



Connection

Summer 2022

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Letter from the Editor

As the back-to-school preparations are well underway, it means that the summer vacations are reaching its end. With that being said, we welcome the Summer edition of the Connection. As usual, this issue of the Connection is packed with information you can use to get even more out of your DT Professional Suite products.

As always, this edition marks the arrival of your DT Max Planner version. I encourage you to review the summary of changes made to DT Max T1, T2, T3 and T5013. For more in-depth coverage of all changes, be sure to read the “What’s new” for version 25.30 in our Knowledge Base online.

Synergy Canada is once again fully virtual this fall. This all-digital, interactive experience will allow you to access online, from anywhere you are. You’ll be able to attend workshops, learn about upcoming product updates, hear from expert speakers, including the CRA, and interact with staff. The workshop sessions will be recorded and provided to registered users after the conference. So, join us on November 16 for Synergy Canada. For more details or to register, be sure to visit www.thomsonreuters.ca/synergy.

On behalf of everyone at Thomson Reuters, go outside and take advantage of what’s left of the summer weather !

Ida Celli
Editor, Connection
ida.cell@thomsonreuters.com

What’s new for DT MAX?

REVISION OF NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS)

There have been extensive revisions to the North American Industry Classification System (NAICS) as several NAICS codes have been removed while several others have been added.

Please verify the data entry where a NAICS code has been entered and make sure it is still a valid one. If your selection is part of the list, then the code is a valid one.

If your option is no longer part of the list, using the appropriate keyword, you must make sure to re-enter a valid code that best describes the main revenue-generating business activity.

What’s new for T1?

ENHANCEMENT OF THE HOME BUYERS’ TAX CREDIT

Budget 2022 proposes to double the credit amount from \$5,000 to \$10,000, which would provide eligible homebuyers with tax relief of up to \$1,500 (\$10,000 x 15%). Spouses or common-law partners would still be able to split the value of the credit provided the combined total does not exceed \$1,500 in tax relief.

This measure would apply to the purchase of an eligible home made on or after January 1, 2022.

ENHANCEMENT OF THE HOME ACCESSIBILITY TAX CREDIT

To better support independent living, Budget 2022 proposes to increase the annual expense limit of the Home Accessibility Tax Credit from \$10,000 to \$20,000.

This enhancement would provide additional tax support for more significant renovations undertaken to improve accessibility, such as building a bedroom and/or a bathroom to permit first-floor occupancy for a qualifying person who has difficulty accessing living spaces on other floors.

This measure would apply to expenses incurred in the 2022 and subsequent taxation years.

INCREASE OF THE AUTOMOBILE DEDUCTION LIMITS

The following changes to limits and rates will be taking effect as of January 1, 2022:

- The ceiling for capital cost allowances (CCA) for zero-emission passenger vehicles will be increased from \$55,000 to \$59,000, before tax, in respect of vehicles (new and used) acquired on or after January 1, 2022.
- The ceiling for CCA for passenger vehicles will be increased from \$30,000 to \$34,000, before tax, in respect of vehicles (new and used) acquired on or after January 1, 2022.
- Deductible leasing costs will be increased from \$800 to \$900 per month, before tax, for new leases entered into.

What’s new for T2?

DOWNLOAD OF CRA’S NOTICE OF (RE)ASSESSMENT NOW AVAILABLE FOR T2

Starting with version 25.30, you can download the notice of assessment or reassessment in the software.

The Canada Revenue Agency’s (CRA) T2 Auto-fill secure service, available with T2 certified software products, lets business owners and authorized representatives receive the notice of (re)assessment from the CRA to their tax preparation software.

For more information on this exciting feature, please consult the [Procedure to download the notice of \(re\)assessment from the CRA](#) document, available in our knowledge base.

AUTOMOBILE DEDUCTION LIMITS AND EXPENSE BENEFIT RATES - MESSAGE FROM GOVERNMENT AUTHORITIES

On December 23, 2021, the Department of Finance Canada announced the automobile income tax deduction limits and expense benefit rates that will apply in 2022.

The following changes will be taking effect as of January 1, 2022:

The ceiling for capital cost allowances (CCA) for zero-emission passenger vehicles will be increased from \$55,000 to \$59,000, before tax, in respect of vehicles (new and used) acquired on or after January 1, 2022.

The ceiling for CCA for passenger vehicles will be increased from \$30,000 to \$34,000, before tax, in respect of vehicles (new and used) acquired on or after January 1, 2022.

Deductible leasing costs will be increased from \$800 to \$900 per month, before tax, for new leases entered into.

We have been notified by CRA that the above changes cannot be implemented within the software at this time since a bill has not been tabled confirming these changes.

Revenu Québec, however, has confirmed the above changes. As such, should you wish to claim the ceiling increase for **CCA Classes 10.1 or 54**, use the keyword **CCAClassOV** within the **CCA-Class group** and enter the different amounts for the applicable jurisdiction by using the ALT-J keys. If you wish to claim the deductible lease cost increase, use the keyword Leasing-OV within **Vehicle-Exp** group and enter the different amounts for the applicable jurisdiction by using the ALT-J keys.

What’s new for T3?

NEW COLUMNS FOR FORMS T3NL AND T3MJ-NL

Three new columns have been added to the T3NL and T3MJ-NL forms in order to properly calculate the new tax brackets introduced in the 2021 budget, for the 2022 and subsequent taxation years.

CLIENT LIST

Modifications have been made so that when the keyword **Inactive** is used in a client’s data entry screen, the option chosen for this keyword will be displayed on the Client list window, in the Processing status column.

NEW REFUNDABLE TAX CREDIT FOR THE RETURN OF FUEL CHARGE PROCEEDS TO FARMERS (FORM T2043)

Starting in 2021, eligible farming businesses, including members of a partnership carrying on a farming business, with a permanent establishment in Ontario, Manitoba, Saskatchewan and/or Alberta, with total farming expenses of \$25,000 or more, may claim this new refundable tax credit.

If the trust is eligible, the credit will automatically be calculated on the new federal Form T2043 and the amount will be included on line 64 of the federal return.

In addition, since this refundable credit is considered government assistance, it is taxable and must be included in the return for the same tax year in which the credit is claimed. If the trust operates a farming business (Form T2042, T1163 or T1273) and this refundable credit is calculated according to the eligible farming expenses, it will be automatically added to income on line 9600 for Form T2042 (or line 9959 for Forms T1163/T1273). If the trust is claiming this tax credit, the trust will be required to file the T3 return in paper form.

What’s new for T5013?

INACTIVE-FILE FEATURE

A new standalone keyword **Inactive-File** has been added in this DT Max T5013 version. **Inactive-File** is used to prevent the processing of a client’s file. Whenever this keyword is used, the processing status will be changed and no calculation of the client’s return will be allowed. To remove this restriction, delete the keyword **Inactive-File** as you would any other keyword, using [Ctrl-Backspace].

Once the keyword **Inactive-File** is used in a client’s file, if you attempt to access the client through the client list, you will be prompted with a message asking if you wish to reactivate the client or leave as inactive.

Note: This feature is also available for the T2

On the radar

Rev Up Your Practice (in person)

September 19 to September 21, 2022;
with pre-conference on Sep 18, 2022
Elkhorn Resort Spa & Conference Centre, Onanole, MB

CPA Ontario Practice Management & Tax (in person)

October 4 & 5, 2022
The International Centre, Mississauga, ON

30th Annual Alan Salmon Accounting Technology Seminar Series (virtual)

October 5, 12 19 & 26, 2022

SYNERGY Canada Conference (virtual)

November 16, 2022

Obligation to enter the trust identification number on all returns filed with Revenu Québec

As of January 1st, 2023, the trust identification number will be mandatory to appear on all returns, reports or other documents that the trust is required to file under tax legislation. The identification number can be found on the notice of assessment issued by Revenu Québec and must appear on the Trust Income Tax Return (TP-646-V) and Trust Information Return (TP-646.1-V). If a trust does not have an identification number because it has never filed an income tax return, it must request one using form LM-58.1.2-V, Application for a Trust Identification Number. Tax preparers may want to take this into consideration prior to filing a new trust tax return as only the paper format of form LM-58.1.2 is presently available on the government site.

This new regulation will be incorporated in the next DT Max T3 version. If the trust is required to file the Trust Income Tax Return (TP-646-V), DT Max T3 will prevent the calculation of the return if the trust identification number is not entered within the data entry.



Tax brackets and rates (2022) *

Tax Brackets	Rates	Surtax rates	Thresholds
Federal			
\$0 - \$50,197	15 %		
\$50,197 - \$100,392	20.5%		
\$100,392 - \$155,625	26%		
\$155,625 - \$221,708	29%		
more than \$221,708	33%		
Newfoundland and Labrador			
\$0 - \$39,147	8.7%		
\$39,147 - \$78,294	14.5%		
\$78,294 - \$139,780	15.8%		
\$139,780 - \$195,693	17.8%		
\$195,693 - \$250,000	19.8%		
\$250,000 - \$500,000	20.8%		
\$500,000 - \$1,000,000	21.3%		
more than \$1,000,000	21.8%		
Prince Edward Island			
\$0 - \$31,984	9.8%		
\$31,984 - \$63,969	13.8%	10%	\$12,500
more than \$63,969	16.7%		
Nova Scotia			
\$0 - \$29,590	8.79%		
\$29,590 - \$59,180	14.95%		
\$59,180 - \$93,000	16.67%		
\$93,000 - \$150,000	17.5%		
more than \$150,000	21%		
New Brunswick			
\$0 - \$44,887	9.40%		
\$44,887 - \$89,775	14.82%		
\$89,775 - \$145,955	16.52%		
\$145,955 - \$166,280	17.84%		
more than \$166,280	20.3%		
Quebec			
\$0 - \$46,295	15%		
\$46,295 - \$92,580	20%		
\$92,580 - \$112,655	24%		
more than \$112,655	25.75%		
Ontario			
\$0 - \$46,226	5.05%		
\$46,226 - \$92,454	9.15%		
\$92,454 - \$150,000	11.16%	20%	\$4,991
\$150,000 - \$220,000	12.16%	36%	\$6,387
more than \$220,000	13.16%		
Manitoba			
\$0 - \$34,431	10.8%		
\$34,431 - \$74,416	12.75%		
more than \$74,416	17.4%		
Saskatchewan			
\$0 - \$46,773	10.5%		
\$46,773 - \$133,638	12.5%		
more than \$133,638	14.5%		
Alberta			
\$0 - \$131,220	10%		
\$131,220 - \$157,464	12%		
\$157,464 - \$209,952	13%		
\$209,952 - \$314,928	14%		
more than \$314,928	15%		
British Columbia			
\$0 - \$43,070	5.06%		
\$43,070 - \$86,141	7.70%		
\$86,141 - \$98,901	10.50%		
\$98,901 - \$120,094	12.29%		
\$120,094 - \$162,832	14.7%		
\$162,832 - \$227,091	16.8%		
more than \$227,091	20.5%		
Yukon			
\$0 - \$50,197	6.4%		
\$50,197 - \$100,392	9%		
\$100,392 - \$155,625	10.9%		
\$155,625 - \$500,000	12.8%		
more than \$500,000	15%		
Northwest Territories			
\$0 - \$45,462	5.9%		
\$45,462 - \$90,927	8.6%		
\$90,927 - \$147,826	12.2%		
more than \$147,826	14.05%		
Nunavut			
\$0 - \$47,862	4%		
\$47,862 - \$95,724	7%		
\$95,724 - \$155,625	9%		
more than \$155,625	11.5%		

* Based on information available as of August 18, 2022

APPLICATION BY A CORPORATION TO CARRY BACK A LOSS (FORM CO-1012)

Important message from RQ

Revenu Québec would like to remind all tax preparers who are completing and electronically filing the form CO-1012 with the corporate tax return, NOT to mail the form CO-1012 to Revenu Québec.

SYNERGY CANADA VIRTUAL CONFERENCE

Wednesday, November 16, 2022

The Thomson Reuters users' conference for
tax and accounting professionals

REGISTRATION IS NOW OPEN!

We are excited to announce that SYNERGY Canada 2022 will be held virtually on November 16, 2022, allowing more firms to participate.

A unique opportunity to:

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Thomson Reuters
DT Tax and Accounting
1010 Sainte Catherine West St. Suite 200
Montreal, Quebec, H3B 5L1

Customer service and support: 1 800 663-7829

Sales: 1 866 653-8629

