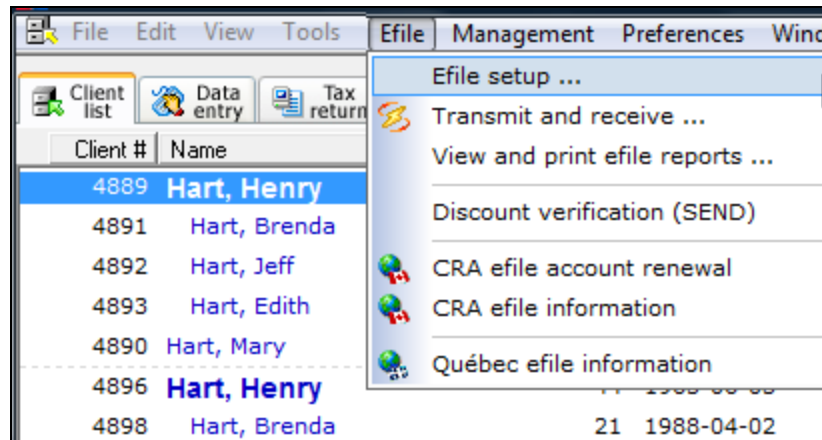
Configuring DT Max for Efile

Efile Setup

Complete your Efile setup within DT MAX only after you are properly registered and are ready to start preparing and transmitting electronic returns.

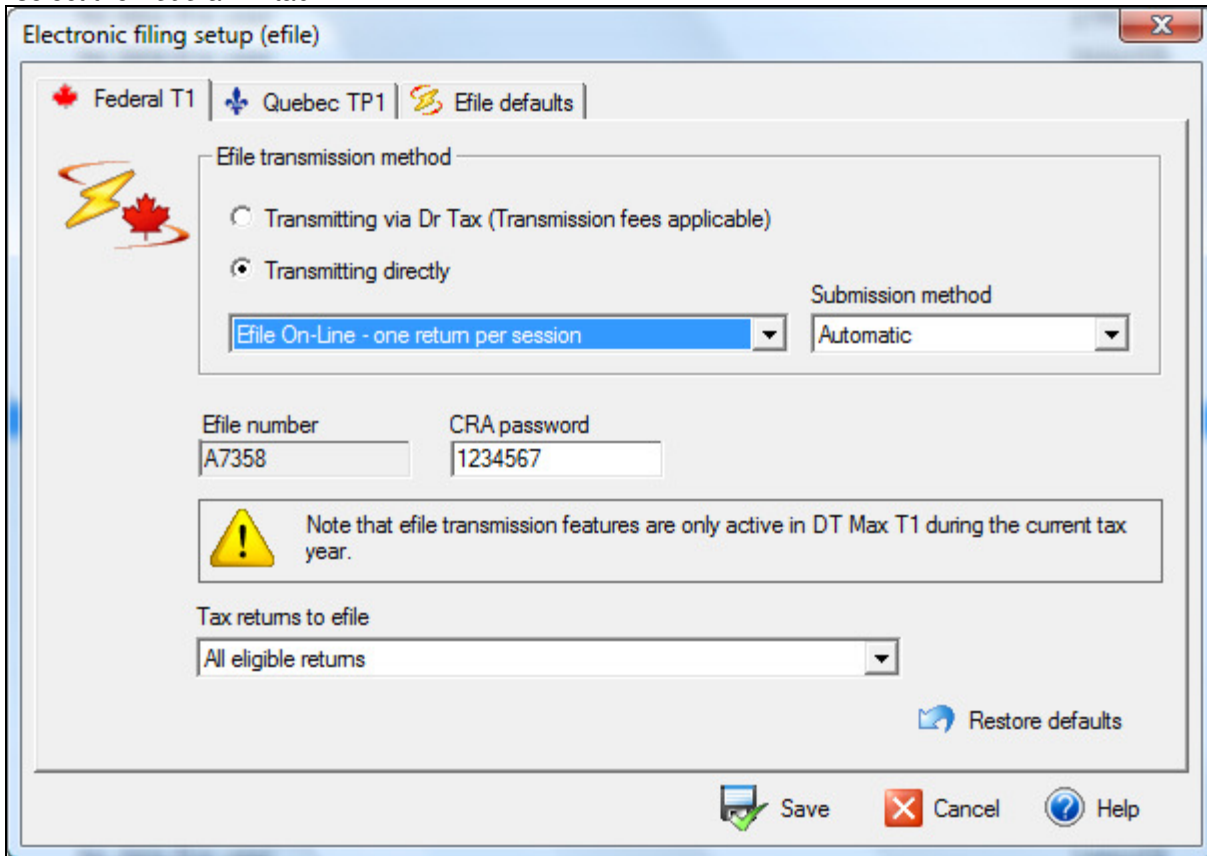
Make sure version 15.10 of DT Max, the first Efile certified version for the 2011 tax year, is properly installed.

From the *Efile* menu, select *Efile setup*.



Federal T1

Then select the *Federal T1* tab.



In the *Efile transmission method* area, select the radio button that corresponds to the desired method:

Transmitting via Dr Tax

Under this mode, the federal returns you wish to transmit transit through our servers and are sent securely to the government. The Dr Tax transmission is Internet and Dial Up connection compatible.

Please note that there are additional fees for this service. Contact our Client Services Department for more details.

Transmitting directly to CRA: individually (Efile On-Line), or by batch (Efile On-Line Plus)?

Efile On-Line allows you to transmit returns manually one at a time. Acknowledgements are received instantly.

Efile On-Line Plus allows you to transmit batches of up to 30 returns through an automated process managed by DT Max. An acknowledgement file is usually received within a few hours. DT Max manages and archives all transmission related reports. It is recommended that you pick up all acknowledgement files as soon as possible in order to minimize delays in processing your clients' returns especially where corrective action is necessary. It will also allow you to provide your clients with confirmation that CRA has their return.

By installing your license key, DT Max will automatically input your preparer number in the Efile setup. Make sure that the preparer number entered is in fact the one you were assigned by the government, and enter the CRA password in the prescribed box (highlighted in yellow).

Electronic filing setup (efile)

Federal T1 | Quebec TP1 | Efile defaults

Efile transmission method

Transmitting via Dr Tax (Transmission fees applicable)

Transmitting directly

Efile On-Line Plus - sixty returns per session

Efile number: A7358

CRA password: 1234567

Interchange control number: 80000006

Note that efile transmission features are only active in DT Max T1 during the current tax year.

Tax returns to efile: All eligible returns

Restore defaults

Save Cancel Help

Leave the Interchange control number as is.

If information is missing in any entry field, the field will be displayed in yellow and you will receive a warning that the Efile setup is incomplete.

In the pull-down menu called *Tax returns to Efile*, select the option that matches the type of returns you wish to Efile by default. Please be advised that if the majority of your clients will Efile, you should select the *All eligible*

returns option. In each of the client files that are not to be transmitted by Efile, all you have to do is select *No – do not transmit this return* for the Efile keyword. Click on *Save* to register your federal Efile set up.

Tax returns to efile

All eligible returns

Eligible returns with refund

Eligible discounted returns

None

Restore defaults

Save Cancel Help

Quebec

Now click on the *Quebec TP1* tab

Electronic filing setup (efile)

Federal T1 Quebec TP1 Efile defaults

Efile transmission method

Transmitting via Dr Tax (Transmission fees applicable)

Transmitting directly

RQ Web site

Efile number: A1234 Web access code: A123

Note that efile transmission features are only active in DT Max T1 during the current tax year.

Tax returns to efile: All eligible returns

Restore defaults

Save Cancel Help

As with the federal setup, you need to decide on the transmission method, enter the password issued by Revenue Quebec (here it is called Web access code) and indicate which tax returns to efile.

Transmitting via Dr Tax or directly to the NetFile Québec site

In the Quebec TP1 tab, you have to specify whether you will use the Dr Tax transmission service for the Quebec returns or proceed directly to the RQ website. Note that your transmission method and tax returns to efile need not be identical for both levels of government.

Enter all the relevant information and then click on *Save* to register your Quebec TP1 Efile setup.

Efile Defaults

Electronic filing setup (efile)

Federal T1 | Quebec TP1 | Efile defaults

For individual clients, use the keywords found in the EFILE group to override these defaults.

System for Electronic Notification of Debt (SEND)
Do not print T1153 Consent and request form (default)

Alternative address authorization - T183 Part D
Assessment / refund - taxpayer's address (default)

Efile authorization - T183 Part E (TP-1000 Part 3)
Represent the client on income tax matters (default)

T183 expiry date
dd/mm/yyyy
31-12-2012

If you wish to specify a different contact name, be a representative for prior years, revoke a prior authorization or make other modifications, please submit Form T1013 to the CRA and Form MR-69 to RQ on paper. Note that if you enter your client's Quebec access code (keyword QUE-ACCESS-CODE), you will need to submit Form MR-69 to represent your client with RQ.

Pre-assessment review contact method
Contact with the electronic filer by fax (default)

Post-assessment review contact method (Federal only)
Contact with the electronic filer by fax (default)

Restore defaults

Save Cancel Help

The Efile defaults determine whether to produce the T1153, how to complete the T183 and TP-1000.TE-V, and the method of pre-assessment contact. You can override the default settings for any particular client by accessing their file, opening the Efile keyword group, and utilizing the appropriate keywords.

All returns, whether they are filed electronically or on paper, are subject to a routine review after they are assessed by the CRA. In some cases, this review will result in a request for supporting documents (Pre-assessment review). This does not necessarily mean you or your client made any errors or omissions. Unless your client has signed Form T183 – Part E, authorizing you as an electronic filer to represent a taxpayer (you decide if you want the CRA to contact you before your client through the Efile authorization T183 Part E (TP-

1000.TE-V Part 3) option of your Efile setup shown above), and that information has been transmitted to the CRA, they will contact your client directly with the request.

As for any other item of the Efile setup, you must click on *Save* to register your preferences.

Preparing the Returns

Preparing and verifying the returns

The actual preparation of tax returns for electronic filing is the third step in the process. This is done only after you have properly registered and completed your Efile setup. Whether a tax return is being prepared for paper filing or for efile, the data entry is exactly the same. You input and calculate clients as usual.

Selecting clients to Efile

If you have specified in your setup that you want to efile all clients, DT Max will automatically select the clients that are eligible for efile.

If you don't want to efile a client who would otherwise be eligible for electronic filing, use the Efile keyword and select *No - do not transmit this return*. If you have specified that you want to Efile none of your clients, then use the keyword Efile and select the option *Yes – if eligible* to select a client for efile.

Eligible returns

If the tax return is eligible for efile, the program will produce form T183 titled- *Information return for Electronic Filing of an Individual's Income Tax and Benefit Return* (federal) and form TP-1000.TE-V titled *Internet Filing of Personal Income Tax Returns: Statement and Authorization by Individuals* (Quebec). These forms are also referred to as the authorization forms.

DT Max will also produce an electronic copy of the return, which is placed in the Efile queue, and the client list will show the client's status as *Ready to Efile*.

Non-eligible returns

If the tax return is not eligible for efile, the program will produce an *Efile Ineligibility Diagnostic* in the *Notes and diagnostics* page of the return, clearly indicating the reason why the return is ineligible for Efile. The client list will show the status as *Ready to Print*.

Printing required forms and getting signatures

Although efile is called a paperless system, there are certain forms that must be printed even if the tax return is being efile. Some of these forms must be submitted to the government while others must be kept by the tax preparer until the government requests a copy of the document.

Forms required for efile that are not submitted to governments

T183 - Information return for Electronic Filing of an Individual's Income Tax and Benefit Return (federal)

TP-1000.TE-V Internet Filing of Personal Income Tax Returns: Statement and Authorization by Individuals (Quebec)

The T183 and TP-1000.TE-V forms authorize you to efile the taxpayer's return. These forms must be signed by the client **PRIOR** to transmission. Both the tax preparer and the client are required to keep a copy of these forms. They must be submitted only if the government specifically requests a copy. You must retain them for 6 years from the date the return was filed.

Required forms for efilings that must be submitted by mail to the governments

TP-1012 Request for Loss Carry-Back

Other election forms

T7DR(A) Efile Remittance Form (federal)

TPZ-1026.01 Efile Remittance Form (provincial)

In order for an election to be considered valid, it must be submitted in writing along with the necessary paper documentation by the due date established in the Act. These forms should be mailed to the closest Tax Centre along with a cover letter explaining that the documentation is in support of the client's electronically filed return.

These are the only documents that should be sent to the CRA or Revenue Quebec. All other documentation is sent to the government only if requested.

The federal T7DR(A) and provincial TPZ-1026.0.1 remittance forms are used by clients to pay an amount owing for returns that have been filed electronically. DT Max will automatically print completed copies of these forms as required. However, these are not approved forms. The relevant information should be copied to the official form available from the government.

Payment can be made at any bank, or mailed using the appropriate remittance forms and envelopes. All amounts owing must be paid by April 30th.

Ready to Efile

Once you have completed a tax return and it appears in the client list with the status "Ready to Efile", the return is ready for printing and transmission.

Since the authorization forms must be signed prior to transmission, the next step in the Efile process is to print the government, office and client copies of the return. Select the clients to be printed from your Ted queue which is reflected in the list of customers to drop down list type. Tick the Federal CRA and Quebec MRQ destinations in the print window.

Government copies

The only forms that will be printed for the government destinations are the forms that are required for efilings, namely the T183, TP-1000.TE-V, T7DR(A) and TPZ-1026.0.1 along with any election forms.

Client copy

Nothing is different regarding the forms that you print for your clients. The forms that you have indicated in forms manager will be produced for your clients. Remember to give your clients a copy of the authorization forms.

Office copy

Your office copy of the tax return also remains the same for both paper and efiled returns. However, if one of the reasons why you are considering Efile is to move towards a paperless office, then you might be interested in archiving. This is a procedure that allows you to keep a copy of the return as it exists at the moment of transmission or printing, by saving it to disk instead of on paper. You might also choose to use a combination of archiving and printing: you can print the T1 and TP1 summaries of the returns, but you no longer have to print the entire return since it is archived.

Transmitting Electronic Returns

Selecting Clients for Transmission from the Client List

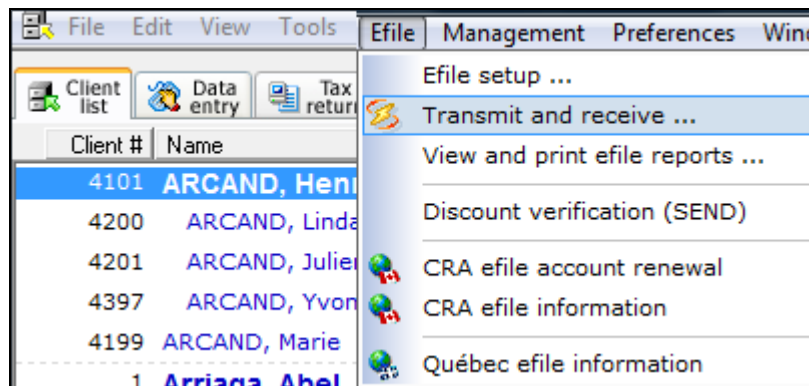
Electronic transmission is the fourth step in the efilng process. After you have printed the required forms and your clients have signed the T183 and TP-1000.TE-V authorization forms, you are ready to efile their tax returns.

From your client list, you can select the returns you wish to transmit. The selection process is the same as for printing: use either **F5** or your spacebar to highlight the clients to transmit. Once selected, the clients will appear in yellow. To deselect a single client, press your spacebar. To deselect all, press **Alt+F5**.

Transmitting the Returns

Click on *Efile* menu and select *Transmit and receive*.

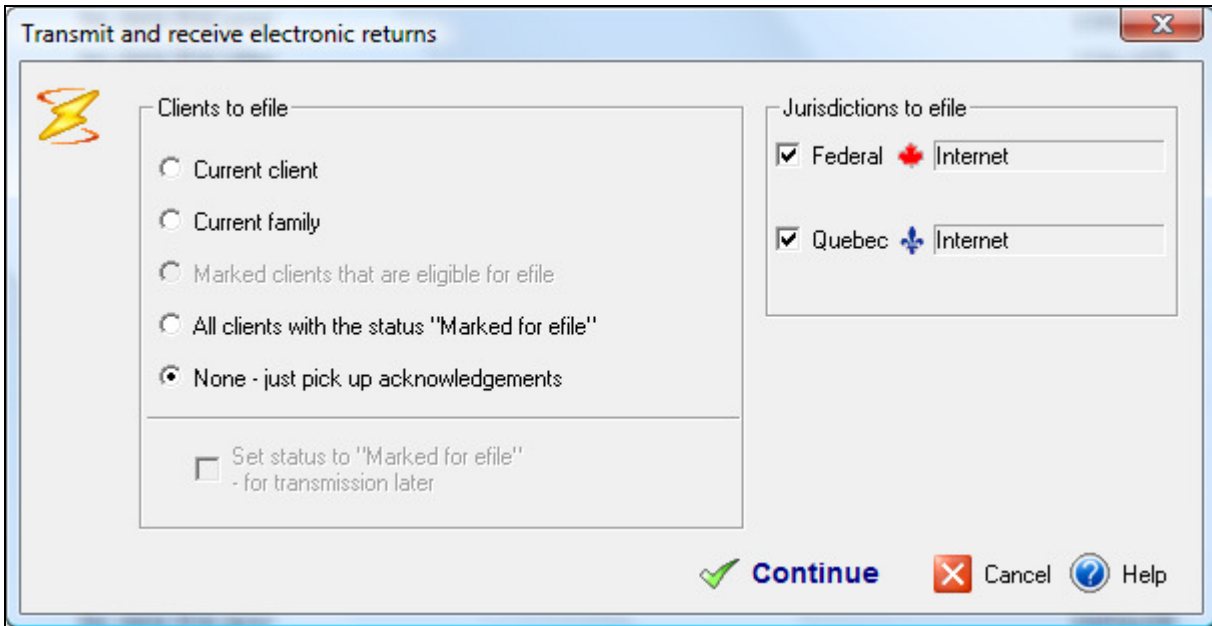
Note: **You may file to multiple jurisdictions at once by selecting the destinations accordingly.**



Choose among the following options:

- Current client
- Current family
- All the clients with the status "Marked for efile"

If in the client list you marked clients you wished to transmit, DT Max will automatically select *Marked clients that are eligible for efile*.



Automated Batch Transmissions and Status Updating

If you are using *Efile On-Line Plus* or transmitting via Dr Tax, after you click *Continue*, DT Max will:

- Generate the electronic returns for the clients and jurisdictions selected;
- Transmit the returns to their respective destinations;
- Receive any acknowledgements available and;
- Update the client's status change accordingly.

You can follow the entire process with the electronic transmission log dialog box that details each step (not illustrated).

As stated above, DT Max retrieves all outstanding responses when transmitting a batch of returns. It is however possible to check for acknowledgement files that detail accepted or rejected transmissions at any time by returning to the *Transmit and receive* option. In that case, you only need to select the *None – just pick up acknowledgements* radio button in the *Clients to efile* area.

After a waiting time that may be as short as one hour but can stretch to 24 hours, acknowledgement files are available for download.

Efile Queue

In the DT Max client list, there is an Efile queue in the *Type of list* pull-down menu. This queue displays all Efile eligible individuals which are ready to be transmitted, or have already been transmitted with errors and require a correction.

Viewing and Printing Reports

Viewing and printing reports is the fifth step in the Efile process. When you efile tax returns either directly or via Dr Tax, you will automatically receive transmission reports confirming that your tax returns have been sent to and acknowledged by CRA and RQ.

To view these reports, go to *Efile | View and Print Efile Reports*. All transmissions sent and received are listed in the Efile reports screen, and are classified by control number, date and report type. Select the reports you wish to view or print, then select *View/print reports*. Note that reports, which have been received but have not yet been viewed, are identified as "NEW".

Types of Transmission Reports

Generated after transmitting returns. You will obtain a separate report for each government They are

- Transmission Status Report (TSR)
- Initial report (813)
- File functional acknowledgment (997) federal only
- Acknowledgement Report (151)

Available in as little as one hour but on average within 3 to 24 hours after transmission depending on the volume of returns that are being processed at a given point in time.

It is strongly recommended that only one computer and database be assigned the task of handling all transmissions. This will ensure that all acknowledgment reports are properly processed within that one database.

DT Max Keywords for an Accepted Return

If a return has been successfully efiled, the keywords Efile-Result and Progress will appear in the client's file. The keyword Efile-Result will specify the document control number and the date of transmission whereas the keyword Progress will indicate *Efile acknowledgment OK*.

Note that once you have successfully transmitted a return, you cannot Efile it again. If you subsequently locate an error in the tax return, you will have to file a paper adjustment request that includes the Efile confirmation number.

DT Max Keywords for a Rejected Return

If a return is rejected, the keywords Efile-Result and Error-Code will appear in the client's file. You should first determine the cause of the error and make the required corrections to the client's file.

Each government's Efile program has its own list of Efile errors:

- CRA T1 Efile error messages can be found in Chapter 2 of T4018 of the CRA's *Electronic Filers Manual*.
- RQ TP1 Efile error codes can be found in the document SW-223.CE-V *NetFile Quebec: Error Codes*.

In these documents, the action required on the various error codes is explained. For example, error code 56 indicates that the client's postal code was not entered. Many error codes are simply the result of keying errors or missing entries.

In some instances, the information contained in the government documents is not enough to resolve the error code. In these cases, additional help is available by calling your Efile Help Desk or by contacting Dr Tax.

Once the corrective action has been taken to resolve an error code and the tax return has been re-calculated, it can be retransmitted. There is no limit to the number of times a record can be transmitted.

If, however, changes made to the return alter the refund or balance owing by more than \$300, a new Efile authorization form (T183 or TP-1000.TE-V) must be completed and signed by your client. Also note that if an Efile error cannot be corrected, the return will have to be printed and filed on paper.

After Transmission

All returns, whether electronically filed or paper filed, are subject to the same selection process for verification, both before and after the assessment.

Pre-assessment verification

When an efiled return is subject to verification before assessment, documentation may be requested to support a claim made on the return. Because the government will contact the tax preparer to obtain this document, it is important that you retain a copy of your clients' information slips. If the government has selected a return for verification before assessment, code 2139 will appear on the Acknowledgment report to the right of the taxpayer's name.

Post-assessment verification

This verification takes place after the returns are initially assessed. The review will begin with an initial contact letter from the tax department. The department will request specific documentation required to support the claim. The government will contact either the client or the tax preparer to obtain this information, depending on who is specified as the authorized representative on the T183 or the TP-1000.TE-V.

Authorization forms

After the tax season, the governments will request copies of the authorization forms T-183 and TP-1000.TE-V duly completed and signed by the taxpayer.

These forms along with any supporting documentation should be kept by the tax preparer for a period of 6 years.

Exclusions to Electronic Filing

Federal Efile Exclusions

Efile is only available for the current tax year (i.e. 2012)

Although most clients are eligible for Efile, the following lists the different criteria that may exclude an individual's personal tax return from the electronic transmission process:

- The taxpayer is a deemed resident (not subject to provincial or territorial tax).
- The taxpayer died prior to the current tax year. Early filed and Elective deceased returns also remain as exclusions.
- The taxpayer's social insurance number begins with "0."

- The taxpayer is coded bankrupt according to the Canada Revenue Agency's records and is filing an in bankruptcy or post-bankruptcy return. Only pre-bankruptcy returns are accepted through EFILE.
- The taxpayer is an immigrant, an emigrant, or a non-resident.
- The taxpayer's address is outside Canada.
- The taxpayer's taxing province or territory is not the same as his or her province or territory of residence.
- The taxpayer is reporting:
 - Canadian-source income from Lloyds of London
 - Employment income earned from an international organization;
 - Lump-sum pension income accrued to December 31, 1971;
 - Income or a loss from self-employment or rental operations for which more than six sets of financial statements are prepared;
 - An Ontario, Saskatchewan, British Columbia, or Yukon Qualifying Environmental Trust Tax Credit (may also be referred to as Mining Reclamation Trust Tax Credit);
 - A statement of qualifying retroactive lump-sum payment (T1198);
 - A Nova Scotia research and development tax credit recapture;
- The taxpayer is electing to defer tax on a distribution of spin-off shares by foreign corporations.
- The taxpayer is claiming:
 - Less than the maximum federal foreign tax credit;
 - Foreign taxes paid to more than three countries;
 - A deduction for scientific research and experimental development expenses;
 - An Alberta stock savings plan tax credit (T89);
 - A Saskatchewan royalty tax rebate (T82);
 - A disability amount for themselves, for a dependant other than a spouse or common-law partner, for a transfer from a spouse or common-law partner and this is a first-time claim;
- A claim at field 318 involves more than ten dependants;
- The taxpayer is reporting farming income with the AgriStability and AgriInvest application that involves:
 - Farming income from a partnership reported on a T5013 slip or a partnership that includes a corporate partner;
 - A Canadian Indian reporting self-employed income that is "tax-exempt income"
 - More than 10 occurrences for either crop and livestock inventory on EFILE ON Line returns (SFD type 9 only);
 - More than 50 occurrences for either crop and livestock inventory on EFILE On Line Plus returns (SFD type 9 only).

Quebec Efile Exclusions

The principal restrictions to NetFile Québec are grouped as follows:

- a) General restrictions
- b) Income restrictions
- c) Tax credit restrictions
- d) Tax form restrictions

General restrictions

- Your client's social insurance number begins with 9, and his or her income tax return for the 2011 taxation year has not yet been processed.
- Your client does not have a social insurance number, but has a temporary taxation number that begins with 0.
- Your client's spouse does not have a social insurance number, but has a temporary taxation number that begins with 0.
- Your client declared bankruptcy in 2012 or 2013.
- Your client was not resident in Quebec on December 31, 2012
- Your client's address is outside Quebec.
- Your client's only address is a P.O. box.
- You client was not resident in Canada throughout 2012.
- Your client's spouse does not reside in Canada.
- Your client is requesting an income tax adjustment on line 402 of Schedule E.
- Your client already filed an income tax return for the 2012 taxation year.

Income restrictions

- Your client is reporting income earned outside Canada.
- Your client is claiming a deduction for employment income earned outside Canada.
- Your client is reporting business income (or business losses) in another province.
- Your client disposed of more than four immovable or depreciable properties.
- Your client split dividend income.
- Your client is claiming the deduction for a member of a partnership that operates an international financial center (IFC).
- Your client is deemed a resident entitled to forgiveness of income tax (for example, an ambassador).
- Your client is claiming a deduction for foreign producers or foreign individuals holding a key position in a production filmed in Québec.
- Your client is claiming a deduction for foreign specialists working for a corporation operating a stock-exchange business or a securities clearing house.

- Your client is claiming a deduction for foreign farm workers.

Tax credit restrictions

- Your client paid foreign income tax to more than one country or is entitled to foreign tax credits for business income.
- Your client is claiming a tax credit for the averaging of the deduction for certain repayments.
- Your client is claiming a non-refundable tax credit for more than six children over 18 who are pursuing post-secondary studies.
- Your client is claiming an amount for more than six children under 18 enrolled in post-secondary studies (Schedule A).
- Your client is claiming a non-refundable tax credit for more than three persons who qualify as other dependants.
- Your client is claiming a refundable tax credit for caregivers, for more than two eligible relatives.
- Your client is claiming the tax credit for respite of caregivers, for more than two people with a significant disability (Schedule O).
- Your client is claiming a tax credit for expenses related to scientific research and experimental development. (RD)
- Your client is claiming a support payment deduction for more than four recipients.
- Your client is reporting more than twelve amounts for child-care expenses.
- Your client is claiming a tax credit for the apprenticeship period of a specialized employee (IFC).
- Your client is claiming the tax credit for child-care expenses for more than six eligible children.
- your client entered more than four persons to whom it transfers an amount for an adult child to post-secondary education (Schedule S)
- Your client is claiming an amount for a person living alone on line 20 of Schedule B, and your client has a spouse.
- In 2012, your client received, under a law of Canada or a province other than Québec, an income replacement indemnity (that is, workers' compensation; an indemnity further to a precautionary cessation of work, a traffic accident or an act of good citizenship; or an indemnity because he or she was the victim of a crime) or compensation for the loss of financial support, owing to him or her for a previous year.
- Your client is a child 18 or over enrolled in post-secondary studies who is transferring an amount to more than four people.

Tax form restrictions

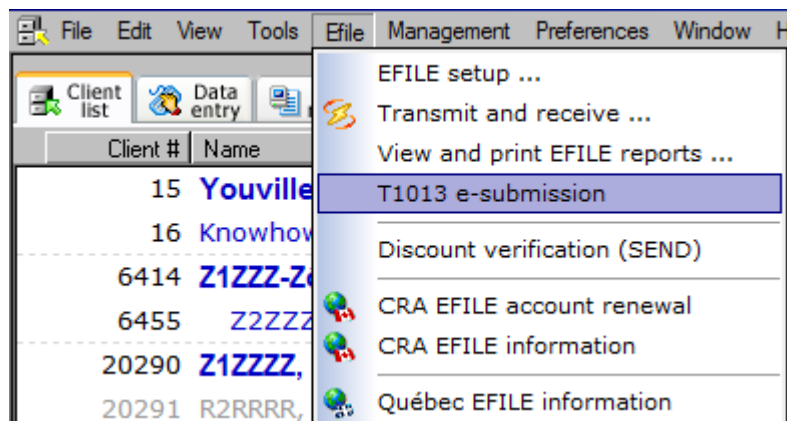
- Your client is completing form TP-766.2-V, Averaging of a Retroactive Payment, Support-Payment Arrears or a Repayment of Support, to average a retroactive payment (such as benefits under the Québec Pension Plan).
- Your client is reporting income (or losses) from a business or profession, or rental income (or losses), in more than nine separate financial statements or copies of form TP-80-V, Income and Expenses Relating to a Business or Profession, form TP-80.1-V, Calculation of Business or Professional Income, Adjusted to December 31, or form TP-128-V, Income and Expenses Respecting the Rental of Immovable Property.
- Your client is claiming capital cost allowance more than eight times on form TP-80-V, Income and Expenses Relating to a Business or Profession.

- Your client has indicated more than four other partners on form TP-80-V, Income and Expenses Relating to a Business or Profession.
- Your client has indicated more than four other co-owners on form TP-128-V, Income and Expenses Respecting the Rental of Immovable Property.
- Your client is claiming capital cost allowance more than six times on form TP-128-V, Income and Expenses Respecting the Rental of Immovable Property.
- Your client is reporting partnership income from a business or immovable property, but has not received an RL-15 slip or a T5013 slip.
- Your client is completing form T1139, Reconciliation of 2008 Business Income for Tax Purposes, to report income (or losses) on form T2121, Statement of Fishing Activities, or on form T2042, Statement of Farming Activities.
- Your client is filing more than one return for the taxation year for a deceased person.

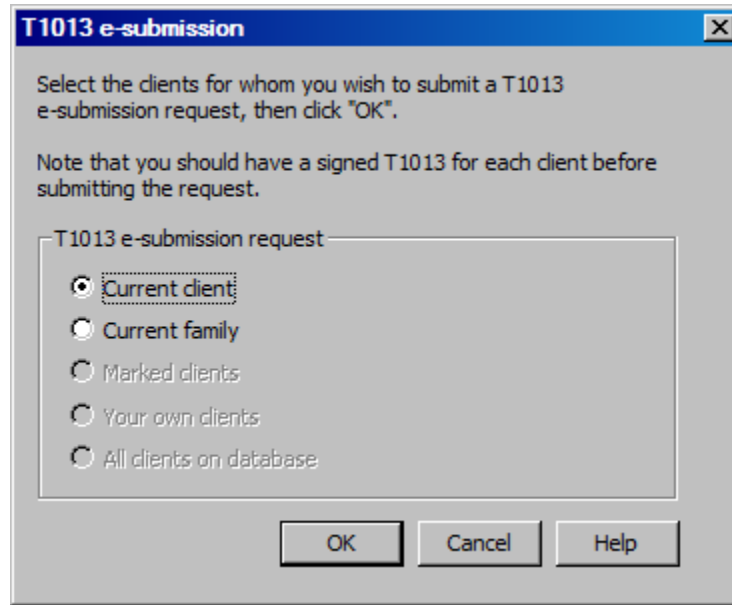
T1013 e-submission

Since tax year 2010, the CRA allows the electronic transmission of the authorization form T1013. In order to be able to transmit, you must be registered with the Federal government for Efile.

In order to transmit electronically the T1013 authorization form from within DT Max, you must first calculate your client's tax return. Then, from the Efile menu, select T1013 e-submission



A new window will appear, asking you to select the clients for which you want to submit the form: Current client, Current family, Marked clients, Your own clients, All clients on database. Select the appropriate option and click OK.



DT Max will then transmit the T1013 Authorization form to the CRA. The files will be processed in real time, meaning that the response from the CRA will be almost instantaneous.

The results can be viewed from the Efile Transmission Log, located in the Efile menu, or from within the client's file through the PROGRESS keyword.

If the transmission is rejected by the CRA, the error code will appear in the EFILET1013Error keyword. To see a list of the error codes, please go to the Help menu and select Knowledge base. Under the Contents tab, expand the DT Max Help directory, then expand Electronic transmissions. Expand the T1013 section and choose the document entitled "T1013 e-submission".

Efile help desk contact information

Designated EFILE helpdesk contact information

EFILERS served by Tax Services Offices in:	Designated EFILE Helpdesk	Hours of Operation Monday To Friday
British Columbia, Yukon Territory, and Regina	Surrey Tax Centre 9755 King George Boulevard Surrey BC V3T 5E6 Local calls: 604-585-7369 Long distance calls: 1-800-268-1822 Fax: 604-951-7011	8:15am to 4:30pm
Alberta, Manitoba, Northwest Territories, London, Saskatoon, Thunder Bay, and Windsor	Winnipeg Tax Centre 66 Stapon Road Winnipeg MB R3C 3M4 Phone#: 1-800-461-1806 Fax: 204-984-5302	8:15am to 4:30pm
Toronto Centre, Toronto East, Toronto North, Toronto West, and Sudbury** <i>(Sudbury/Nickel Belt only)</i>	Sudbury Tax Centre 1050 Notre Dame Avenue Sudbury ON P3A 5C1 Local calls: 705-670-6499 Long distance calls: 1-800-361-6283 Fax: 705-670-6500	8:15am to 4:30pm
Laval, Montréal, Nunavut, Ottawa, Rouyn-Noranda, Sherbrooke, and Sudbury** <i>(North-Eastern Ontario only)</i>	Shawinigan Tax Centre P.O. Box 5000 Main Station Shawinigan-Sud QC G9N 8M1 Local calls: 819-537-5753 Long distance calls: 1-800-265-6201	8:15am to 4:30pm
Chicoutimi, Montérégie-Rive-Sud, Outaouais, Québec, Rimouski, and Trois- Rivières	Jonquière Tax Centre P.O. Box 1900 Station PDF Jonquière QC G7S 5J1 Local calls: 855-699-4640 Long distance calls: 1-855-699-4640 Fax: 418-699-0203 or 1-800-497-5806	8:15am to 4:30pm

<p>New Brunswick, Newfoundland and Labrador, Nova Scotia, Kingston, Peterborough, and St. Catharines</p>	<p>St. John's Tax Centre P.O. Box 12071 Station A St. John's NL A1B 3Z1 Local calls: 709-772-5809 Long distance calls: 1-800-563-2331 Fax: 709-772-3611</p>	<p>8:15am to 4:30pm</p>
<p>Prince Edward Island, Belleville, Hamilton, and Kitchener/Waterloo</p>	<p>Summerside Tax Centre Suite 105 275 Pope Road Summerside PE C1N 6E8 Local calls: 902-432-5316 Long distance calls: 1-877-522-2061 Fax: 1-877-522-2062</p>	<p>8:15am to 4:30pm</p>

NetFile Québec Assistance

NetFile Québec offers a personalized assistance service. For quick answers to your queries, simply contact one of our representatives.

The service is available from 8:30 a.m. to 4:30 p.m. on Monday, Tuesday, Thursday and Friday, and from 10:00 a.m. to 4:30 p.m. on Wednesday, with extended hours during tax time. Refer to the calendar for the extended schedule.

You can contact NetFile Québec Assistance at the address or numbers below:

Service d'aide ImpôtNet Québec
Revenu Québec
328, boulevard René-Lévesque Ouest, bureau 101
Chandler (Québec) G0C 1K0

Québec City region: 418 652-4090
Montréal region: 514 287-3044
Elsewhere (toll-free): 1 800 363-2070