

# LEARNING ABOUT TAXES WITH INTUIT PROFILE: 2016 TY

Chapter 5 - How to complete a basic T1 return using ProFile



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Topics

# Chapter 5 - How to complete a basic T1 return using ProFile



- Getting started
- Where to get help with your return
- Preparing Paul's tax return
- What to include with your return and what records to keep
- What we learned
- Quiz 5

#### Introduction to Chapter 5

DESTIMATED TIME

#### About 30 minutes

In this chapter, we will follow once again Paul through the process of preparing his income tax and benefit return. This time using Intuit ProFile software. Through this process, you will learn:

- how to get started on a ProFile tax return;
- using the Personal information worksheet;
- how to complete a ProFile basic tax return; and
- reviewing the T1 Summary.

Let's get started!

#### Disclaimer:

All characters appearing in the tax scenarios are fictitious. Any resemblance to real persons, living or dead, is purely coincidental.

Examples are based using Ontario as the Province. You may change provinces accordingly. Federal calculations will not change, but Provincial calculations will differ.



#### **Getting Started**

With the objective of minimizing tax payable, prepare each exercise using 2016 tax files in ProFile. List any assumptions you have made, and any notes and tax planning issues you feel should be placed in the file and discuss them after with your instructor or class.

Follow the step-by-step exercises contained in this handbook to build your knowledge of how to use ProFile. To maximize your practice, open ProFile in one monitor and view this guide in a second monitor, or, refer to a printed copy.

To file a ProFile return, you will need the following:

- all of your information slips (such as, T4, T5 and T2202A slips);
- information relating to any amounts to be included in income that were not reported on an information slip;
- receipts for any deductions or credits that you intend to claim;
- a calculator

#### Use the Personal information worksheet to enter new client information

The Personal Information Worksheet is used to collect most of the general taxpayer information, such as name, address, social insurance number, spousal information, etc. in one convenient place. The information you enter here transfers to other related forms or schedules you use to prepare the return.

For this exercise, you will create a new client file, and continue to use Paul's information from the previous chapter.

#### Steps to create a New Client File:

- 1. Launch ProFile.
- 2. From the Icon bar, click the New Client File icon in the Icon Bar.



3. This will create a new file and open the Personal Information Worksheet.

#### Info

## 2016 Personal information

Taxpayer personal information	Marital status
SIN	Indicate your marital status on December 31, 2016 <u>1</u> Married <u>2</u> Living common-law <u>3</u> Widowed <u>4</u> Divorced <u>5</u> Separated <u>6</u> X Single
Last name	<u>a</u> bivorced <u>a</u> separated <u>a</u> <u>b</u> single         If status changed in 2016, enter date of change mm/dd
Last name changed in 2016? Yes X No Care of Street address P.O. Box R.R.	Were you married or living common-law at any time in this tax year?
City     Province       Postal code     Postal code       Home phone     ( ) -       Birth date     yyyy/mm/dd	Residency         Province of residence         on 2016/12/31       NA         Province of self-employment         If you became or ceased to be a Canadian resident in         2016, enter date of:       entry mm/dd
Date of Death       yyyy/mm/dd         Gender       Male       Eemale         Province or territory where taxpayer resides if different from mailing address:       Eemale	Are you a non-resident?
By providing an email address, I understand I am registering for online mail and accept the following Terms and Conditions.	Residency status Resident Country (other than Canada)
Email address: Use preparer address for: Notice of Assessment and Refund N of A I 1 mailing address Filing	

4. Enter the Paul's Taxpayer personal information:

SIN:	676 811 656
First name:	Paul
Last name:	Leburn
Street address:	123 Main Street
City:	Citiville
Province:	ON
Postal code:	A1A 1A1
Home phone:	(905) 555-5555
Birth date:	2000/05/05
Marital Status:	Single

Taxpayer personal information       Marital status         SIN       676 811 656         Title       Indicate your marital status on December 31, 2016         Last name       Leburn         Last name changed in 2016?       Yes         Street address       123 Main Street         PO. Box       R.R         City       Citiville         Province       ON         Postal code       A1 A 1A1         Home phone       (905) 555-5555         Birth date       2000/05/05         Portince of residence       or departure mm/dd         Province of retritory where taxpayer resides if different from mailing address:       Yes         By providing an email address, I understand I am registering for online mail and accept the following Terms and Conditions.       Yes         Use preparer address for:       Yes       No         Matrical status       Residency       Resident         Use preparer address for:       Yes       No         Moting       Notice of Assessment and Refund       N of A         Th mailing address       Graderes       Status	Info	2016 Personal information
SIN       676 811 656         Title       Paul         Last name       Leburn         Last name       Leburn         Last name       Care of         Street address       123 Main Street         Apt #       R.R         Postal code       A14 1A1         Home phone       (905) 555-5555         Birth date       2000/05/05         Are you a non-resident?       Yes         Province or territory where taxpayer resides if different from mailing address:       Age         Use preparer address for:       Yes         Wasting       Notice of Assessment and Befund       N of A		
Inite   First name   Paul   Last name Changed in 2016?   Yes   No   Care of   Street address   123 Main Street   P.O. Box   City   City   Citville   Province   ON   Postal code   A1 A 1A1   Home phone   (905) 555-5555   Birth date   2000/05/05   Age   Province of certifier   Province of certifier   Male   Email   Province or territory where taxpayer resides if different from mailing address:   Use preparer address for:   Xepreparer address   Use preparer address   I 1   Mating   Nothing   Notice of Assessment and Befund   No fA	Taxpayer personal information	Marital status
First name       Paul         Last name       Leburn         Last name       Leburn         Last name       Leburn         Last name       Care of         Street address       123 Main Street         P.O. Box       R.R         City       Citiville         Province       ON         Postal code       A1A 1A1         Home phone       (905) 555-5555         Bith date       2000/05/05         Bith date       2000/05/05         Province of testidency       Ontario         Province of testidence       or departure mm/dd         Of ender       Male         Py provincing an email address, I understand lam registering for online mail and accept the following Terms and Conditions.       Yes         Use preparer address for:       Yes       No fA         Use preparer address for:       Yes       No fA         I'i mailing address:       No fA       No fA	SIN 676 811 656	Indicate your marital status on December 31, 2016
Last name       Leburn         Last name       Apt #         Postal code       At 1A1         Home phone       (905) 555-5555         Bith date       Cool/05/05         Date of Death	Title	<u>1</u> Married <u>2</u> Living common-law <u>3</u> Widowed
Last name       Leburn         Last name       Leburn         Last name       Care of         Care of       Main Street         Street address       123 Main Street         P.O. Box       R.R.         City       Citiville         Province       ON         Postal code       A1A 1A1         Home phone       (905) 555-5555         Birth date       2000/05/05         Age       16         Date of Death       yyyy/mm/dd         Gender       Male         Province or territory where taxpayer resides if different from mailing address:       Are you a non-resident?         By providing an email address, I understand I am registering for online mail and accept the following Terms and Conditions.       Yes         Use preparer address for:       X Nothing         Nothing       Notice of Assessment and Refund       N of A	First name Paul	4 Divorced 5 Separated 6 X Single
Last name changed in 2010?       Tes: K No         Care of Street address:       123 Main Street       Apt #         P.O. Box       R.R.         City       Citiville         Province       ON         Postal code       A1A 1A1         Home phone       (905) 555-5555         Birth date       2000/05/05         Date of Death       yyyy/mm/dd         Gender       Male         Province or territory where taxpayer resides if different from mailing address:       Age         By providing an email address, I understand I am registering for online mail and accept the following Terms and Conditions.       Yes         Use preparer address for:       X hothing       Notice of Assessment and Refund       N of A         I 1 mailing address:       Use preparer address for:       X hothing       N otice of Assessment and Refund       N of A	Last name Leburn	
Street address 123 Main Street Apt #   P.O. Box R.R.   Province ON   Postal code A1A 1A1   Home phone (905) 555-5555   Birth date 2000/05/05   Birth date 2000/05/05   Age 16   Date of Death yyyy/mm/dd   Gender Male   Province or territory where taxpayer resides if different from mailing address:   By providing an email address, I understand I am registering for online mail and accept the following Terms and Conditions.   Use preparer address for:   X Nothing   Notice of Assessment and Refund   Nof A	Last name changed in 2016? Yes X No	If status changed in 2016, enter date of change mm/dd
P.O. Box       R.R.         City       Citiville         Province       ON         Postal code       A1A 1A1         Home phone       (905) 555-5555         Birth date       2000/05/05         Birth date       2000/05/05         Age       16         Date of Death       yyyy/mm/dd         Gender       Male         Province or territory where taxpayer resides if different from mailing address:       Are you a non-resident?         By providing an email address, 1 understand       Are you a non-resident?         I am registering for online mail and accept       Yes         the following Terms and Conditions.       Yes         Use preparer address for:       X         X       Nothing         I 1 mailing address       No fA		
City Citiville   Province ON   Postal code A1A 1A1   Home phone (905) 555-5555   Birth date 2000/05/05   Age 16   Date of Death yyyy/mm/dd   Gender Male   Female Province or territory where taxpayer resides if different from mailing address:   By providing an email address, I understand I am registering for online mail and accept   the following Terms and Conditions.   Wale mediates for:   X Nothing   Notice of Assessment and Refund   N of A		time in this tax year? Yes No
Province       ON         Province       ON         Postal code       A1A 1A1         Home phone       (905) 555-5555         Birth date       2000/05/05         Date of Death       yyyy/mm/dd         Gender       Male         Province of tersidence       on 2016/12/31         Ontario       Province of self-employment         If you became or ceased to be a Canadian resident in         2016, enter date of:       entry mm/dd         or departure       mm/dd         or departure       mm/dd         address:		Residency
Province       ON         Postal code       A1A 1A1         Home phone       (905) 555-5555         Birth date       2000/05/05         Date of Death       yyyy/mm/dd         Gender       Male         Province or territory where taxpayer resides if different from mailing address:       Male         By providing an email address, I understand I am registering for online mail and accept the following Terms and Conditions.       Yes         Use preparer address for:       X         Nothing       Notice of Assessment and Refund       N of A         I 1 mailing address       I 1 mailing address	<u></u>	Province of residence
Postal code       A1A 1A1         Home phone       (905) 555-5555         Birth date       2000/05/05         Date of Death       yyyy/mm/dd         Gender       Male         Province or territory where taxpayer resides if different from mailing address:       Male         By providing an email address, I understand I am registering for online mail and accept the following Terms and Conditions.       Yes         Use preparer address for:       X         Nothing       Notice of Assessment and Refund       N of A         I 1 mailing address       N of A		
Home phone       (905) 555-5555         Birth date       2000/05/05         Birth date       2000/05/05         Date of Death       yyyy/mm/dd         Gender       Male         Province or territory where taxpayer resides if different from mailing address:         By providing an email address, I understand I am registering for online mail and accept the following Terms and Conditions.         Use preparer address for:         X Nothing         I 1 mailing address		
Birth date 2000/05/05 Age 16   Date of Death yyyy/mm/dd or departure   Gender Male Female   Province or territory where taxpayer resides if different from mailing address: address:   By providing an email address, I understand Are you a non-resident?   I am registering for online mail and accept Yes   the following Terms and Conditions. Yes   Use preparer address for: Yes   X Nothing Notice of Assessment and Refund   I 1 mailing address		
Date of Death yyyy/mm/dd   Gender Male   Province or territory where taxpayer resides if different from mailing address:   By providing an email address, I understand   I am registering for online mail and accept   the following Terms and Conditions.   Yes   No   Email address:   Use preparer address for:   X Nothing   Notice of Assessment and Refund   N of A	Birth date 2000/05/05 Age 16	
Gender Male Female   Province or territory where taxpayer resides if different from mailing address: Are you a non-resident?   By providing an email address, I understand Are you a non-resident?   I am registering for online mail and accept Yes   the following Terms and Conditions. Yes   Use preparer address for: Yes   X Nothing Notice of Assessment and Refund   I 1 mailing address		
address:   By providing an email address, I understand   I am registering for online mail and accept   the following Terms and Conditions.   Yes   Mo   Email address:   Use preparer address for:   X Nothing   Notice of Assessment and Refund   N of A   I 1 mailing address	Gender Male Eemale	
By providing an email address, I understand         I am registering for online mail and accept         the following Terms and Conditions.         Yes         Mo         Email address:         Use preparer address for:         X Nothing         Notice of Assessment and Refund         N of A         I 1 mailing address		
By providing an email address, I understand I am registering for online mail and accept the following Terms and Conditions. Yes No Email address: Use preparer address for: X Nothing Notice of Assessment and Refund N of A I 1 mailing address		Are you a non-resident? Yes X No
I am registering for online mail and accept         the following Terms and Conditions.         Email address:         Use preparer address for:         X Nothing         I 1 mailing address		
Image: Second tions     Image: Second tions     Image: Second tions     Image: Second tions       Email address:     Image: Second tions     Image: Second tions     Image: Second tions       Use preparer address for:     Image: Second tions     Image: Second tions     Image: Second tions       Image: Second tions     Image: Second tions     Image: Second tions     Image: Second tions       Image: Second tions     Image: Second tions     Image: Second tions     Image: Second tions		
Use preparer address for: X Nothing Notice of Assessment and Refund N of A I 1 mailing address	the following Terms and Conditions.	
X       Nothing       Notice of Assessment and Refund       N of A         I_1       mailing address	Email address:	
I1 mailing address	Use preparer address for:	
	X Nothing Notice of Assessment and Refund N of A	
	I1 mailing address	
	Filing	

5. After entering the personal information, save the file by clicking the Save icon in the Icon bar.



ProFile uses a default naming convention for files as the taxpayer's last name, first name(s). You may overwrite the file name if you choose.

🌈 Save 2016 T1/	TP1 As				?	$\times$
1. Leburn, Paul						
-Leburn, Paul (6	76811656)					
Client Status:	2. Work in pro	cess		$\sim$	🗌 Lock	ked
EFILE Status:	1. Not eligible					~
SEND Status:	2. Eligible					~
TP1 Status:	1. Not eligible					~
DCN:						
Invoice:			Time: 00:00	00:00		
Discounted	? DCRAE	rrors	2139			
Date	Preparer	Action	Elapsed	Мо	dule Ve	r.
17/01/05 16:		Created		201	6.0.6	
17/01/05 16:		Modifie	d	201	6.0.6	
Preparer:		Partn	ər:			
File Name						
ers\Admin\Doc	:uments\Mv Pro	File Data	a\2016T1\Lebu	ırn, P	aul.16Ti	
Online Backup						
Activate Online	e Backup				6	A <sup>®</sup>
			0		0	-1
Password:			Save		Canc	
Confirm:			Help		Advanc	ed >>

6. Click Save to finish saving the file.

You have now completed the Personal Information Worksheet for a new client. You're ready to start data entry for the taxpayer.

#### Preparing Paul's tax return

#### Paul's T4 slip

• Let's take a look at Paul's T4 slip $\mathbb{P}$  to find the following information:

	Employer's name – Nom de l'employeur PIZZERIA DI MARIO	T Ag	anada Revenue gency	Agence du revenu du Canada		<b>T</b> 4
		Year Année	2016			of Remuneration Paid rémunération payée
				Employment income – line Revenus d'emploi – ligne 1		Income tax deducted – line 437 Impôt sur le revenu retenu – ligne 437
			14	1,440	.00 22	211 28
ildm	54 Employer's account number / Numéro de compte de l'employeur		f employment e d'emploi C	Employee's CPP contribution otisations de l'employé au RF		El insurable earnings Gains assurables d'AE
une fois rempli	Social insurance number Exempt - Exempt		1	6		24
le fo	Numéro d'assurance sociale         CPP/QPP         EI         Pf           12         676 811 656         28	Codé		Employee's QPP contribution otisations de l'employé au RF	RQ – ligne 308	CPP/QPP pensionable earnings Gains ouvrant droit a pension – RPC/RRQ
B		29 PAP	1	7	1	0 00
	Employee's name and address – Nom et adresse de l'employé	•		Employee's El premiums - Cotisations de l'employé à l'AB	line 312 – ligne 312	Union dues – line 212 Cotisations syndicales – ligne 212
roté	Last name (in capital ietters) – Nom de familie (en iettres moulées) First name –	Prénom Initial-I	initiale 1	8 27	.07 4	14
P P	LEBRUN PAUL			RPP contributions – I Cotisations à un RPA –		Charitable donations – line 349 Dons de bienfaisance – ligne 349
B when completed / Protégé			2	0	4	16
Idmo	123 Main Street Citiville, ON A1A 1A1			Pension adjustment – Facteur d'équivalence –		RPP or DPSP registration number N° d'agrément d'un RPA ou d'un RPDB
an co			5	2	5	50
whe			Cotis	Employee's PPIP premiums sations de l'employé au RPAF		PPIP insurable earnings Gains assurables du RPAP
			5	5	5	56
P rotected	Box - Case Amount - Montant	Box – Cas	e	Amount – Montant	Box – Case	Amount – Montant
Prot	Other information (see over)					
æ	Autres Box - Case Amount - Montant	Box – Cas	e .	Amount – Montant	Box – Case	Amount – Montant
T4 (14)	(voir au verso)					

- the employer's name;
- the year in which the income was earned;
- Paul's name and address;
- Paul's social insurance number (box 12);
- Paul's employment income (box 14);
- employment insurance premiums deducted (box 18);
- income tax deducted (box 22).

You will notice that box 28 is marked with an "X". This shows that Paul was exempt from paying Canada Pension Plan contributions during the past year, since he was under 18 years of age.

#### Preparing Paul's tax return via ProFile

#### Steps to complete:

1. Select the button or Form Explorer list (F4). Select Slips and double-click on T4.

*Tip: You can also just type "T4" in the search and click Enter. The form will appear quicker. If you know the form name/number or line number.* 

🌈 Form Explorer											?	$\times$
📶 Leburn, Paul						`	/ 🛅 _	E.				1
orm: T4							<u>O</u> pen	Print	New	<u>L</u> ist	<u>D</u> etail <u>K</u>	ey Lin
Forms	Name	Description	Used	Last year	Step							
1. Identification	💽 T2202/TL11	Tuition and education credit certificate	No	N/A	6							
	<b>5</b> T3	Statement of trust income	No	N/A	7							
<u>2</u> . Slips	💽 T4	Statement of remuneration paid	No	N/A	8							
<u>3</u> . Income	<b>I</b> 4A	Statement of pension, annuity and other in	No	N/A	9							
4. Deductions	💽 T4AOAS	Statement of Old Age Security	No	N/A	10							
	💽 T4AP	Statement of Canada Pension Plan benefits	No	N/A	11							
📜 <u>5</u> . Tax + credits	💽 T4ARCA	Statement of distributions from a RCA	No	N/A	12							
📒 <u>6</u> . Return + sch	💽 T 4E	Statement of Employment Insurance and	No	N/A	13							
📙 <u>7</u> . Filing	💽 T4PS	Statement of profit-sharing plan allocations	No	N/A	14							
<u>8</u> . Client	💽 T4BIF	Statement of income from a RRIF	No	N/A	15							
_	💽 T4RSP	Statement of RRSP income	No	N/A	16							
<u>9</u> . All	💽 T5	Statement of investment income	No	N/A	17							
📙 <u>A</u> . Used	💽 T101	Statement of renounced resource expense	No	N/A	18							
B. Data entereu	💽 T5006	Labour-sponsored funds tax credit	No	N/A	19							
T1	💽 T5007	Statement of benefits	No	N/A	20							
	💽 T5008	Statement of securities transactions	No	N/A	21							
TP1	T5013	Statement of narthership income	No	NDA	22							

2. Enter information from the T4 Slip(s) in the T4 Slip Worksheet as shown.

T4 Statement of Remuneration Paid T4 SI									
		Box	Slip #1	Slip #2	Slip #3	Slip #4	Total		
			4			•			
Description			Pizzeria Di Mario			I			
Province of employment		10	Ontario	*	-	-			
Employment income		14	1,440.00	0.00	0.00	0.00	1,440.00		
Employee's contributions	CPP	16	0.00	0.00	0.00	0.00	0.00		
	QPP	17	0.00	0.00	0.00	0.00	0.00		
	El premiums	18	27.07	0.00	0.00	0.00	27.07		
	PPIP	55	0.00	0.00	0.00	0.00	0.00		
Exempt	CPP/QPP	28	Yes	No	No	No			
	EI		No	No	No	No			
	PPIP		No	No	No	No			
Employment code		29		<b>•</b>	<b>*</b>	-			
RPP contributions		20	0.00	0.00	0.00	0.00	0.00		
Pension adjustment		52	0.00	0.00	0.00	0.00	0.00		
Income tax deducted		22	211.28	0.00	0.00	0.00	211.28		
El insurable earnings		24	1,440.00	0.00	0.00	0.00	1,440.00		
CPP/QPP pensionable earnings		26	0.00	0.00	0.00	0.00	0.00		
PPIP insurable earnings		56	0.00	0.00	0.00	0.00	0.00		
Union dues		44	0.00	0.00	0.00	0.00	0.00		
Charitable donations		46	0.00	0.00	0.00	0.00	0.00		
Other information									

a. and enter the \$500 he earned landscaping on slip 2 on Employment income not reported on slips

Barbers or hairdressers	83	0.00	0.00	0.00	0.00	0.00
Transfer Box 81/82/83 earnings to T2125?				-		
Public transit pass	84	0.00	0.00	0.00	0.00	0.00
Employee-paid premiums for private	85	0.00	0.00	0.00	0.00	0.00
health services plans						
Volunteer allowance (non-taxable)	87	0.00	0.00	0.00	0.00	0.00
Indian (exempt income) - Self-employment	88	0.00	0.00	0.00	0.00	0.00
Employment income not reported on slips		0.00	500.00	0.00	0.00	500.00
Québec tax deducted (Non-Resident of		0.00	0.00	0.00	0.00	0.00
Québec)						

3. Select the button or Form Explorer list (F4). Type in Line 364. Double Click on line 364. Enter Paul's, \$600 (\$50 × 12 months) public transit amount for his monthly bus passes on Line 3.

Public transit passes amount - line 364		
Amounts for public transit passes from your T4 slips	000	1
Amounts for public transit passes from your spouse or common law partner's T4 slips	0 00	2
Amounts for public transit passes not included on your or your spouse or		-
common-law partner's T4	600 00	3
Amounts for public transit passes from your dependant children (under age 19)	0 00	4
Total of lines 1, 2, 3 and 4	600 00	5
Amount claimed by your spouse or common-law partner 0.00 %	0 00	6
Enter this amount on line 364 of Schedule 1	600 00	7
		-

4. Click Save button in the icon bar to save your work.

#### Preview your T1 Return (Flash Quiz)

#### **Client Review**

As a tax preparer you need to explain to your client in summary why there is either a Refund or Balance, and what Deductions were applied to the taxpayer's situation. ProFile can help you review the areas you need to communicate to your client.

#### From the GoTo menu, Select T1 Summary (Ctrl+F10)

T1Summary	2016 Tax Return Summary
Taxpayer personal information	Spousal information
SIN 676 811 656	SIN
Name Leburn, Paul	Name
Care of	Birthdate yyyy/mm/dd
Street address 123 Main Street Apt #	Filing
P.O. Box, R.R. City Citiville	Province of residence on 2016/12/31 Ontario
City Citiville Province ON	EFILE this return? X Yes No
Postal code A1A 1A1	<u>Is return discounted?</u> <u>Y</u> es <u>X</u> <u>N</u> o
Home phone (905) 555-5555	Use preparer address for: Nothing
Birthdate 2000/05/05	Date of death yyyy/mm/dd
Marital status Single	
Total income	
Employment income (box 14 on all T4 slips)	101 1,440 00
Other employment income	104 500 00
	Total income 150 1,940 00 ► 1,940 00
Net income	
	Net income 236 1,940 00
Taxable income	The second se
	Taxable income         260         1,940         00
Non-refundable tax credits	
Basic personal amount Canada employment amount (see the guide)	claim \$11,474 300 11,474 00 (maximum \$1,161) 363 1,161 00
Public transit passes amount (see the guide)	(maximum \$1,161) 565 1,16100 364 600 00 •
Add lines 1 to 26	335 13.235 00
Multiply the amount on line 26 by 15%	= 338 1,985 25
Total fed	eral non-refundable tax credits: 27 and 28. 350 1,985 25
Refund or Balance owing	
	Total payable 435 0 00 •
Total income tax deducted (from all information slips)	437 211 28 • ) 450 27 07 •
Employment Insurance overpayment (enter your excess contributions	1         2707         ●           Total credits         482         238         35         ▶         238         35
	Total payable minus total credits (238 35)
	Refund 484 238 35 •
2017 Estimated	

The T1 Summary gives you a quick review of the T1 that has been prepared.

- Compare the ProFile version with the hands-on version from the previous chapter.
- Lines 101 & 104 is automatically calculated by the T4 slips screen
- Lines 236 and 260 are carried forward
- Schedule 1 is automatically calculated for Lines 350 and 435
- Provincial schedules are automatically generated

How does it look? (Classroom)

- Are there any differences between ProFile and manual form?
- Why would ProFile not record the EI from Line 312 on Schedule 1?
- Why Would ProFile record the EI to Line 450?
- Does it confirm with current ITA?

From the GoTo menu, Select the Form Explorer list (F4). Select Client and double-click on Letter.

M Form Explorer											?	×
TI Leburn, Paul							<u>u</u> .	×.	. n			• 1234 • 1234 • 1234
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Forms	Name	Description	Used	Last year	Step							^
1. Identification 2. Slips	Engage CTB CTB(ON)	Engagement letter Canada Child Benefit Ontario Child Benefit	Yes No No	N/A N/A N/A	2 437 446							
📜 <u>3</u> . Income	🗲 T1EFILE	EFILE information	No	N/A	447							
4. Deductions 5. Tax + credits	GST Instalments TSummary	GST/HST credit 2017 Instalments T1 Summary	No No Yes	N/A N/A N/A	448 449 451							
<u> 6</u> . Return + sch <u>i 7</u> . Filing	VI NRTC	NRTC Comparative Summary Tax summary	Yes No	N/A N/A	453 450							
<u>7. Filing</u> <u>8. Client</u>	Comparative	Comparative tax summary 5 year tax summary	No No	N/A N/A	452 454							
<u>9</u> . All	T1Review	T1 Review worksheet	No No	N/A N/A	455 456							
A. Used B. Data entered	ZLetter	Tax planner Client letter	Yes	N/A	457							
T1 TP1	/ JLetter S Billing	Joint client letter Detailed billing information Audit Summary	No No Yes	N/A N/A N/A	459 465 410							~
Letter:Client letter	C. Andit	Audit Summern	Yer	NZA	111							

The Client Letter in Form Explorer (F4). ProFile will announce to the taxpayer all the estimated amounts as well.

Paul Leburn 123 Main Street Citiville, ON A1A 1A1

Dear Paul:

We have transmitted your return electronically to Canada Revenue Agency (CRA) using the EFILE system. The enclosed copy of your 2016 income tax return is for your records. We have prepared your return based on the information you provided to us. Keep all information slips, receipts, and other documents for six years, in case CRA asks to see them.

Your return shows a refund of \$238.35.

Your RRSP deduction limit for 2017 is \$349.

If you have any questions about your income tax return, please contact me at .

Sincerely yours,

#### **Chapter 5 - What we learned**

You have finished Chapter 5. Congratulations!

In this chapter we learned:

- how to get started on ProFile tax return;
- using the Personal information worksheet;
- how to complete a ProFile basic tax return; and
- reviewing the T1 Summary.

If there are any details that you would like to review, please go through the chapter again.

### **Chapter 5 Quiz**

Now that you have finished this chapter, take a few minutes to answer the following quiz. This exercise will help you to review what you have learned.

#### Quiz

- 1. What amount is on Line 150?
- 2. What amount is on Line 350 and explain why?
- 3. What amount is on Line 484 and explain why?

Review the Tax Summary and Client Letter and answer the following questions.

- 4. What is the Refund/Balance amount?
- 5. What is the GST Credit amount, and explain why?

#### Answers

Chapter 5 Quiz

- Question 1: \$1,940.00
- Question 2: \$1,985.25
- Question 3: \$238.35, income tax deducted and El overpayment
- Question 4: \$237.63 (Ontario) or \$0.00 (just Federal)
- Question 5: \$0.00, not old enough (eligible April 2018)