



Connection

Volume 1 - 2023



Letter from the Editor

After shoveling our way out of February, it is time to put away the shovels and welcome spring with open arms. As we all well know, this time of year also means – Tax Time in Canada.

Included in this edition of the Connection is a summary of the changes made to DT Max T1, T2, T3, T5013 and DT FormMax. All the details of version 26.10 can be found in the What's New on our Knowledge Base online. Look for the section: Client suggestions for features implemented resulting from recommendations by users like you.

Our annual Synergy Canada Users' Conference was a huge success, a new record was set with 203 participants attending the English and French virtual sessions. Those who attended received a wide range of useful and detailed information on tax changes, as well as on industry developments and trends. They also had the opportunity to listen and speak with representatives from the CRA and Revenu Québec.

We hope to see you at this year's conference as Synergy Canada will be celebrating its 10th edition. We can't wait to share this year's event with you. Stay tuned for the date and details.

On behalf of everyone at Thomson Reuters,

I wish you a great tax season.

Ida Celli
Editor, Connection

ida.celli@thomsonreuters.com

What's new for T1?

IMMEDIATE EXPENSING OF UP TO \$1.5 MILLION PER YEAR

The government is proposing to expand eligibility for the \$1.5 million temporary immediate expensing measure to investments in eligible property made by unincorporated businesses carried on directly by Canadian resident individuals (other than trusts) and certain eligible partnerships. This measure would be effective for investments made on or after January 1, 2022, that become available for use before 2025 (in the case of an individual or a partnership all the members of which are individuals) or before 2024 (for other partnerships).

Eligible property under this new measure would be capital property that is subject to the capital cost allowance (CCA) rules, other than property included in CCA classes 1 to 6, 14.1, 17, 47, 49 and 51, which are generally long-lived assets.

All additions made to qualifying CCA classes will automatically be considered designated immediate expensing property (DIEP). You can limit the eligible amount for immediate expensing with the keywords **DIEP-Limit**, **DIEP-AIIP-Limit** and **DIEP-AIIPQ-Limit**.

The keyword **CCA-Agreement** opens the group in order to enter the information concerning the agreement relating to the immediate expensing ceiling. The section Agreement between associated eligible persons or partnerships (EPOPs) must be completed if the individual during the taxation year was associated with at least one eligible person or partnership (EPOP) with which the individual has entered into an agreement.

NEW OPTIMIZATION OF THE ATTENDANT CARE AMOUNT AS MEDICAL EXPENSES AND OF THE DISABILITY AMOUNT (T1)

The DT Max now determines whether it is more beneficial to claim the full amount of attendant care expenses as medical expenses on line 33099 of the federal return and not claim the disability amount on line 31600 of the federal return. Special rules apply when claiming the disability amount and attendant care expenses as medical expenses. A new option "T1 - Cost of attendant care as medical expenses" has been added to the **Optimize** keyword if you want to modify this choice.

NEW OPTIMIZATION OF THE ATTENDANT CARE AMOUNT AS MEDICAL EXPENSES AND OF THE AMOUNT FOR A SEVERE AND PROLONGED IMPAIRMENT IN MENTAL OR PHYSICAL FUNCTIONS (TP-1)

DT Max now determines whether it is more beneficial to claim the full amount of attendant care expenses as medical expenses on line 381 of the Quebec return and not claim the amount for severe and prolonged impairment in mental or physical functions on line 376 of the Quebec return. Special rules apply when claiming the disability amount and attendant care expenses as medical expenses. A new option "TP1 - Cost of attendant care as medical expenses" has been added to the **Optimize** keyword if you want to modify this choice.

What's new for T2?

E-DOCUMENT SERVICE FOR ELECTRONICALLY FILED FOREIGN RETURNS (T106 - T1134 - T1135)

The Canada Revenue Agency (CRA) offers a new Web service for EFILE authenticated tax preparers to seamlessly send electronic documents to the CRA by attaching them via their tax preparation software. Attachments will be allowed both at the time of electronic filing of the Foreign Returns (T106 - T1134 - T1135), as well as, during any time throughout the year.

To utilize this service, please set the keyword **E-DOC** to "Yes" within the applicable T106, T1134, or T1135 group and complete the subgroup keywords.

The subgroup entries will allow you to specify how the document is to be transmitted, the type of document being attached, and the attachment itself.

You can electronically submit the attached document by accessing the Efile tab and clicking the applicable T106, T1134, or T1135 e-submission method.

The process is completely automated and handled by the DT Max system.

Please note that to transmit an attachment electronically you must have successfully submitted the applicable T106, T1134, or T1135 Return beforehand.

The **Progress** keyword will record the details of an accepted e-Doc submission.

IMPORTANT (T106 and T1134 only): Penalties can be assessed if the attached e-Doc has no connection to the specified non-resident name (T106) or foreign affiliate name (T1134). Each attached e-Doc must belong to the applicable:

- Non-resident name, specified through the keyword **Name-NonRes**, found within the **NonRes-Trans** keyword group, or
- Foreign affiliate name, specified through the keyword **Affiliate-Id**, found within the **Foreign-Info** keyword group.

CRA BUSINESS CONSENT OR CANCELLING BUSINESS CONSENT WEB SERVICE

Please note, starting November 21, 2022, upon a positive response to the Business Consent (RC59) request submitted to the Canada Revenue Agency, the following message will be displayed in the DT Max Efile Results Log:

Your authorization request has been received. Please have your client go to My Business Account to confirm the request.

This message comes from the Canada Revenue Agency and it does not apply to the Cancel Business Consent process (RC59X).

Client suggestions recently added

EMPLOYER'S CONTRIBUTIONS TO THE VRSP AND PRPP (T1)

DT Max T1 users can now enter the employer's contributions to a voluntary registered savings plan (VRSP) or a pooled registered pension plan (PRPP). The employer's contribution is not deductible in calculating income because it did not generate a taxable benefit. Employer contributions for the year will reduce the maximum deductible amount for the current year (In-house RRSP Schedule, Table B). Employer contributions for the first 60 days of the following year will reduce the maximum deductible amount for the following year (In-house RRSP Schedule, Table E). As a result, the option "Note - PRPP employer contributions (F20810)" was deleted from the keyword **Footnotes.t4** and two new keywords, **PRPP-EmployerContr** and **VRSP-EmployerContr**, were added in the **RRSP** group.

TEMPORARY ELIGIBILITY FOR THE DISABILITY AMOUNT (T1)

In the case of an impairment that is considered temporary, the eligibility for the disability amount is therefore considered temporary as well. The year on which the impairment began and the last year of eligibility for the disability amount must be entered for both the federal and the provincial disability amount. Two new keywords have been added in the **Infirmity** group: **Disable-StartYear** and **Disable-EndYear**. Moreover, a warning will be generated if the last year is exceeded.

CANADA CAREGIVER AMOUNT FOR INFIRM CHILDREN UNDER 18 YEARS OF AGE THAT ARE REPORTED AS "NOT INFIRM" (T1)

A warning will be generated, indicating that there may be an error when the option "Not infirm" is selected for the keyword **Disability** and you have also indicated that the dependant was eligible to the Canada caregiver amount with the keyword **CanadaCaregiver**.

INVOICE AMOUNT IN THE CLIENT LIST (T1 and T3)

In order to facilitate the follow-up of the billing, it is now possible to view the amount of the invoice in the client list. To do so:

- In the Automatic billing setup under Preferences, please check the new option "Include the invoice total to List-Memo4 keyword" (by default, this option is not checked.)
- In the Client list settings, check the keyword LIST-MEMO4 in the settings for Columns to show in the client list.
- If this new option is checked, once the calculation is done, the total of the invoice will appear in the keyword **List-Memo4** and the amount will be visible in the client list.

What's new for T3?

FEDERAL T1135 E-SUBMISSION UNDER DT MAX T3

Efile service providers will have the capability to electronically submit Form T1135, Foreign Income Verification Statement, to the Canada Revenue Agency (CRA).

From the Efile menu, clicking T1135 e-submission and OK will transmit the T1135 Form.

After you click OK, DT Max will automatically submit each T1135 Form separately. The files will be processed in real time, meaning that the response will be almost instantaneous. The results can be viewed from the Results log or from within the client's file.

Please note that if the T1135 e-submission is accepted, DT Max will write the result into the **Progress** keyword group. If it is rejected, the error code will be written into the **EFILET1135ERROR** keyword.

The processing status can also be maintained separately within the Client List under the column Processing status - Other. You can enable Processing status - Other, from the DT Max Client List, by selecting it within Client list settings found underneath Preferences.

IMPORTANT: Please do not submit paper copies of the form unless requested to do so by the CRA.

What's new for DT FormMax?

The new UHT-2900 form will be available in the next release of DT FormMax (v14.2).

- UHT-2900 Underused Housing Tax Return and Election Form

Support Hours

Feb 25 to May 1, 2023

Monday to Friday 8:00 am to 8:00 pm EST

Saturday: 9:00 am to 5:00 pm EST

Sunday: Closed

April 7 and April 10, 2023

Good Friday and Easter Monday

9:00 am to 5:00 pm EST

IMPORTANT NOTE

MR-69 - Authorization to Communicate Information or Power of Attorney: Reminder from Revenu Québec

We have been asked by Revenu Québec to remind tax preparers of the following items with respect to the MR-69 e-submission web service:

- PDF documents should not be protected by password or otherwise (e.g. PDF/A);
- A user should not add handwritten information on the mandate, as this invalidates the data barcode;
- Revenu Québec's My Account for professional representatives (MAPR) portal should not be used to file MR-69 forms produced by the DT Max software.

NOT TO MISS

WHAT'S NEW FOR T1 AND T2

PDF custom naming convention

You can now combine text and variables to create a custom PDF naming convention for 2022 and later tax years.

E-SIGNATURE SUPPORT ADDED FOR T1135, FOREIGN INCOME VERIFICATION STATEMENT (T1 AND T2) AND TP-274 DESIGNATION OF PROPERTY AS A PRINCIPAL RESIDENCE (TP-1)

The T1135 and TP-274 can now be sent to Onvio Client Centre for e-signature purposes. This feature is only available for firms licenced for Onvio Firm Management (Essentials or Advanced).

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



THOMSON REUTERS®