LEARNING ABOUT TAXES WITH INTUIT PROFILE: 2016 TY

Chapter 7 – T1 Practice exercises

EDUCATION PROGRAM

Contents

Chapter 7 – T1 Practice exercises

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Introduction to Chapter 7

Estimated time

About 120 min

In this chapter, we will:

- Basic Data Entry in Forms and Worksheets
- Various T1 scenarios
- Business statements

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

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.

With the objective of minimizing tax payable, prepare each exercise using 2012 tax files in ProFile. List any assumptions you have made, and any notes and tax planning issues you feel should be placed I the file and discuss them after with your instructor or class.

Basic Data Entry in Forms and Worksheets

The activities included in this handbook cover the end-to-end tax preparation process. Here you'll practice creating a new client file and enter sample data pertaining to some of the most commonly encountered scenarios in tax preparation.

It is recommended that you complete each exercise in the order presented. Then, check your work by reviewing the completed return in the appendix at the end of this guide. (There is no need to print or save a .PDF of the practice return from within ProFile.) When you have completed each of the exercises to build this return, view the completed return in Print Preview mode and compare your results with the answer key provided.

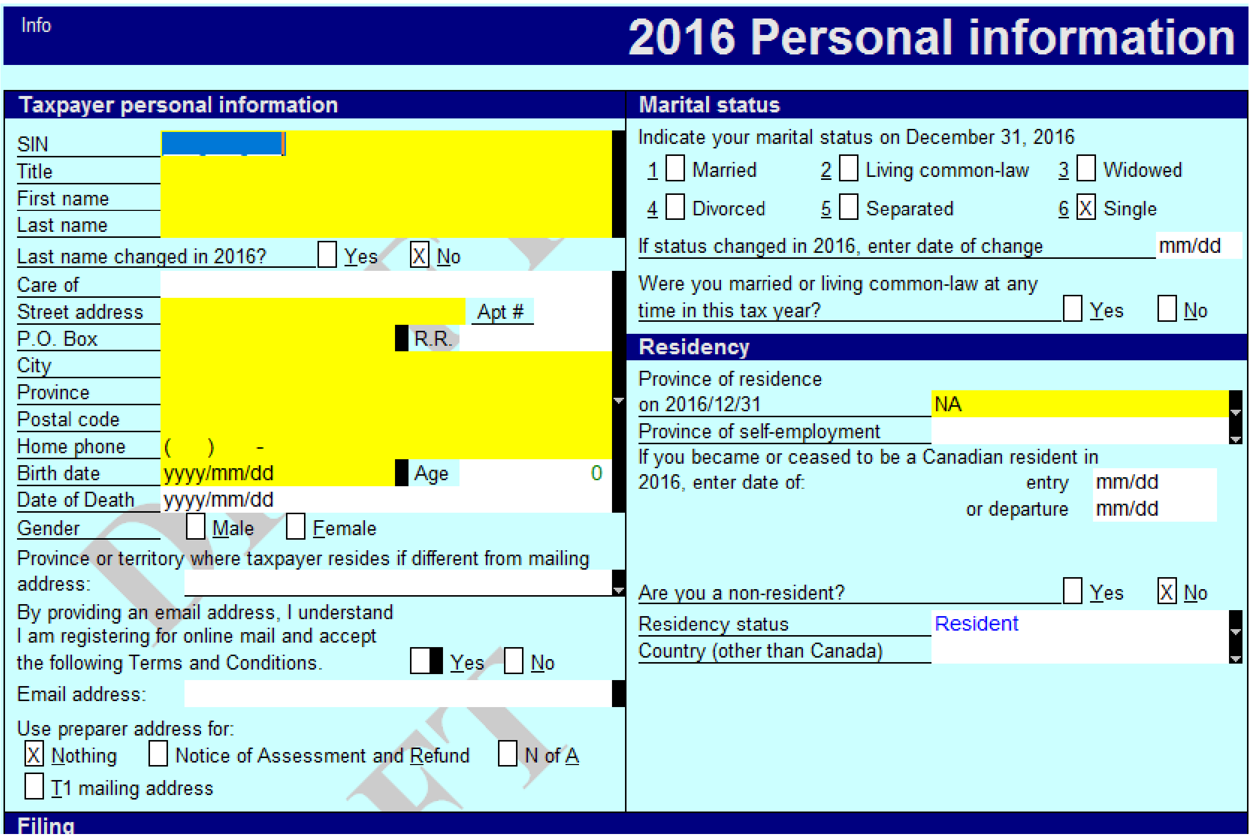
Use the Personal information worksheet to enter new client information

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.

Sample File: For this exercise, you will create a new client file.

Steps to create a New Client File:

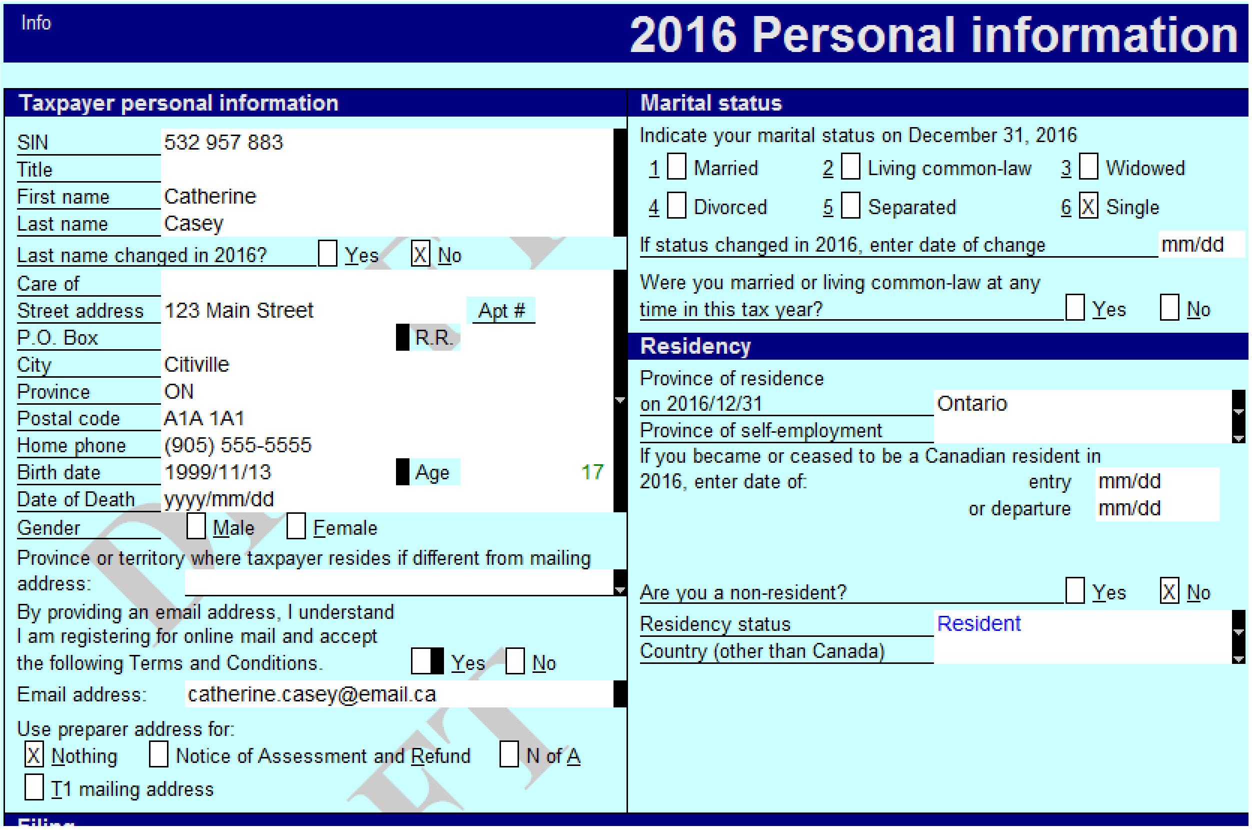
1. Launch ProFile.
2. From the Icon bar, click the New Client File icon in the Icon Bar (looks like a white piece of paper).
3. This will create a new file and open the Personal Information Worksheet.



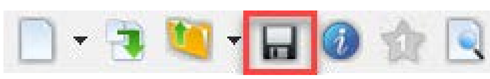
4. Enter the following Taxpayer Personal information:

<u>Taxpayer</u>

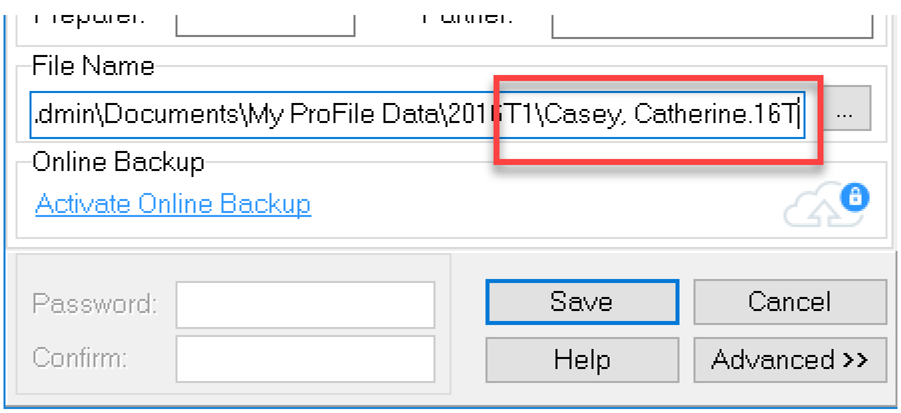
SIN:	532 957 883		
First name:	Catherine	Last name:	Casey
Street address:	123 Main Street	City:	Citiville
Province:	ON	Postal code:	A1A 1A1
Home phone:	(905) 555-5555		
Birth date:	1999/11/13	Marital Status: Single	
Email address:	catherine.casey@email.ca		



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.



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.

Exercise 1 – High school student

Continue to use Catherine Casey's Profile tax file from the previous section.

Taxpayer (Client) Information:

- Catherine Casey is a high school student who lives at home with her parents. She was born on November 13, 1999 and she works part time at Best Bookstore and Mario's Pizzeria.
- Last year, she earned $300.00 in tips (not indicated on T4) at Mario's Pizzeria.
- In February, her employers sent her the attached T4 information slips.

Based on the information given, complete Catherine's tax return.

Canada Revenue Agency / Agence du revenu du Canada

T4

Statement of Remuneration Paid
État de la rémunération payée

Year / Année: 2016

Employer's name – Nom de l'employeur: BEST BOOKSTORE

54	Employer's account number / Numéro de compte de l'employeur	
12	Social insurance number / Numéro d'assurance sociale	532 957 883
28	Exempt – Exemption: CPP/QPP (RPC/RRQ), EI (AE), PPIP (RPAP)	✓ CPP/QPP
14	Employment income – line 101 / Revenus d'emploi – ligne 101	3,600.00
22	Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	150.00
10	Province of employment / Province d'emploi	
16	Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	
24	EI insurable earnings / Gains assurables d'AE	
29	Employment code / Code d'emploi	
17	Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308	
26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	0.00
18	Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312	67.68
44	Union dues – line 212 / Cotisations syndicales – ligne 212	
20	RPP contributions – line 207 / Cotisations à un RPA – ligne 207	
46	Charitable donations – line 349 / Dons de bienfaisance – ligne 349	
52	Pension adjustment – line 206 / Facteur d'équivalence – ligne 206	
50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso	
56	PPIP insurable earnings / Gains assurables du RPAP	

Employee's name and address – Nom et adresse de l'employé

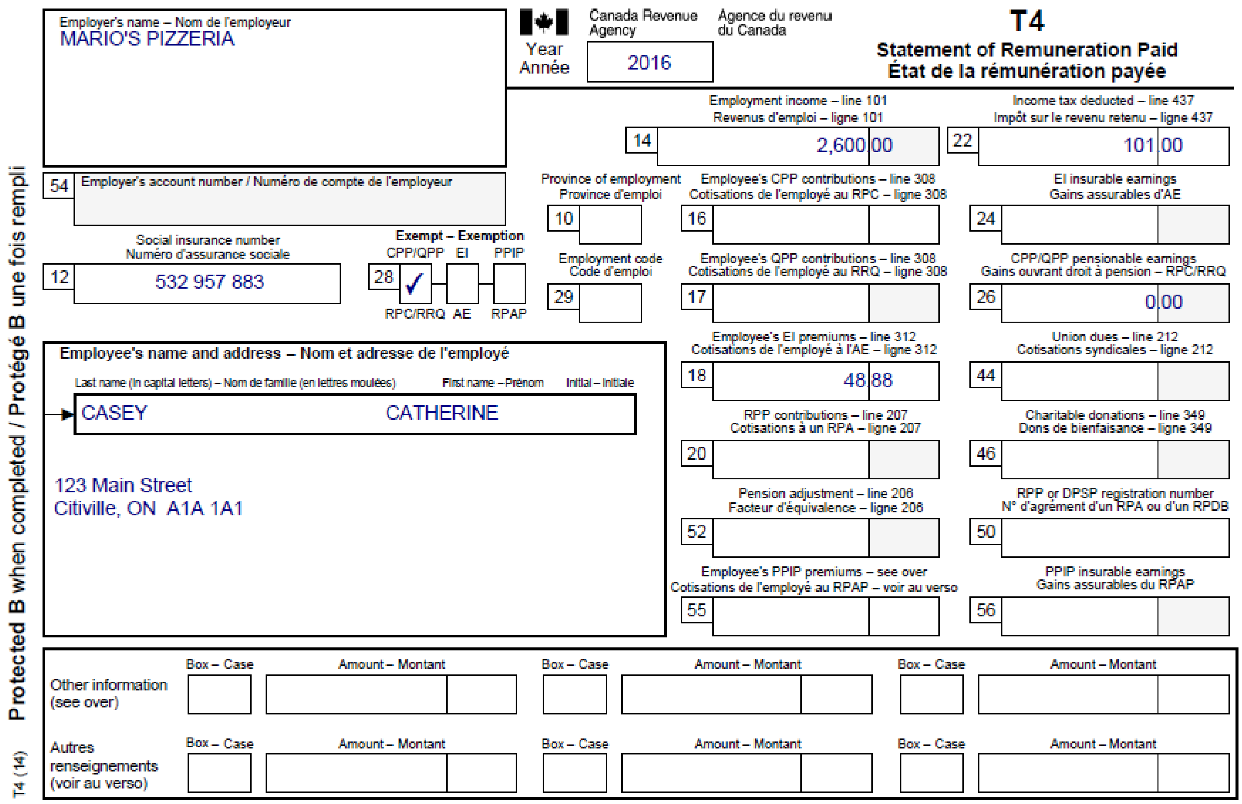
Last name (in capital letters) – Nom de famille (en lettres moulées): CASEY
First name – Prénom: CATHERINE
Initial – Initiale:

123 Main Street
Citiville, ON A1A 1A1

Other information (see over) / Autres renseignements (voir au verso)	Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant

Protected B when completed / Protégé B une fois rempli

T4 (14)


T4 Statement of Remuneration Paid / État de la rémunération payée

Canada Revenue Agency / Agence du revenu du Canada

Year / Année: 2016

Employer's name – Nom de l'employeur: MARIO'S PIZZERIA

14	Employment income – line 101 / Revenus d'emploi – ligne 101	2,600.00
22	Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	101.00
54	Employer's account number / Numéro de compte de l'employeur	
10	Province of employment / Province d'emploi	
16	Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	
24	EI insurable earnings / Gains assurables d'AE	
12	Social insurance number / Numéro d'assurance sociale	532 957 883
28	Exempt – Exemption: CPP/QPP, EI, PPIP / RPC/RRQ, AE, RPAP	✓ (CPP/QPP)
29	Employment code / Code d'emploi	
17	Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308	
26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	0.00
18	Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312	48.88
44	Union dues – line 212 / Cotisations syndicales – ligne 212	
20	RPP contributions – line 207 / Cotisations à un RPA – ligne 207	
46	Charitable donations – line 349 / Dons de bienfaisance – ligne 349	
52	Pension adjustment – line 206 / Facteur d'équivalence – ligne 206	
50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso	
56	PPIP insurable earnings / Gains assurables du RPAP	

Employee's name and address – Nom et adresse de l'employé

Last name (in capital letters) – Nom de famille (en lettres moulées): CASEY
First name – Prénom: CATHERINE
Initial – Initiale:

123 Main Street
Citiville, ON A1A 1A1

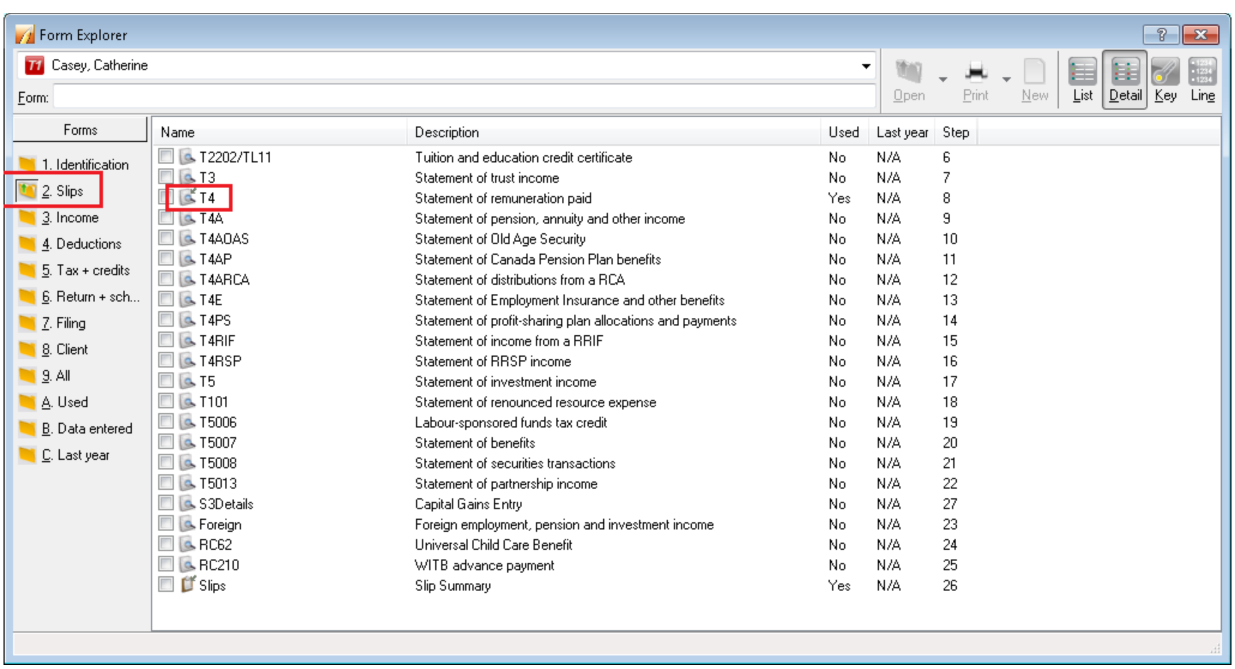
Other information (see over) / Autres renseignements (voir au verso): Box – Case, Amount – Montant

Protected B when completed / Protégé B une fois rempli

T4 (14)

Steps to complete:

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



Name	Description	Used	Last year	Step
T2202/TL11	Tuition and education credit certificate	No	N/A	6
T3	Statement of trust income	No	N/A	7
T4	Statement of remuneration paid	Yes	N/A	8
T4A	Statement of pension, annuity and other income	No	N/A	9
T4AOAS	Statement of Old Age Security	No	N/A	10
T4AP	Statement of Canada Pension Plan benefits	No	N/A	11
T4ARCA	Statement of distributions from a RCA	No	N/A	12
T4E	Statement of Employment Insurance and other benefits	No	N/A	13
T4PS	Statement of profit-sharing plan allocations and payments	No	N/A	14
T4RIF	Statement of income from a RRIF	No	N/A	15
T4RSP	Statement of RRSP income	No	N/A	16
T5	Statement of investment income	No	N/A	17
T101	Statement of renounced resource expense	No	N/A	18
T5006	Labour-sponsored funds tax credit	No	N/A	19
T5007	Statement of benefits	No	N/A	20
T5008	Statement of securities transactions	No	N/A	21
T5013	Statement of partnership income	No	N/A	22
S3Details	Capital Gains Entry	No	N/A	27
Foreign	Foreign employment, pension and investment income	No	N/A	23
RC62	Universal Child Care Benefit	No	N/A	24
RC210	WITB advance payment	No	N/A	25
Slips	Slip Summary	Yes	N/A	26

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

T4
Statement of Remuneration Paid **T4 Slip**

		Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
Description			Best Bookstore	Marios Pizzeria			
Province of employment		10	Ontario	Ontario			
Employment income		14	3,600.00	2,600.00	0.00	0.00	6,200.00
Employee's contributions	CPP	16	0.00	0.00	0.00	0.00	0.00
	QPP	17	67.68	48.88	0.00	0.00	116.56
	EI premiums	18	0.00	0.00	0.00	0.00	0.00
	PPIP	55	0.00	0.00	0.00	0.00	0.00
Exempt	CPP/QPP	28	Yes	Yes	No	No	
	EI		No	No	No	No	
	PPIP		No	No	No	No	
Employment code		29					
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	150.00	101.00	0.00	0.00	251.00
EI insurable earnings		24	3,600.00	2,600.00	0.00	0.00	6,200.00
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

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

Preview your T1 Return:

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

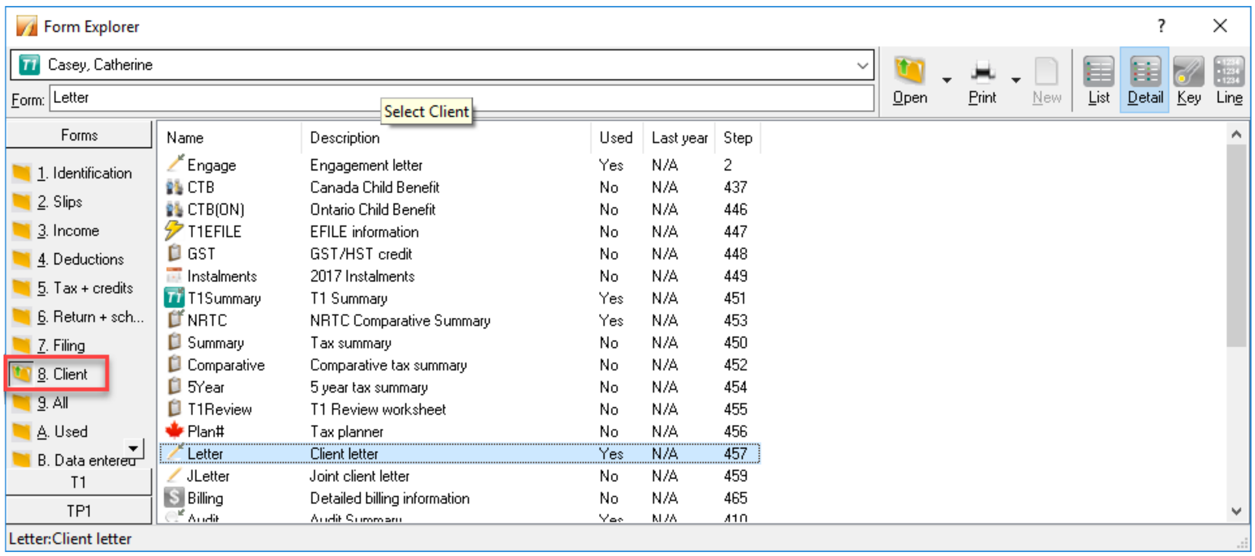
2. How does it look? Does it confirm with current ITA?

Client Review 1:

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.

The Tax Summary is the main review area. The bottom of the page gives you the Estimated GST Credit, CCB credit amounts and RRSP contribution limit. Also, If you open the Client Letter in Form Explorer. Profile will announce to the taxpayer all the estimated amounts as well.

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



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

   a. What is the Refund/Balance amount?

   b. What is the GST Credit amount, and explain why?

   c. What is the CCB Credit amount, and explain why?

Exercise 1 Quiz:

1. What amount is on Line 150?
2. What amount is on Line 236 & 260 and explain why?
3. What Line # did you enter the Tips amount and explain why on that Line?
4. Explain why Line 363 was used?

Answers – Client Review 1

a. What is the Refund/Balance amount?

    a) $251.00 R

b. What is the GST Credit amount, and explain why?

    a) $0, Non-Eligible

c. What is the CCB Credit amount, and explain why?

    a) $0, Non-Eligible

Answers – Exercise 1 Quiz

T1Summary

2016 Tax Return Summary

Taxpayer personal information		Spousal information	
SIN	532 957 883	SIN	
Name	Casey, Catherine	Name	
Care of		Birthdate	
Street address	123 Main Street Apt #	**Filing**	
P.O. Box, R.R.		Province of residence on 2016/12/31	Ontario
City	Citiville	EFILE this return?	☒ Yes ☐ No
Province	ON	Is return discounted?	☐ Yes ☒ No
Postal code	A1A 1A1	Use preparer address for:	Nothing
Home phone	(905) 555-5555		
Birthdate	1999/11/13		
Marital status	Single		

Total income			
Employment income (box 14 on all T4 slips)	101	6,200 00	
Other employment income	104	300 00	
Total income	150	6,500 00 ▶	6,500 00
Net income			
Net income	236		6,500 00
Taxable income			
Taxable income	260		6,500 00
Non-refundable tax credits			
Basic personal amount **claim $11,474**	300	11,474 00	
Employment Insurance premiums from box 18 on all T4 slips **(maximum $955.04)**	312	116 56 •	
Canada employment amount (see the guide) **(maximum $1,161)**	363	1,161 00	
Add lines 1 to 26	335	12,751 56	
Multiply the amount on line 26 by 15%	= 338		1,912 73
Total federal non-refundable tax credits: 27 and 28.	350		1,912 73
Refund or Balance owing			
Total payable	435		0 00 •
Total income tax deducted (from all information slips)	437	251 00 •	
Total credits	482	251 00 ▶	251 00
Total payable minus total credits			(251 00)
Refund	484		251 00 •
2017 Estimated			
RRSP contribution limit			1,170 00

Page 1 of 1

Catherine Casey
123 Main Street
Citiville, ON
A1A 1A1

Dear Catherine:

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 $251.00.

Your RRSP deduction limit for 2017 is $1,170.

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

Sincerely yours,

1. What amount is on Line 150?
    a. $6,500.00
2. What amount is on Line 236 & 260 and explain why?
    a. $6,500.00
3. What Line # did you enter the Tips amount and explain why on that Line?
    a. Line 104, Tips not included on slips
4. Explain why Line 363 was used?
    a. Eligible for Canada employment amount

Exercise 2 – Post-secondary student

Create a New T1 Return and Personal Information worksheet. Follow instructions from Steps to create a New Client File chapter.

Taxpayer (Client) Information:

- Sue Brown attends a post-secondary institution. She was born on August 2, 1996 and is single.
- The attached T2202A information slip that the post-secondary institution gave her shows she paid tuition fees of $2,500 for the courses she took last year. According to the slip, she can claim the education and textbook amounts for eight months. She wants to carry forward any amount she cannot use this year.
- During the year, she received a scholarship of $3,500 from her post-secondary institution, Town University. This amount is shown on the attached T4A information slip.
- Sue moved to her parents' home for the summer months (a distance of 500 kilometres) and got a job there at Streamers. She completed Form T1-M, Moving Expenses Deduction, listing her expenses of $300 for the move, and determined that she can claim the expenses on her tax return.
- She earned $12,300 at Streamers during the summer. They sent her the attached T4 information slip.
- She earned $52 interest in her savings account at the Local Bank. The bank sent her the attached T5 information slip.
- Last year, Sue paid $720.00 for her public transit passes ($60 a month).

Based on the information given, complete Sue's tax return.

Employer's name – Nom de l'employeur
STREAMERS

Canada Revenue Agency / Agence du revenu du Canada

Year / Année: 2016

T4

Statement of Remuneration Paid
État de la rémunération payée

14	Employment income – line 101 / Revenus d'emploi – ligne 101	12,300 00
22	Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	1,995 00
54	Employer's account number / Numéro de compte de l'employeur	
10	Province of employment / Province d'emploi	
16	Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	435 60
24	EI insurable earnings / Gains assurables d'AE	12,300 00
12	Social insurance number / Numéro d'assurance sociale	742 680 549
28	Exempt – Exemption: CPP/QPP, EI, PPIP / RPC/RRQ, AE, RPAP	
29	Employment code / Code d'emploi	
17	Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308	
26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	12,300 00
18	Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312	231 24
44	Union dues – line 212 / Cotisations syndicales – ligne 212	
20	RPP contributions – line 207 / Cotisations à un RPA – ligne 207	
46	Charitable donations – line 349 / Dons de bienfaisance – ligne 349	
52	Pension adjustment – line 206 / Facteur d'équivalence – ligne 206	
50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso	
56	PPIP insurable earnings / Gains assurables du RPAP	

Employee's name and address – Nom et adresse de l'employé

Last name (in capital letters) – Nom de famille (en lettres moulées) | First name – Prénom | Initial – Initiale

BROWN SUE

123 Main Street
Citiville, ON A1A 1A1

Other information (see over) / Autres renseignements (voir au verso)

Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant

Protected B when completed / Protégé B une fois rempli

T4 (14)

Payer's name – Nom du payeur
Town University

Canada Revenue Agency / Agence du revenu du Canada

Year / Année: 2016

T4A

Statement of Pension, Retirement, Annuity, and Other Income
État du revenu de pension, de retraite, de rente ou d'autres sources

061	Payer's account number / Numéro de compte du payeur	
016	Pension or superannuation – line 115 / Prestations de retraite ou autres pensions – ligne 115	
022	Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	
012	Social insurance number / Numéro d'assurance sociale	742 680 549
013	Recipient's account number / Numéro de compte du bénéficiaire	
018	Lump-sum payments – line 130 / Paiements forfaitaires – ligne 130	
020	Self-employed commissions / Commissions d'un travail indépendant	
024	Annuities / Rentes	
048	Fees for services / Honoraires ou autres sommes pour services rendus	

Recipient's name and address – Nom et adresse du bénéficiaire

Last name (print) – Nom de famille (en lettres moulées) | First name – Prénom | Initials – Initiales

BROWN SUE

123 Main Street
Citiville, ON A1A 1A1

Other information (see over)
Autres renseignements (voir au verso)

Box – Case	Amount – Montant	Box – Case	Amount – Montant
105	3,500 00		

Box – Case	Amount – Montant	Box – Case	Amount – Montant

T4A (15) Protected B when completed / Protégé B une fois rempli

Canada Revenue Agency / Agence du revenu du Canada

T5 Statement of Investment Income / État des revenus de placement

Year / Année: 2016

Protected B / Protégé B when completed / une fois rempli

Dividends from Canadian corporations – Dividendes de sociétés canadiennes		Federal credit – Crédit fédéral		
24 Actual amount of eligible dividends / Montant réel des dividendes déterminés	25 Taxable amount of eligible dividends / Montant imposable des dividendes déterminés	26 Dividend tax credit for eligible dividends / Crédit d'impôt pour dividendes déterminés	13 Interest from Canadian sources / Intérêts de source canadienne: 52.00	18 Capital gains dividends / Dividendes sur gains en capital
10 Actual amount of dividends other than eligible dividends / Montant réel des dividendes autres que des dividendes déterminés	11 Taxable amount of dividends other than eligible dividends / Montant imposable des dividendes autres que des dividendes déterminés	12 Dividend tax credit for dividends other than eligible dividends / Crédit d'impôt pour dividendes autres que des dividendes déterminés	21 Report Code / Code du feuillet	22 Recipient identification number / Numéro d'identification du bénéficiaire: 742680549 — 23 Recipient type / Type de bénéficiaire: 1

Other information (see the back) / Autres renseignements (voir au verso): Box / Case — Amount / Montant; Box / Case — Amount / Montant; Box / Case — Amount / Montant

Recipient's name (last name first) and address – Nom, prénom et adresse du bénéficiaire

BROWN, SUE
123 Main Street
Citiville, ON A1A 1A1

Payer's name and address – Nom et adresse du payeur

Local Bank

Currency and identification codes / Codes de devise et d'identification: 27 Foreign currency / Devises étrangères; 28 Transit – Succursale; 29 Recipient account / Numéro de compte du bénéficiaire

For information, see the back. Pour obtenir des renseignements, lisez le verso.

Privacy Act, personal information bank number CRA PPU 150 and CRA PPU 005 / *Loi sur la protection des renseignements personnels*, fichiers de renseignements personnels ARC PPU 150 et ARC PPU 005

T5 (15)

Agence du revenu du Canada / Canada Revenue Agency

Protected B when completed

Tuition, Education, and Textbook Amounts Certificate

For designated individual **2**

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by Employment and Social Development Canada (ESDC).
- Tuition fees paid in respect of the calendar year to any one institution have to be more than $100. Fees paid to a post-secondary institution have to be for courses taken at the post-secondary level. Fees paid to an institution certified by ESDC have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
- **Do not enter the cost of textbooks on this form.** Students calculate the education and textbook amounts **based on the number of months** indicated in Box B or C below.

Name of program or course: **International Business**

Student number: **12-345**

Name and address of student:
BROWN, SUE
123 Main Street
Citiville, ON A1A 1A1

Session periods, part-time and full-time: From Y	From M	To Y	To M	A Eligible tuition fees, part-time and full-time sessions	Number of months for: B Part-time	C Full-time
2016	01	2016	04	1,250.00		4
2016	09	2012	12	1,250.00		4
			Totals	2,500.00		8

Name and address of educational institution: **Town University**

Information for students: See the back of slip 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of slip 2.

T2202A E (16)

Steps to complete:

1. Select the Form Explorer list (F4). Select Slips and double-click on T4. Enter information from the Slip(s) in the Slip Worksheet as shown.
2. Select the Form Explorer list (F4). Select Slips and double-click on T4A. Enter information from the Slip(s) in the Slip Worksheet as shown.
3. Select the Form Explorer list (F4). Select Slips and double-click on T5. Enter information from the Slip(s) in the Slip Worksheet as shown.

T5
Statement of Investment Income
T5 Slip

		Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
Description			Local Bank				
% reported by spouse			0.0	0.0	0.0	0.0	
% reported by taxpayer			100.0	0.0	0.0	0.0	
Currency							
Exchange rate to convert to Cdn $			0	0	0	0	
Eligible dividends	Actual Amount	24	0.00	0.00	0.00	0.00	0.00
	Taxable Amount	25	0.00	0.00	0.00	0.00	0.00
Interest from Canadian sources		13	52.00	0.00	0.00	0.00	52.00
Source of Box 13 interest (for EFILE)			1/Bank	1/Bank	1/Bank	1/Bank	
Capital gains dividends		18	0.00	0.00	0.00	0.00	0.00
Dividends	Actual Amount	10	0.00	0.00	0.00	0.00	0.00
	Taxable Amount	11	0.00	0.00	0.00	0.00	0.00
Other income from Canadian sources		14	0.00	0.00	0.00	0.00	0.00
Name of foreign country							
Foreign income		15	0.00	0.00	0.00	0.00	0.00
Foreign tax paid		16	0.00	0.00	0.00	0.00	0.00
Royalties	Work or invention	17	0.00	0.00	0.00	0.00	0.00
	Other		0.00	0.00	0.00	0.00	0.00
Accrued income: Annuities		19	0.00	0.00	0.00	0.00	0.00
Box 19 received due to death of spouse?			No	No	No	No	
Equity linked notes interest	Current year	30	0.00	0.00	0.00	0.00	
	Prior years		0.00	0.00	0.00	0.00	

4. Select the Form Explorer list (F4). Select Slips and double-click on T2202. Enter information from the Slip(s) in the Slip Worksheet as shown.

T2202A/TL11
Tuition and education credit certificates
Tuition Slips

	Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
Description		Town Univeristy				
T2202A, TL11A, TL11B, TL11C						
Tuition fees paid	A	2,500.00	0.00	0.00	0.00	2,500.00
Number of months in part-time enrolment	B	0	0	0	0	0
Number of months in full-time enrolment	C	8	0	0	0	8
TL11D						
Tuition fees paid		0.00	0.00	0.00	0.00	0.00
Charitable donations		0.00	0.00	0.00	0.00	0.00

5. Use the Form Explorer to locate other forms need for this exercise.

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

Preview your T1 Return:

1. Select T1 Summary (Ctrl+F10)
2. How does it look? Does it confirm with current ITA?

Client Review 2:

1. Review the Tax Summary and Client Letter and answer the following questions.
    a. What is the Refund/Balance amount?
    b. What is the GST Credit amount, and explain why?
    c. What is the CCB Credit amount, and explain why?

Exercise 2 Quiz:

1. What amount is on Line 150?
2. What amount is on Line 236 & 260 and explain why?
3. Explain why Line 364 was used?

Answers – Client Review 2

a. What is the Refund/Balance amount?

   a) $1,995.00 R

b. What is the GST Credit amount, and explain why?

   a) $338.00, Eligible

c. What is the CCB Credit amount, and explain why?

   a) $0, Non-Eligible

Answers - Exercise 2 Quiz

T1Summary

2016 Tax Return Summary

Taxpayer personal information

SIN	742 680 549
Name	Brown, Sue
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
Birthdate	1996/08/02
Marital status	Single

Spousal information

SIN	
Name	
Birthdate	

Filing

Province of residence on 2016/12/31	Ontario	
EFILE this return?	☒ Yes	☐ No
Is return discounted?	☐ Yes	☒ No
Use preparer address for:	Nothing	

Total income			
Employment income (box 14 on all T4 slips)	101	12,300.00	
Interest and other investment income (Attach Schedule 4)	121	52.00	
Total income	150	12,352.00 ▶	12,352.00
Net income			
Moving expenses	219	300.00	
Add lines 207 to 224, 229, 231 and 232.	233	300.00 ▶	300.00
Net income	236		12,052.00
Taxable income			
Taxable income	260		12,052.00
Non-refundable tax credits			
Basic personal amount **claim $11,474**	300	11,474.00	
CPP or QPP contributions through employment **(maximum $2,544.30)**	308	435.60 •	
Employment Insurance premiums from box 18 on all T4 slips **(maximum $955.04)**	312	231.24 •	
Canada employment amount (see the guide) **(maximum $1,161)**	363	1,161.00	
Public transit passes amount (see the guide)	364	720.00 •	
Add lines 1 to 26	335	14,021.84	
Multiply the amount on line 26 by 15%	= 338		2,103.28
Total federal non-refundable tax credits: 27 and 28.	350		2,103.28
Refund or Balance owing			
Total payable	435		0.00 •
Total income tax deducted (from all information slips)	437	1,995.00 •	
Total credits	482	1,995.00 ▶	1,995.00
Total payable minus total credits			(1,995.00)
Refund	484		1,995.00 •

2017 Estimated

GST/HST credit	Annual	338.00	Quarterly	85.00
Provincial tax credit	Annual	291.00	Monthly	
RRSP contribution limit				2,214.00

Page 1 of 1

Sue Brown
123 Main Street
Citiville, ON
A1A 1A1

Dear Sue:

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 $1,995.00.

You will receive a GST credit of $338.08, payable in quarterly instalments of $84.52 in July and October 2017 and in January and April 2018.

We estimate that you will receive the Ontario Trillium Benefit of $291.00 in July 2017.

Your RRSP deduction limit for 2017 is $2,214.

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

Sincerely yours,

1. What amount is on Line 150?
    a. $12,352.00
2. What amount is on Line 236 & 260 and explain why?
    a. $12,352.00
3. Explain why Line 364 was used?
    a. Public Transit Pass Amount

Exercise 3 – Employed individual with spouse

Create a New T1 Return and Personal Information worksheet.

Taxpayer (Client) Information:

- Last year, Trevor Nowen, who is married to Ivana (SIN 540 881 896, she was born December 8, 1989), started a job as a graphic artist at GracoDesigns. He was born August 2, 1990. During the year he earned $28,000 and in February his employer sent him a T4 information slip.
- In December, he contributed $1,180 to a registered retirement savings plan (RRSP) at his local bank. Trevor has determined he has $3000 RRSP deduction limit to claim the full amount on his tax return.
- Trevor also received $22 interest from his savings account at the bank.
- Ivana earned $4,000 from consulting work but she did not have any business expenses. The payer withheld no deductions at source. Ivana will not be filing jointly with Trevor.

Based on the information given, complete Trevor's tax return.

Protected B when completed / Protégé B une fois rempli

Canada Revenue Agency / Agence du revenu du Canada

T4

Statement of Remuneration Paid
État de la rémunération payée

Year / Année: 2016

Employer's name – Nom de l'employeur: GRACODESIGNS

54	Employer's account number / Numéro de compte de l'employeur	
12	Social insurance number / Numéro d'assurance sociale	672 063 625
28	Exempt – Exemption: CPP/QPP, EI, PPIP / RPC/RRQ, AE, RPAP	
10	Province of employment / Province d'emploi	
29	Employment code / Code d'emploi	
14	Employment income – line 101 / Revenus d'emploi – ligne 101	28,000 00
22	Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	3,700 00
16	Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	1,212 75
24	EI insurable earnings / Gains assurables d'AE	
17	Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308	
26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	28,000 00
18	Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312	526 40
44	Union dues – line 212 / Cotisations syndicales – ligne 212	
20	RPP contributions – line 207 / Cotisations à un RPA – ligne 207	
46	Charitable donations – line 349 / Dons de bienfaisance – ligne 349	
52	Pension adjustment – line 206 / Facteur d'équivalence – ligne 206	
50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso	
56	PPIP insurable earnings / Gains assurables du RPAP	

Employee's name and address – Nom et adresse de l'employé

Last name (in capital letters) – Nom de famille (en lettres moulées): NOWEN
First name – Prénom: TREVOR
Initial – Initiale:

123 Main Street
Citiville, ON A1A 1A1

Other information (see over) / Autres renseignements (voir au verso)

Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant

T4 (14)

Canada Revenue Agency / Agence du revenu du Canada

T5 **Statement of Investment Income**
État des revenus de placement

Year / Année: 2016

Protected B / Protégé B when completed / une fois rempli

Dividends from Canadian corporations – Dividendes de sociétés canadiennes; Federal credit – Crédit fédéral

24	Actual amount of eligible dividends / Montant réel des dividendes déterminés	
25	Taxable amount of eligible dividends / Montant imposable des dividendes déterminés	
26	Dividend tax credit for eligible dividends / Crédit d'impôt pour dividendes déterminés	
13	Interest from Canadian sources / Intérêts de source canadienne	22.00
18	Capital gains dividends / Dividendes sur gains en capital	
10	Actual amount of dividends other than eligible dividends / Montant réel des dividendes autres que des dividendes déterminés	
11	Taxable amount of dividends other than eligible dividends / Montant imposable des dividendes autres que des dividendes déterminés	
12	Dividend tax credit for dividends other than eligible dividends / Crédit d'impôt pour dividendes autres que des dividendes déterminés	
21	Report Code / Code du feuillet	
22	Recipient identification number / Numéro d'identification du bénéficiaire	
23	Recipient type / Type de bénéficiaire	

Other information (see the back) / Autres renseignements (voir au verso)

Box / Case	Amount / Montant	Box / Case	Amount / Montant	Box / Case	Amount / Montant

Recipient's name (last name first) and address – Nom, prénom et adresse du bénéficiaire:
NOWEN, TREVOR
123 Main Street
Citiville, ON A1A 1A1

Payer's name and address – Nom et adresse du payeur:
Local Bank

Currency and identification codes / Codes de devise et d'identification: 27 Foreign currency / Devises étrangères; 28 Transit – Succursale; 29 Recipient account / Numéro de compte du bénéficiaire

For information, see the back.
Pour obtenir des renseignements, lisez le verso.

Privacy Act, personal information bank number CRA PPU 150 and CRA PPU 005 / *Loi sur la protection des renseignements personnels*, fichiers de renseignements personnels ARC PPU 150 et ARC PPU 005

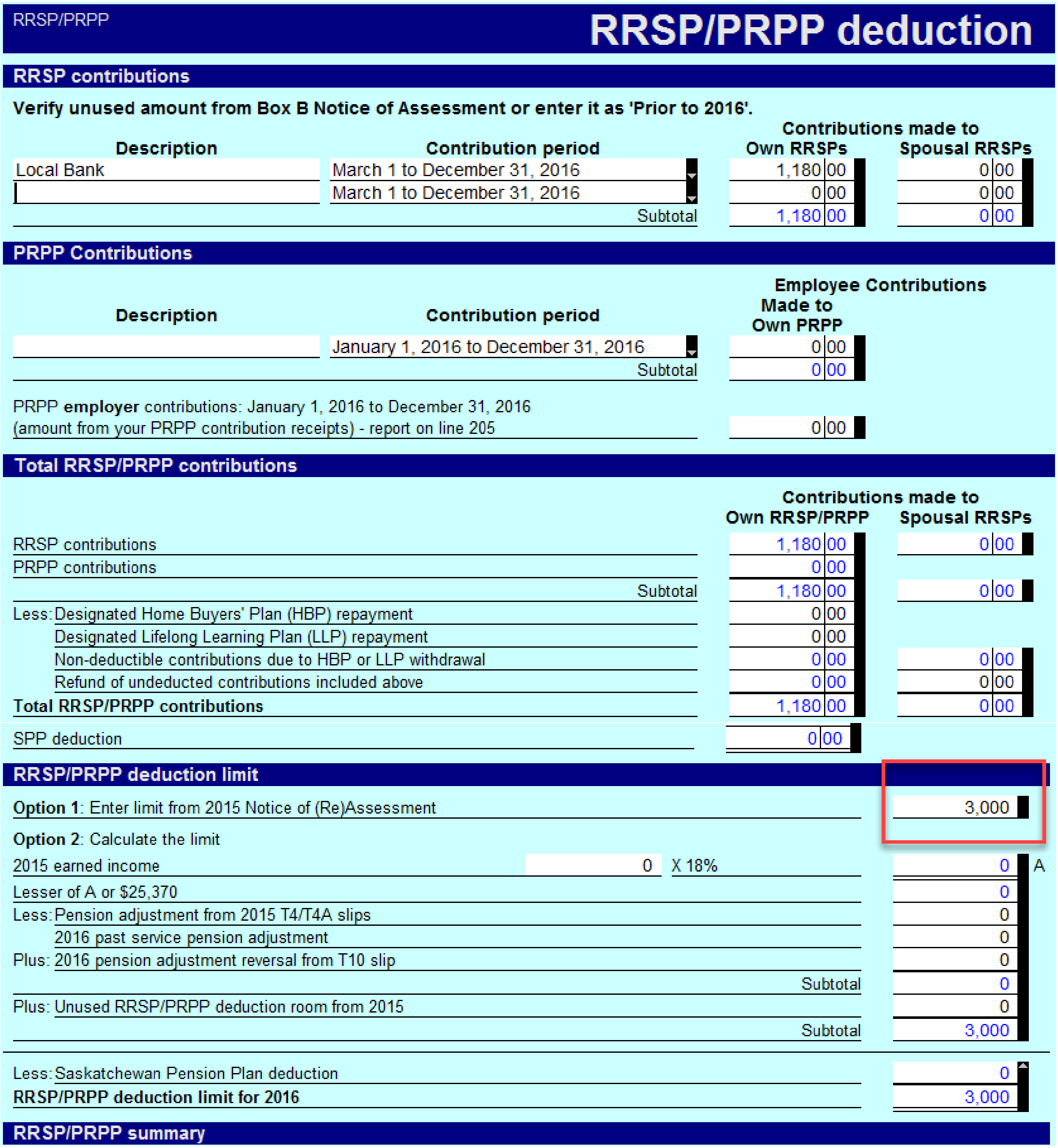
T5 (15)

Steps to complete:

1. When completing the Personal Information worksheet, continue down to Spousal information section.

2. Select the Form Explorer list (F4). Select Slips and double-click on T4. Enter information from the Slip(s) in the Slip Worksheet as shown.

3. Select the Form Explorer list (F4). Select Deductions and double-click on RRSP. Enter information in the Slip Worksheet as shown.



RRSP/PRPP

RRSP/PRPP deduction

RRSP contributions

Verify unused amount from Box B Notice of Assessment or enter it as 'Prior to 2016'.

Description	Contribution period	Contributions made to Own RRSPs	Contributions made to Spousal RRSPs
Local Bank	March 1 to December 31, 2016	1,180.00	0.00
	March 1 to December 31, 2016	0.00	0.00
	Subtotal	1,180.00	0.00

PRPP Contributions

Description	Contribution period	Employee Contributions Made to Own PRPP
	January 1, 2016 to December 31, 2016	0.00
	Subtotal	0.00

PRPP **employer** contributions: January 1, 2016 to December 31, 2016 (amount from your PRPP contribution receipts) - report on line 205	0.00

Total RRSP/PRPP contributions

	Contributions made to Own RRSP/PRPP	Contributions made to Spousal RRSPs
RRSP contributions	1,180.00	0.00
PRPP contributions	0.00	
Subtotal	1,180.00	0.00
Less: Designated Home Buyers' Plan (HBP) repayment	0.00	
Designated Lifelong Learning Plan (LLP) repayment	0.00	
Non-deductible contributions due to HBP or LLP withdrawal	0.00	0.00
Refund of undeducted contributions included above	0.00	0.00
Total RRSP/PRPP contributions	1,180.00	0.00
SPP deduction	0.00	

RRSP/PRPP deduction limit

Option 1: Enter limit from 2015 Notice of (Re)Assessment	3,000	
Option 2: Calculate the limit		
2015 earned income 0 X 18%	0	A
Lesser of A or $25,370	0	
Less: Pension adjustment from 2015 T4/T4A slips	0	
2016 past service pension adjustment	0	
Plus: 2016 pension adjustment reversal from T10 slip	0	
Subtotal	0	
Plus: Unused RRSP/PRPP deduction room from 2015	0	
Subtotal	3,000	
Less: Saskatchewan Pension Plan deduction	0	
RRSP/PRPP deduction limit for 2016	3,000	

RRSP/PRPP summary

4. Select the Form Explorer list (F4). Select Slips and double-click on T5. Enter information in the Slip Worksheet as shown.

5. Use the Form Explorer to locate other forms need for this exercise.

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

Preview your T1 Return:

1. Select T1 Summary (Ctrl+F10)

2. How does it look? Does it confirm with current ITA?

Client Review 3:

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

    a. What is the Refund/Balance amount?

    b. What is the GST Credit amount, and explain why?

    c. What is the CCB Credit amount, and explain why?

Exercise 3 Quiz:

1. What amount is on Line 150?

2. What amount is on Line 236 & 260 and explain why?

3. Explain why Line 303 was used?

4. What Schedule did you use for the spouse’s amount and what Line Letter was used?

Answers – Client Review 3

a. What is the Refund/Balance amount?

    a) $2,158.96 R

b. What is the GST Credit amount, and explain why?

    a) $552.00, Eligible

c. What is the CCB Credit amount, and explain why?

    a) $0, Non-Eligible

Answers - Exercise 3 Quiz

T1Summary

2016 Tax Return Summary

Taxpayer personal information			Spousal information	
SIN	672 063 625		SIN	540 881 596
Name	Nowen, Trevor		Name	Nowen, Ivana
Care of			Birthdate	1989/12/08
Street address	123 Main Street	Apt #		
P.O. Box, R.R.				
City	Citiville			
Province	ON			
Postal code	A1A 1A1			
Home phone	(905) 555-5555			
Birthdate	1990/08/02			
Marital status	Married			

Filing

Province of residence on 2016/12/31	Ontario		
EFILE this return?	☒ Yes	☐ No	
Is return discounted?	☐ Yes	☒ No	
Use preparer address for:	Nothing		

	Line	Amount	Total
Total income			
Employment income (box 14 on all T4 slips)	101	28,000 00	
Interest and other investment income (Attach Schedule 4)	121	22 00	
Total income	150	28,022 00 ▶	28,022 00
Net income			
RRSP deduction /pooled registered pension plan (PRPP) deduction (see Schedule 7 and **attach** receipts)	208	1,180 00	
Add lines 207 to 224, 229, 231 and 232.	233	1,180 00 ▶	1,180 00
Net income	236		26,842 00
Taxable income			
Taxable income	260		26,842 00
Non-refundable tax credits			
Basic personal amount **claim $11,474**	300	11,474 00	
Spouse or common-law partner amount (if negative, enter "0")	303	7,474 00	
CPP or QPP contributions through employment **(maximum $2,544.30)**	308	1,212 75 •	
Employment Insurance premiums from box 18 on all T4 slips **(maximum $955.04)**	312	526 40 •	
Canada employment amount (see the guide) **(maximum $1,161)**	363	1,161 00	
Add lines 1 to 26	335	21,848 15	
Multiply the amount on line 26 by 15% =	338		3,277 22
Total federal non-refundable tax credits: 27 and 28.	350		3,277 22
Refund or Balance owing			
Net federal tax.	420		749 08
Provincial tax	428		791 96
Total payable	435		1,541 04 •
Total income tax deducted (from all information slips)	437	3,700 00 •	
Total credits	482	3,700 00 ▶	3,700 00
Total payable minus total credits			(2,158 96)
Refund	484		2,158 96 •

2017 Estimated

GST/HST credit	Annual	552 00	Quarterly	138 00
Provincial tax credit	Annual	468 00	Monthly	38 98
RRSP contribution limit				6,860 00

Page 1 of 1

Trevor Nowen
123 Main Street
Citiville, ON
A1A 1A1

Dear Trevor:

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 $2,158.96.

You will receive a GST credit of $552.00, payable in quarterly instalments of $138.00 in July and October 2017 and in January and April 2018.

We estimate that you will receive the Ontario Trillium Benefit of $467.72, payable in twelve monthly installments of $38.98 commencing on July 2017.

Your RRSP deduction limit for 2017 is $6,860.

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

Sincerely yours,

1. What amount is on Line 150?
    a. $28,022
2. What amount is on Line 236 & 260 and explain why?
    a. $26,842, RRSP contribution
3. Explain why Line 303 was used?
    a. Spousal or common-law amount
4. What Schedule did you use for the spouse's amount?
    a. Schedule 2

Exercise 4 – Single-parent

Create a New T1 Return and Personal Information worksheet.

Taxpayer (Client) Information:

- Karen Partridge is a single mother of a young child, Annie, born June 4, 2013. Karen's date of birth is May 15, 1982.
- During the year, she worked for 40 weeks and earned $34,790. This income, plus other relevant information, is shown on the attached T4 information slip.
- She also received $950 in social assistance payments and $960 in Universal Child Care Benefit payments. These payments are shown on the attached information slips T5007, Statement of Benefits Benefit.
- Karen sent her child to Beacon Nursery while she was working and has determined that she is entitled to claim $5,600 for child care expenses on her tax return.
- Karen paid $9,000 in rent last year.

Based on the information given, complete Karen's tax return.

Protected B when completed / Protégé B une fois rempli

Canada Revenue Agency / Agence du revenu du Canada

T4

Statement of Remuneration Paid
État de la rémunération payée

Employer's name – Nom de l'employeur: AQUANTIC

Year / Année: 2016

14	Employment income – line 101 / Revenus d'emploi – ligne 101	34,790.00
22	Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	5,250.00
54	Employer's account number / Numéro de compte de l'employeur	
10	Province of employment / Province d'emploi	
16	Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	1,548.85
24	EI insurable earnings / Gains assurables d'AE	
12	Social insurance number / Numéro d'assurance sociale	275 055 937
28	Exempt – Exemption: CPP/QPP, EI, PPIP / RPC/RRQ, AE, RPAP	
29	Employment code / Code d'emploi	
17	Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308	
26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	34,790.00
18	Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312	654.05
44	Union dues – line 212 / Cotisations syndicales – ligne 212	165.00
20	RPP contributions – line 207 / Cotisations à un RPA – ligne 207	782.50
46	Charitable donations – line 349 / Dons de bienfaisance – ligne 349	
52	Pension adjustment – line 206 / Facteur d'équivalence – ligne 206	1,565.00
50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso	
56	PPIP insurable earnings / Gains assurables du RPAP	

Employee's name and address – Nom et adresse de l'employé

Last name (in capital letters) – Nom de famille (en lettres moulées): PARTRIDGE
First name – Prénom: KAREN
Initial – Initiale:

123 Main Street
Citiville, ON A1A 1A1

Other information (see over) / Autres renseignements (voir au verso)

Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant

T4 (14)

Canada Revenue Agency / Agence du revenu du Canada

T5007

Statement of Benefits
État des prestations

Protected B / Protégé B
when completed / une fois rempli

Year / Année	10 Workers' compensation benefits / Indemnités pour accidents du travail	11 Social assistance payments or provincial or territorial supplements / Prestations d'assistance sociale ou supplément provincial ou territorial	12 Social insurance number / Numéro d'assurance sociale	13 Report code / Code de genre de feuillet
2016		950.00	275 055 937	

Recipient's name and address – Nom et adresse du bénéficiaire

Last name (print) / Nom de famille (en lettres moulées): PARTRIDGE
First name / Prénom: KAREN
Initials / Initiales:

123 Main Street
Citiville, ON A1A 1A1

Payer's name and address / Nom et adresse du payeur: Local Social Assistance Office

See the privacy notice on your return.
Consultez l'avis de confidentialité dans votre déclaration.
T5007 (16)

UNIVERSAL CHILD CARE BENEFIT STATEMENT
ÉTAT DE LA PRESTATION UNIVERSELLE POUR LA GARDE D'ENFANTS **RC62**

Year / Année	Social Insurance Number / Numéro d'assurance sociale	10 Total benefit paid / Prestation totale versée	12 Repayment of previous-years benefits / Remboursement de prestations d'années précédentes
2016	275 055 937	960.00	

Year / Année	Amount / Montant	Year / Année	Amount / Montant

Issued by: Human Resources and Skills Development Canada
Émis par : Ressources humaines et Développement des compétences Canada

PARTRIDGE Karen
123 Main Street
City, Province X0X 0X0

RC62 (10/12) Canada

Steps to complete:

1. After completing the Personal Information worksheet. Select the Form Explorer list (F4). Select Identification and double-click on Dependant. Enter Dependant information from information given.

Dependant **Dependant information**

Are you eligible to receive the Child Tax Benefit? Yes [X] No [ ]
Family caregiver amount claimed by You [X] Spouse [ ]

	Dependant #1	Dependant #2	Dependant #3
Social Insurance Number			
First name	Annie		
Last name	Partridge		
Relationship	Daughter	N/A	N/A
Birth date	2013/06/04	yyyy/mm/dd	yyyy/mm/dd
Net income	960.00	0.00	0.00
Claim as eligible dependant?	Yes	No	No
Dependant claiming GST credit?	No	No	No
Dependant claiming PST credit (MB)?	No	No	No
Did dependant live with you in 2016?	Yes	No	No
Street address	123 Main Street		
P.O. Box, R.R.			
Apt No.			
City	Citiville		
Province	ON		
Postal code	A1A 1A1		
Province of residence on 2016/12/31	Ontario	NA	NA

Child care expense details
(Please use the drop down list to select the first name of an eligible child)

Child first name	Organization or name	SIN	# weeks*	Amount	Claim
Annie	Beacon Nursery		0	5,600.00	5,600.00
			0	0.00	0.00
			Total	5,600.00	5,600.00

*Enter the # of weeks spent at boarding school, overnight sports school or overnight camp.

2. Select the Form Explorer list (F4). Select Slips and double-click on T4. Enter information from the Slip(s) in the Slip Worksheet as shown.

3. Select the Form Explorer list (F4). Select Slips and double-click on T5007. Enter information from the Slip(s) in the Slip Worksheet as shown.

T5007
Statement of Benefits
T5007 Slip

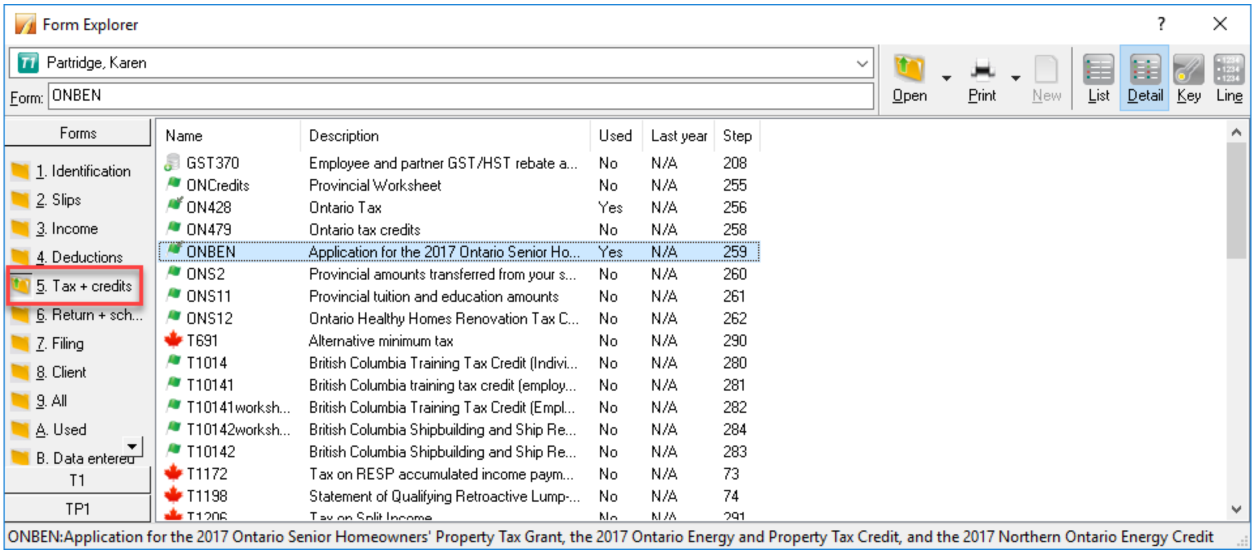
		Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
Description			Local Social Assistance Office				
Workers' compensation benefits		10	0.00	0.00	0.00	0.00	0.00
Social assistance payments	Taxpayer	11	950.00	0.00	0.00	0.00	950.00
	Spouse		0.00	0.00	0.00	0.00	0.00
Manitoba resident:							
Percentage of social assistance - MB	Taxpayer	14	1.000	0.000	0.000	0.000	1.000
	Spouse		1.000	0.000	0.000	0.000	1.000

4. Select the Form Explorer list (F4). Select Slips and double-click on RC62. Enter information from the Slip(s) in the Slip Worksheet as shown.

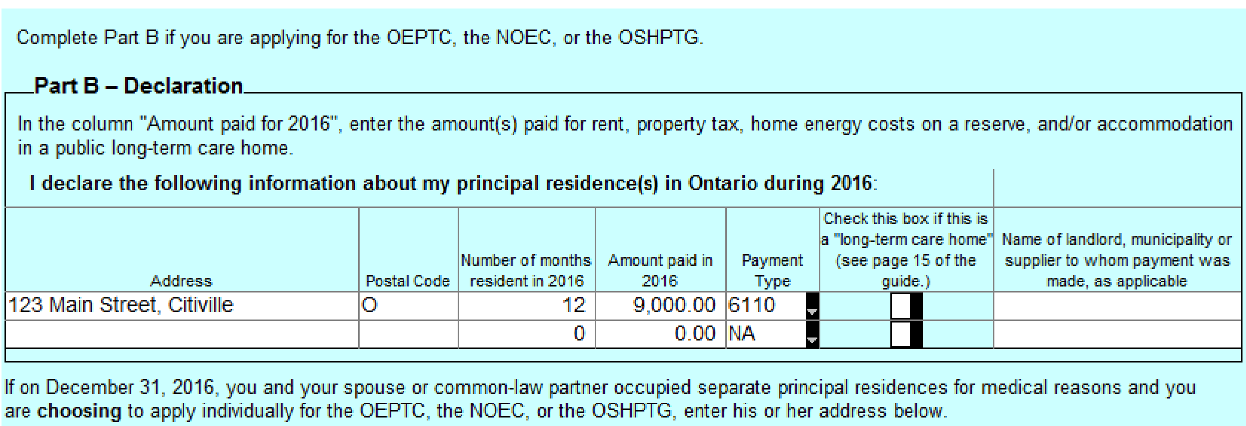
RC62
Universal Child Care Benefit Statement
RC62

		Box	
Total benefit paid		10	960.00
Repayment of previous-year benefits	Taxpayer	12	0.00
	Spouse		0.00
Single-parent only: Do you elect to include UCCB amounts in the income of the dependant for whom you claim the Eligible Dependant Credit (or if the Eligible Dependant Credit is not available, elect to include the aggregate amount of benefits in the income of one of the children for whom the benefit is paid)?			Yes
(Be sure the benefit is claimed by that eligible dependant or child)			

5. Select the Form Explorer list (F4). Select Tax+credits and double-click on ONBEN.



- Enter the information supplied.



Complete Part B if you are applying for the OEPTC, the NOEC, or the OSHPTG.

Part B – Declaration

In the column "Amount paid for 2016", enter the amount(s) paid for rent, property tax, home energy costs on a reserve, and/or accommodation in a public long-term care home.

I declare the following information about my principal residence(s) in Ontario during 2016:

Address	Postal Code	Number of months resident in 2016	Amount paid in 2016	Payment Type	Check this box if this is a "long-term care home" (see page 15 of the guide.)	Name of landlord, municipality or supplier to whom payment was made, as applicable
123 Main Street, Citiville	O	12	9,000.00	6110		
		0	0.00	NA		

If on December 31, 2016, you and your spouse or common-law partner occupied separate principal residences for medical reasons and you are **choosing** to apply individually for the OEPTC, the NOEC, or the OSHPTG, enter his or her address below.

6. Use the Form Explorer to locate other forms need for this exercise.
7. Click Save button in the icon bar to save your work.

Preview your T1 Return:

1. Select T1 Summary (Ctrl+F10)
2. How does it look? Does it confirm with current ITA?

Client Review 4:

1. Review the Tax Summary and Client Letter and answer the following questions.
    a. What is the Refund/Balance amount?
    b. What is the GST Credit amount, and explain why?
    c. What is the CCB Credit amount, and explain why?

Exercise 4 Quiz:

1. What amount is on Line 150?
2. What amount is on Line 236 & 260 and explain why?
3. Explain why Line 305 was used?

Answers – Client Review 4

a. What is the Refund/Balance amount?

   a) $4516.40 R

b. What is the GST Credit amount, and explain why?

   a) $697, Eligible

c. What is the CCB Credit amount, and explain why?

   a) $7,077, Eligible

Answers - Exercise 4 Quiz

T1Summary

2016 Tax Return Summary

Taxpayer personal information			Spousal information		
SIN	275 055 937		SIN		
Name	Partridge, Karen		Name		
Care of			Birthdate		
Street address	123 Main Street	Apt #	**Filing**		
P.O. Box, R.R.			Province of residence on 2016/12/31	Ontario	
City	Citiville		EFILE this return?	☒ Yes	☐ No
Province	ON		Is return discounted?	☐ Yes	☒ No
Postal code	A1A 1A1		Use preparer address for:	Nothing	
Home phone	(905) 555-5555				
Birthdate	1982/05/15				
Marital status	Single				

Total income					
Employment income (box 14 on all T4 slips)			101	34,790 00	
UCCB amount designated to a dependant	185	960 00			
Social assistance payments	145	950 00			
Add lines 144, 145, and 146 (see line 250 in the guide)		950 00 ▸	147	950 00	
		Total income	150	35,740 00 ▸	35,740 00
Net income					
Pension adjustment (box 52 on T4 slips, box 34 on T4A slips)	206	1,565 00			
Registered pension plan deduction (box 20 on T4 slips and box 32 on T4A slips)			207	782 50	
Annual union, professional, or like dues (box 44 on T4 slips, or from receipts)			212	165 00	
Child care expenses (Attach Form T778)			214	5,600 00	
Add lines 207 to 224, 229, 231 and 232.			233	6,547 50 ▸	6,547 50
				Net income 236	29,192 50
Taxable income					
Other payments deduction (if you reported income on line 147, see line 250 in the guide)			250	950 00	
Add lines 244 to 256.			257	950 00 ▸	950 00
				Taxable income 260	28,242 50
Non-refundable tax credits					
Basic personal amount		**claim $11,474**	300	11,474 00	
Amount for an eligible dependant (if negative, enter "0")			305	10,514 00	
CPP or QPP contributions through employment		**(maximum $2,544.30)**	308	1,548 85 •	
Employment Insurance premiums from box 18 on all T4 slips		**(maximum $955.04)**	312	654 05 •	
Canada employment amount (see the guide)		**(maximum $1,161)**	363	1,161 00	
Add lines 1 to 26			335	25,351 90	
Multiply the amount on line 26 by 15%				= 338	3,802 78
		Total federal non-refundable tax credits: 27 and 28.		350	3,802 78
Refund or Balance owing					
				Net federal tax. 420	433 60
Provincial tax				428	300 00
				Total payable 435	733 60 •
Total income tax deducted (from all information slips)			437	5,250 00 •	
		Total credits	482	5,250 00 ▸	5,250 00
				Total payable minus total credits	(4,516 40)
				Refund 484	4,516 40 •

2017 Estimated

GST/HST credit	Annual	697 00	Quarterly	174 00
Provincial tax credit	Annual	970 00	Monthly	80 80
Child Tax Benefit	Annual	7,077 00	Monthly	590 00
RRSP contribution limit				4,667 00

Page 1 of 1

Karen Partridge
123 Main Street
Citiville, ON
A1A 1A1

Dear Karen:

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 $4,516.40.

You will receive a GST credit of $697.00, payable in quarterly instalments of $174.25 in July and October 2017 and in January and April 2018.

We estimate that you will receive the Ontario Trillium Benefit of $969.55, payable in twelve monthly installments of $80.80 commencing on July 2017.

Total estimated federal and provincial Child Benefit of $7,077.08 are payable for the year starting in July 2017 and ending in June 2018.

Your RRSP deduction limit for 2017 is $4,667.

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

Sincerely yours,

1. What amount is on Line 150?
    a. $35,740
2. What amount is on Line 236 & 260 and explain why?
    a. Line 236 = $29,192.50, RRSP, Dues, & Child Care amounts

       Line 260 = $28,242.50, Other payments deduction (Social Assistance Payments)
3. Explain why Line 305 was used?
    a. Eligible Dependant amount

Exercise 5 – Aboriginal person

Create a New T1 Return and Personal Information worksheet.

Taxpayer (Client) Information:

- Ronald Lacroix is a single, registered Indian, born on July 8, 1981. Last year, he worked as a full-time administrator for a medical clinic located on a reserve. His employer, Big Isle Health Clinic, has elected to participate in the CPP.
- Ronald also works part-time for an organization dedicated to developing social programs for local youth. The organization is located off reserve and all of Ronald's work is carried out off reserve.
- To get tax information for Aboriginal peoples, go to cra.gc.ca/aboriginalpeoples

Based on the information given, complete Ronald's tax return.

Canada Revenue Agency / Agence du revenu du Canada

T4

Statement of Remuneration Paid
État de la rémunération payée

Year / Année: 2016

Employer's name – Nom de l'employeur: BIG ISLE HEALTH CLINIC

54	Employer's account number / Numéro de compte de l'employeur	
12	Social insurance number / Numéro d'assurance sociale	781 962 295
28	Exempt – Exemption: CPP/QPP, EI, PPIP / RPC/RRQ, AE, RPAP	
10	Province of employment / Province d'emploi	
29	Employment code / Code d'emploi	
14	Employment income – line 101 / Revenus d'emploi – ligne 101	
22	Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	
16	Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	1,543.16
24	EI insurable earnings / Gains assurables d'AE	34,675.00
17	Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308	
26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	34,675.00
18	Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312	651.89
44	Union dues – line 212 / Cotisations syndicales – ligne 212	
20	RPP contributions – line 207 / Cotisations à un RPA – ligne 207	
46	Charitable donations – line 349 / Dons de bienfaisance – ligne 349	
52	Pension adjustment – line 206 / Facteur d'équivalence – ligne 206	
50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso	
56	PPIP insurable earnings / Gains assurables du RPAP	

Employee's name and address – Nom et adresse de l'employé

Last name (in capital letters) – Nom de famille (en lettres moulées): LACROIX
First name – Prénom: RONALD
Initial – Initiale:

123 Main Street
Citiville, ON A1A 1A1

Other information (see over) / Autres renseignements (voir au verso)

Box – Case	Amount – Montant
71	34,675.00

Protected B when completed / Protégé B une fois rempli

T4 (14)

Employer's name – Nom de l'employeur
ACTION YOUTH CENTRE

Canada Revenue Agency / Agence du revenu du Canada

Year / Année: 2016

T4
Statement of Remuneration Paid
État de la rémunération payée

54 Employer's account number / Numéro de compte de l'employeur

Social insurance number / Numéro d'assurance sociale
12: 781 962 295

Exempt – Exemption: 28 CPP/QPP, EI, PPIP (RPC/RRQ, AE, RPAP)

14	Employment income – line 101 / Revenus d'emploi – ligne 101	5,500.00
22	Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	107.27
10	Province of employment / Province d'emploi	
16	Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	99.00
24	EI insurable earnings / Gains assurables d'AE	5,500.00
29	Employment code / Code d'emploi	
17	Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308	
26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	5,500.00
18	Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312	103.40
44	Union dues – line 212 / Cotisations syndicales – ligne 212	
20	RPP contributions – line 207 / Cotisations à un RPA – ligne 207	
46	Charitable donations – line 349 / Dons de bienfaisance – ligne 349	
52	Pension adjustment – line 206 / Facteur d'équivalence – ligne 206	
50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso	
56	PPIP insurable earnings / Gains assurables du RPAP	

Employee's name and address – Nom et adresse de l'employé

Last name (in capital letters) – Nom de famille (en lettres moulées): LACROIX
First name – Prénom: RONALD
Initial – Initiale:

123 Main Street
Citiville, ON A1A 1A1

Other information (see over) / Autres renseignements (voir au verso)

Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant

Protected B when completed / Protégé B une fois rempli

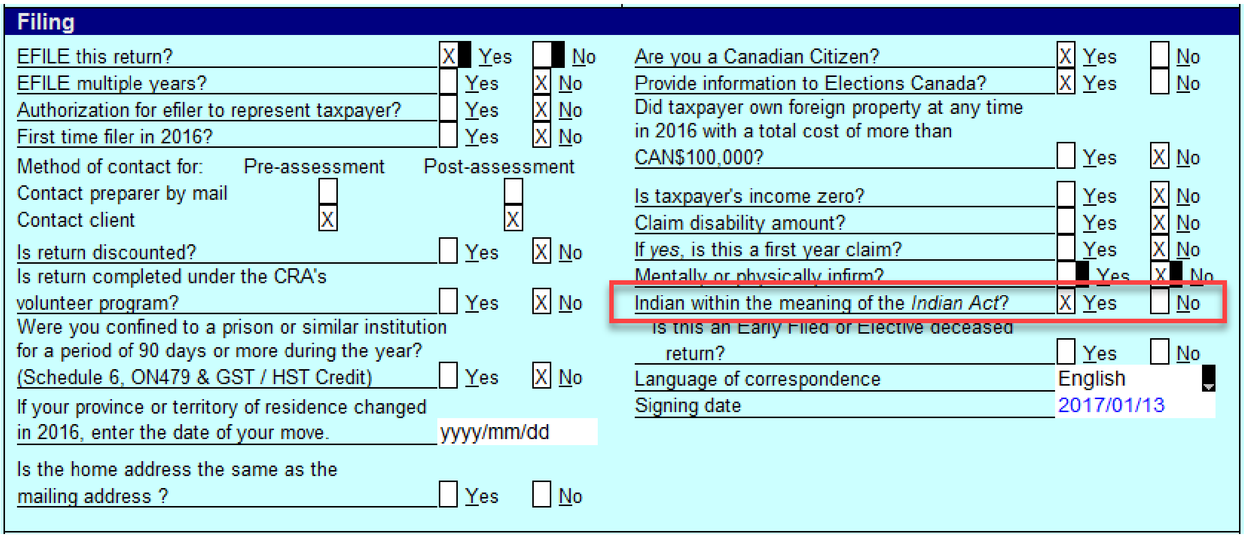
T4 (14)

Steps to complete:

1. Select the Form Explorer list (F4). Select Slips and double-click on T4. Enter information from the Slip(s) in the Slip Worksheet as shown.

2. Use the Form Explorer to locate other forms need for this exercise.

3. ProFile has an Indian Status question you need to answer on the Personal Info Sheet.



Filing

EFILE this return?	[X] Yes	[ ] No
EFILE multiple years?	[ ] Yes	[X] No
Authorization for efiler to represent taxpayer?	[ ] Yes	[X] No
First time filer in 2016?	[ ] Yes	[X] No
Method of contact for:	Pre-assessment	Post-assessment
Contact preparer by mail	[ ]	[ ]
Contact client	[X]	[X]
Is return discounted?	[ ] Yes	[X] No
Is return completed under the CRA's volunteer program?	[ ] Yes	[X] No
Were you confined to a prison or similar institution for a period of 90 days or more during the year? (Schedule 6, ON479 & GST / HST Credit)	[ ] Yes	[X] No
If your province or territory of residence changed in 2016, enter the date of your move.	yyyy/mm/dd	
Is the home address the same as the mailing address ?	[ ] Yes	[ ] No

Are you a Canadian Citizen?	[X] Yes	[ ] No
Provide information to Elections Canada?	[X] Yes	[ ] No
Did taxpayer own foreign property at any time in 2016 with a total cost of more than CAN$100,000?	[ ] Yes	[X] No
Is taxpayer's income zero?	[ ] Yes	[X] No
Claim disability amount?	[ ] Yes	[X] No
If *yes*, is this a first year claim?	[ ] Yes	[X] No
Mentally or physically infirm?	[ ] Yes	[X] No
Indian within the meaning of the *Indian Act*?	[X] Yes	[ ] No
Is this an Early Filed or Elective deceased return?	[ ] Yes	[ ] No
Language of correspondence	English	
Signing date	2017/01/13	

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

Preview your T1 Return:

1. Select T1 Summary (Ctrl+F10)
2. How does it look? Does it confirm with current ITA?

Client Review 5:

1. Review the Tax Summary and Client Letter and answer the following questions.
    a. What is the Refund/Balance amount?
    b. What is the GST Credit amount, and explain why?
    c. What is the CCB Credit amount, and explain why?

Exercise 5 Quiz:

1. What amount is on Line 150?
2. What amount is on Line 236 & 260 and explain why?
3. Explain why Line 150 is missing $34,675 in income?

Answers – Client Review 5

a. What is the Refund/Balance amount?

  a) $107.27 R

b. What is the GST Credit amount, and explain why?

  a) $276, Eligible

c. What is the CCB Credit amount, and explain why?

  a) $0, Non-Eligible

Answers - Exercise 5 Quiz

T1Summary

2016 Tax Return Summary

Taxpayer personal information		Spousal information	
SIN	781 962 295	SIN	
Name	Lacroix, Ronald	Name	
Care of		Birthdate	
Street address	123 Main Street Apt #	**Filing**	
P.O. Box, R.R.		Province of residence on 2016/12/31	Ontario
City	Citiville	EFILE this return?	☒ Yes ☐ No
Province	oN	Is return discounted?	☐ Yes ☒ No
Postal code	A1A 1A1	Use preparer address for:	Nothing
Home phone	(905) 555-5555		
Birthdate	1981/07/08		
Marital status	Single		

Total income			
Employment income (box 14 on all T4 slips)	101	5,500.00	
Total income	150	5,500.00 ▶	5,500.00
Net income			
Net income	236		5,500.00
Taxable income			
Taxable income	260		5,500.00
Non-refundable tax credits			
Basic personal amount **claim $11,474**	300	11,474.00	
CPP or QPP contributions through employment **(maximum $2,544.30)**	308	1,642.16 •	
Employment Insurance premiums from box 18 on all T4 slips **(maximum $955.04)**	312	755.29 •	
Canada employment amount (see the guide) **(maximum $1,161)**	363	1,161.00	
Add lines 1 to 26	335	15,032.45	
Multiply the amount on line 26 by 15%	= 338		2,254.87
Total federal non-refundable tax credits: 27 and 28.	350		2,254.87
Refund or Balance owing			
Total payable	435		0.00 •
Total income tax deducted (from all information slips)	437	107.27 •	
Total credits	482	107.27 ▶	107.27
Total payable minus total credits			(107.27)
Refund	484		107.27 •

2017 Estimated

GST/HST credit	Annual	276.00	Quarterly	69.00
Provincial tax credit	Annual	291.00	Monthly	
RRSP contribution limit				990.00

Page 1 of 1

Ronald Lacroix
123 Main Street
Citiville, oN
A1A 1A1

Dear Ronald:

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 $107.27.

You will receive a GST credit of $276.00, payable in quarterly instalments of $69.00 in July and October 2017 and in January and April 2018.

We estimate that you will receive the Ontario Trillium Benefit of $291.00 in July 2017.

Your RRSP deduction limit for 2017 is $990.

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

Sincerely yours,

1. What amount is on Line 150?
    a. $5,550
2. What amount is on Line 236 & 260 and explain why?
    a. $5,550, N/A
3. Explain why Line 150 is missing $34,675 in income?
    a. No declaration needed, as too Native (Indian) working on a Reserve.

Business statements

Grouping business statement sets

Each new copy of a form appears on its own tab on the Edit window and has its own unique description in the Form Explorer. The ProFile business statements all belong to sets, identified by the set number. For example, T2125#1 will belong to set #1 that includes the related forms, T2125CCA#1 and T2125CEC#1.

Capital Cost Allowance (CCA) and Cumulative Eligible Capital (CEC)

Each of the business statements has additional schedules for CCA and CEC. For example, for the T2125, the additional forms are called T2125CCA and T2125CEC.

When you create a new business statement, ProFile will automatically create new CCA and CEC schedules related to that business statement. The CCA and CEC forms for a second business T2125#2 would be called T2125CCA#2 and T2125CEC#2.

Other business related forms

There may be additional forms associated with certain types of business statements. These are also included in the same numbered set. For example, there are inventory adjustments for farming operations, and additional automobile worksheets for Quebec TP1 business statements. All related forms will share the same set number in the Form Explorer name column. The Form Explorer descriptions of all related forms also include the business name.

***Note**: Revenu Quebec does not have a form for fishing or farming business income. However, ProFile includes the TP1Farming# and TP1Fishing# worksheets to correspond with the federal T2042# and T2121# forms.*

Deleting business statement sets

If you delete any form in a business statement set, ProFile deletes all the related forms in the same set. ProFile will automatically select for printing any of the business statement forms that are used. Unused forms in a set have no impact on your tax return filing.

If you simply want to clear a particular form in the set, open that form in the Edit window, go to the Form menu and select '**Clear form**'. This option does not impact other forms in the same set.

Selecting a Standard Industry Code (SIC)

The CRA requires a SIC code (Standard Industry Code) on business statements. To select a **SIC code** from the list, right click on the **Industry Code** field and choose '**SIC Codes**' from the context-sensitive menu. You can also press <**F6**> to see the SIC codes.

Enter keywords to narrow your selection. For example, to find the SIC code for your client in the nightclub business, you could type in 'bar'. One of the items in the list will be 'Tavern, bar or nightclub'. Another item in the list would be 'Barber'.

Applying auto expenses to a business

To apply the auto expense to a business:

1. Create a business statement.
2. On the BusinessAuto form, select your business statement from the **Allocation of expenses** drop down menu. (If you have not yet opened a business statement, the drop down list will be empty.)
3. Enter a percentage into the Allocation of Expenses table on the form.

The expenses transfer to the **Expenses** section of the relevant business statement.

Converting a business to a December 31st year-end

To convert a business from an alternate fiscal year-end to December 31st ProFile:

1. Open one of the following related business statements: (your selection will depend on the type of business)
    - T2042#: Farming activities
    - T2121#: Fishing activities
    - T2125#: Business or professional activities
2. Enter the start of the fiscal period.

***Note**: If you carried forward the file from a previous year, the start, end and type of fiscal period will already appear.*

ProFile will calculate the year end

3. Select '**Convert - first period**' from the drop-down list
4. Enter the revenue and deductions for the first period.
   ProFile automatically creates a second business statement to treat the stub period.
   If the first business statement was a T2125#1 - Business activities for Harold's business, ProFile creates a second 'stub' business statement (T2125#2) with the description of Stub: Business activities for Harold's business. Both business statements appear in the Form Explorer.
5. Go the Form Explorer and open the 'stub' business statement.
   ProFile automatically completed the stub fiscal period in the Identification section of the form and selected '**Convert - stub period**' from the drop-down list.
   ProFile posts unused UCC, business use of home expenses and reserves to the stub period statement.
6. Enter the revenue and deductions for the stub period.

ProFile automatically completes Part 1 of the T1139.

The taxpayer must sign and date the T1139 when they convert to a December 31st year-end.

Electing to keep a non-calendar year-end

To elect to use a non-calendar year-end in ProFile:

1. Depending on the type of business, open one of the following related business statements:
   - T2042#: Farming activities
   - T2121#: Fishing activities
   - T2125#: Business or professional activities
2. Enter the start of the fiscal period in the Identification section of the business statement. ProFile automatically calculates the fiscal year-end.
3. Select '**Elect non-calendar year-end**' from the drop-down list. ProFile automatically completes Part 2 of the T1139 form.

The taxpayer must sign and date the T1139 when they first elect to have alternate year-end.

Taxpayers can revoke the election to have an alternative fiscal year-end at any time and change the fiscal period end to December 31st of the year in which they file the revocation. See Converting a business to a December 31st year-end to revoke the election to have an alternative fiscal year-end.

Claiming the Employee and Partner GST rebate (GST-370)

ProFile can automatically calculate the GST rebate for employees on form GST-370. To do so:

1. Open the T777 - Statement of employment expenses form and answer 'Yes' to the question **Do you qualify for a GST rebate?**
2. Open the T777Auto worksheet.
    - If you are claiming the GST rebate, enter expense amounts (including GST) under the 'GST' column *(or 'HST' column, if applicable)* of the 'Calculation of allowable motor vehicle expenses' section.
    - If you are not claiming the GST rebate, enter the total receipt amounts (including GST), in the 'Non-Eligible' column.

The amounts from the T777 and T777Auto forms automatically post to the GST-370 for further calculations.

Exercise 6 – Individual with Business Income

Create a New T1 Return and Personal Information worksheet.

Taxpayer (Client) Information:

- Michael Ford a single male. Michael's date of birth is May 15, 1974.
- During the year, he carries on a business writing and editing instructions manuals on a contract basis. He has six different clients and operates under the business name Read & Write Consulting from an office in his home. Michael provides a detail income & expense sheet.
- Michael knows from past experience that one of his clients will issue him a T4A for the work that he has done for them and has included this information.
- The mortgagee of Michael’s house, the Town Bank, does not require life insurance, but given Michaels state of health. He feels it is advisable to have life insurance on the mortgage.
- Michael’s property taxes paid for the year is $2533.01

Based on the information given, complete Michael’s tax return.

Payer's name – Nom du payeur
3065 Canada Inc

Canada Revenue Agency / Agence du revenu du Canada

Year / Année: 2016

T4A

Statement of Pension, Retirement, Annuity, and Other Income
État du revenu de pension, de retraite, de rente ou d'autres sources

061 Payer's account number / Numéro de compte du payeur

Pension or superannuation – line 115 / Prestations de retraite ou autres pensions – ligne 115: 016

Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437: 022

Social insurance number / Numéro d'assurance sociale: 012 269 617 551

Recipient's account number / Numéro de compte du bénéficiaire: 013 987654321 RT 0001

Lump-sum payments – line 130 / Paiements forfaitaires – ligne 130: 018

Self-employed commissions / Commissions d'un travail indépendant: 020

Recipient's name and address – Nom et adresse du bénéficiaire

Last name (print) – Nom de famille (en lettres moulées)	First name – Prénom	Initials – Initiales
FORD	MICHAEL	

123 Main Street
Citiville, ON A1A 1A1

Annuities / Rentes: 024

Fees for services / Honoraires ou autres sommes pour services rendus: 048 20,000 00

Other information (see over)
Autres renseignements (voir au verso)

Box – Case	Amount – Montant	Box – Case	Amount – Montant

T4A (15) **Protected B** when completed / **Protégé B** une fois rempli

Business Income – 2016 Read & Write Consulting c/o Michael Ford	
Income	
Revenues (w/o T4A)	$ 41,603.17
from T4A	$ 20,000.00
GST HST Withheld	$ 4,786.21
Expenses	
Meals & entertainments	$ 887.12
Business insurance	$ 126.16
Bank services charges	$ 156.20
Membership dues	$ 231.00
Supplies	$ 2,982.17
Professional Fees - Accounting	$ 500.00
Travel - Air fare	$ 526.97
Travel - Hotels	$ 1,240.91
Travel - Meals	$ 607.14
Business phone line	$ 577.86

Cell Phone	$ 485.27
Postage & delivery	$ 110.00
UCC Furniture - Beginning of year	$ 2,254.94
UCC Computer software - Beginning of year	$ 219.15
UCC Computer hardware (Class 50) - Beginning of year	$ 426.00
Computer software purchased - May 12, 2016	$ 525.00
Laptop computer purchased, May 12, 2016	$ 2,048.00
House Costs	
Area of home used for business (sqft)	160
Total area of home (sqft)	1500
Gas/Heating	$ 1,712.86
Hydro	$ 1,641.18
Insurance –House	$ 757.55
Mortgage life insurance premiums	$ 375.00
Snow plowing contract	$ 440.00
Installation of new gas furnace	$ 3,675.00
Painting of house interior	$ 2,548.05
Mortgage interest paid to Town Bank	$ 8,456.22
Property taxes	$ 2,533.01
Vehicle Costs	
Description – 2013 Car, cost = $35,000 bought 2013-02-15	
January 1 odometer	89726
December 31 odometer	124701
Business kilometers driven	8412
Fuel	$ 2582.12
Vehicle insurance	$ 779.00
License & registration fees	$ 49.87
Maintenance & repairs	$ 458.63
Parking	$ 321.71
Interest on 4 year car loan granted on purchase date	$ 597.89
UCC Class 10.1 - Beginning of year	$ 15,470.00

Steps to complete:

1. Select the Form Explorer list (F4). Select Slips and double-click on T4A. Enter information from the Slip(s) in the Slip Worksheet as shown.
2. Use the Form Explorer to locate other forms need for this exercise.
3. Click Save button in the icon bar to save your work.

Preview your T1 Return:

1. Select T1 Summary (Ctrl+F10)
2. How does it look? Does it confirm with current ITA?

Client Review 6:

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

    d. What is the Refund/Balance amount?

    e. What is the GST Credit amount, and explain?

    f. What is the CCB Credit amount, and explain?

    g. What is the total 2013 tax installment amount, and explain?

    h. How would you advise your client on tax planning in order reduce his balance due?

Exercise 6 Quiz:

1. What amount is on Line 150?
2. What amount is on Line 236 & 260 and explain?
3. What amount is on Line 310 and 421 and explain?
4. Review Schedule T2125:
    a. What amount is on Line code A?
    b. What amount is on Line 8523, and explain?
    c. What amount is on Line 9281?
    d. What amount is on Line 9945?

Answers – Client Review 6

a. What is the Refund/Balance amount?

a) $9,849.03 B

b. What is the GST Credit amount, and explain?

a) $186.00, Eligible

c. What is the CCB Credit amount, and explain?

a) $0, Non- Eligible

d. What is the total 2013 tax installment amount, and explain?

a) $9,849.04, any amounts owing over $3,000 are subject to pre-paid installments for next tax year.

e. How would you advise your client on tax planning in order reduce his balance due?

a) Class discussion

Answers - Exercise 6 Quiz

T1Summary

2016 Tax Return Summary

Taxpayer personal information

SIN	269 617 551
Name	Ford, Michael
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
Birthdate	1974/05/15
Marital status	Single

Spousal information

SIN	
Name	
Birthdate	

Filing

Province of residence on 2016/12/31	Ontario	
EFILE this return?	☒ Yes	☐ No
Is return discounted?	☐ Yes	☒ No
Use preparer address for:	Nothing	

Total income

Self-employment income

Business income	Gross 162	56,816.96	Net 135	42,562.81
		Total income 150	42,562.81	42,562.81

Net income

Deduction for CPP or QPP contributions on self-employment and other earnings (**attach** Schedule 8 or Form RC381, whichever applies)	222	1,933.61	
Add lines 207 to 224, 229, 231 and 232.	233	1,933.61	1,933.61
		Net income 236	40,629.20

Taxable income

Taxable income 260	40,629.20

Non-refundable tax credits

Basic personal amount	**claim $11,474 300**	11,474.00	
CPP or QPP contributions on self-employment and other earnings	**310**	1,933.61 •	
Add lines 1 to 26	**335**	13,407.61	
Multiply the amount on line 26 by 15%		= **338**	2,011.14
		Total federal non-refundable tax credits: 27 and 28. **350**	2,011.14

Refund or Balance owing

	Net federal tax. 420	4,083.24
CPP contributions payable on self-employment and other earnings (**attach** Schedule 8 or Form RC381, whichever applies)	**421**	3,867.22
Provincial tax	**428**	1,898.57
	Total payable 435	9,849.03 •
Total credits 482		
	Total payable minus total credits	9,849.03
	Balance owing 485	9,849.03 •

2017 Estimated

GST/HST credit	Annual	186.00	Quarterly	
Provincial tax credit	Annual	168.00	Monthly	
RRSP contribution limit				7,661.00

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Canada Revenue Agency / Agence du revenu du Canada

Statement of Business or Professional Activities

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Identification

Your name Ford, Michael	Your social insurance number 269 617 551	
Business Name Read & Write Consulting	Account Number (15 characters) 98765 4321 RT 0001	
Business address Number: 123 Street, P.O. Box: Main Street Apartment or suite: City: Citiville Province or territory: ON Postal code: A1A 1A1		
Fiscal Period From: Year/Month/Day 2016/01/01 to: Year/Month/Day 2016/12/31 Calendar Year	Was 2016 your last year of business? Yes ☐ No ☒	
Main product or service Business writing & editing	Industry code (see the appendix in Guide T4002) 711513	
Tax shelter identification number TS	Partnership Business Number (9 digits)	Your percentage of the partnership 100.0000 %
Name and address of person or firm preparing this form		

Internet business activities

How many Internet webpages and websites does your business earn income from? Enter "0" if none. ______

Provide the main webpage or site address(es) (also known as URL address(es)):
http://

Percentage of your gross income generated from the webpages and websites.
(If no gross income was generated from the Internet, enter "0") ______ %

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Canada

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Part 1 – Business income

2. ☒ If you have business income, tick this box and complete this part. **Do not complete parts 1 and 2 on the same form.**

Gross sales, commissions, or fees (including GST/HST collected or collectible)		61,603 17	A
Minus any GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included on line A above)		4,786 21	(i)
Subtotal (amount A **minus** amount (i))		56,816 96	B
(For those using the quick method) Government assistance calculated as follows:			
GST/HST collected or collectible on sales, commissions and fees eligible for the quick method	(ii)		
GST/HST remitted, calculated on (sales, commissions and fees eligible for the quick method plus GST/HST collected or collectible) multiplied by quick method remittance rate	(iii)		
Subtotal (amount (ii) minus amount (iii))			(iv)
Adjusted gross sales (amount B **plus** amount (iv)) - Enter this amount on line 8000 in Part 3 below		56,816 96	C

Part 2 – Professional income

3. ☐ If you have professional income, tick this box and complete this part. **Do not complete parts 1 and 2 on the same form.**

Gross professional fees including work-in-progress (WIP) (including GST/HST collected or collectible)			D
Minus any GST/HST, provincial sales tax, returns, allowances, discounts, and GST/HST adjustments (included on line D above) and any WIP at the end of the year you elected to exclude (see Chapter 2 of Guide T4002)			(i)
Subtotal (amount D **minus** amount (i))			E
(For those using the quick method) Government assistance calculated as follows:			
GST/HST collected or collectible on professional fees eligible for the quick method	(ii)		
GST/HST remitted, calculated on (professional fees eligible for the quick method plus GST/HST collected or collectible) multiplied by the applicable quick method remittance rate	(iii)		
Subtotal (amount (ii) minus amount (iii))			(iv)
Work-in-progress (WIP), start of the year, per election to exclude WIP (see Chapter 2 of Guide T4002)			(v)
Adjusted professional fees (Amount E **plus** Amount (iv) and (v)) - Enter this amount on line 8000 in Part 3 below			F

Part 3 – Gross business or professional income

Adjusted gross sales (from amount C in Part 1) or adjusted professional fees (from amount F in Part 2)		8000	56,816 96	G
Plus				
Reserves deducted last year	8290			
Other income	8230			
Total of the above lines				H
Gross business or professional income (amount G **plus** amount H)		8299	56,816 96	

Enter this amount on the appropriate line of your income tax and benefit return: business on line 162, professional on line 164, or commission on line 166

If GST/HST has been remitted and/or an input tax credit has been claimed, do not include GST/HST when you calculate of cost of goods sold, expenses or net income (loss) in parts 4 to 6.

Part 4 – Cost of goods sold and gross profit

If you have business income, complete this part. Enter only the business part of the costs.

Gross business income from line 8299 in Part 3 above			56,816 96	I
Opening inventory (include raw materials, goods in process, and finished goods)	8300			
Purchases during the year (net of returns, allowances, and discounts)	8320			
Direct wage costs	8340			
Subcontracts	8360			
Other costs	8450			
Total of the above five lines				
Minus				
Closing inventory (include raw materials, goods in process, and finished goods)	8500			
Cost of goods sold	8518			J
Gross profit (amount I **minus** amount J)		8519	56,816 96	

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Part 5 – Net income (loss) before adjustments

Gross profit from line 8519 in Part 4 above, or gross income from line 8299 in Part 3				56,816.96	K
Expenses (enter only the business part)					
Advertising	8521				
Meals and entertainment (allowable part only)	8523	443.56			
Bad debts	8590				
Insurance	8690	126.16			
Interest	8710	156.20			
Business tax, fees, licences, dues, memberships, and subscriptions	8760	231.00			
Office expenses	8810				
Supplies	8811	2,982.17			
Legal, accounting, and other professional fees	8860	500.00			
Management and administration fees	8871				
Rent	8910				
Maintenance and repairs	8960				
Salaries, wages, and benefits (including employer's contributions)	9060				
Property taxes	9180				
Travel (including transportation fees, accomodations, and allowable part of meals)	9200	2,375.02			
Telephone and utilities	9220	1,063.13			
Fuel costs (except for motor vehicles)	9224				
Delivery, freight, and express	9275	110.00			
Motor vehicle expenses (not including CCA) (see Chart A)	9281	1,396.21			
Allowance on eligible capital property	9935				
Capital cost allowance (from Area A)	9936	2,509.22			
Other expenses =	9270				
Total business expenses	9368	11,892.67	▸	11,892.67	L
Net income (loss) before adjustments (amount K **minus** amount L)			9369	44,924.29	

Part 6 – Your net Income (loss)

Your share of the amount on line 9369 in Part 5 or the amount from slip T5013		44,924.29	M		
Plus: GST/HST rebate for partners received in the year (see Chapter 3 of Guide T4002)	9974		N		
Total (amount M **plus** amount N)		44,924.29	▸	44,924.29	O
Minus - Other amounts deductible from your share of net partnership income (loss) (from the chart in Part 7 below)			9943		P
Net income (loss) after adjustments (amount O **minus** amount P)				44,924.29	Q
Minus - Business-use-of-home expenses (your share of amount 3 in part 8)			9945	2,361.48	R
Your net income (loss) (amount Q **minus** amount R)			9946	42,562.81	

Enter this amount on the appropriate line of your income tax and benefit return: business on line 135, professional on line 137, or commission on line 139

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Part 7 – Other amounts deductible from your share of net partnership income (loss)

Claim expenses you incurred that were not included in the partnership statement of income and expenses, and for which the partnership did not reimburse you.

Other amounts deductible from your share of the partnership (total of the above amounts) Enter this amount on line 9943, in Part 6 above.	

Part 8 – Calculation of business-use-of-home expenses

Heat	1,712 86	
Electricity	1,641 18	
Insurance	1,132 55	
Maintenance	6,663 05	
Mortgage interest	8,456 22	
Property taxes	2,533 01	
Other expenses (specify):		
Subtotal	22,138 87	
Minus - Personal-use part	19,777 39	
Subtotal	2,361 48	
Plus - Capital cost allowance (business part only)		
Amount carried forward from previous year		
Subtotal	2,361 48	1
Minus - Net income (loss) after adjustments (from amount Q in Part 6) (If negative, enter "0")	44,924 29	2
Business-use-of-home expenses available to carry forward (amount 1 **minus** amount 2) (If negative, enter "0")		
Allowable claim (the lesser of amounts 1 or 2 above) (Enter this amount on amount 9945 in Part 6)	2,361 48	3

Details of other partners

Partner's first name	Last name	% of partnership %
Address:		$ share
Partner's first name	Last name	% of partnership %
Address:		$ share
Partner's first name	Last name	% of partnership %
Address:		$ share
Partner's first name	Last name	% of partnership %
Address:		$ share
Partner's first name	Last name	% of partnership %
Address:		$ share

Details of equity

Total business liabilities	**9931**	
Drawings in 2016	**9932**	
Capital contributions in 2016	**9933**	

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F
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Business Auto

Motor vehicle expenses (Business)

Allocation of expenses	Fiscal period Start	End	%	Amount	CCA	Terminal Loss	Recapture	Owned by business?
T2125#1:Read & Write Cons	2016/01/01	2016/12/31	100	1,396.21	1,116.23			Yes
								No

Chart A - Motor vehicle expenses

Description of automobile 2013 Car

Enter the kilometers you drove in the tax year to earn business income	8,412	1
Enter the total kilometers you drove in the tax year	34,975	2

	Taxable GST	Taxable HST	Non Eligible	Total	
Fuel and oil			2,582.12	2,582.12	3
Interest (see Chart B)			597.89	597.89	4
Insurance			779.00	779.00	5
License and registration			49.87	49.87	6
Maintenance and repairs			458.63	458.63	7
Leasing (See Chart D)					8
Other expenses (specify)					9
					10
Total motor vehicle expenses			4,467.51	4,467.51	11
Business use part: Multiply line 11 by 24.05 %			1,074.50	1,074.50	12
Business parking fees			321.71	321.71	13
Supplementary business insurance					14
Allowable motor vehicle expenses			1,396.21	1,396.21	15

Chart B - Available interest expense for passenger vehicle

Date interest payments commenced	2013/02/15	
Date interest payments terminated	2017/02/15	
Total interest payable (accrual method) or paid (cash method) in the fiscal period	597.89	(A)
The number of days in the fiscal period for which interest was payable (accrual method) or paid (cash method) 366 x 10.00 =	3,660.00	(B)
Available interest expense (amount A or B, whichever is less) (enter this amount on line 4 of Chart A above)	597.89	

Chart C - Capital Cost Allowance for motor vehicles

Class	10.1
Date acquired	2013/02/15
Cost of vehicle (previous year)	35,000.00
UCC at the beginning of the year	15,470.00
Prior year GST/HST and PST rebates	
Current year acquisitions	
Cost of vehicle before taxes	
Lesser of cost and $30,000	
Trade-in value	
Cost of vehicle for tax purposes	
GST/HST 13.00	
PST	
Cost of vehicle for CCA	
Lesser of costs and proceeds	
UCC after acquisitions and dispositions	15,470.00
Adjustment for current-year acquisitions	
Base amount for CCA	15,470.00
Rate %	30.0
CCA for the year	4,641.00

See the privacy notice on your return.
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Recapture of CCA				
Terminal loss				
UCC at the end of the year				10,829.00
Business portion of CCA	x	24.05	%	1,116.23
Business portion of terminal loss for the year	x	24.05	%	
Business portion of recapture for the year	x	24.05	%	

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Area A - Calculation of capital cost allowance (CCA) claim

1 Class	2 Undepreciated capital cost (UCC) at the start of year	3 Cost of additions in the year (Areas B and C)	4 Proceeds of dispositions in the year (Areas D and E)	5 * UCC after additions and dispositions (col 2 + 3 - 4)	6 Adjustment for current-year additions (1/2 x (col 3 - 4))	7 Base amount for CCA (col 5 - 6)	8 Rate %	9 CCA for the year (col 7 x 8 or an adjusted amount)	10 UCC at the end of the year (col 5 - 9)
10.1	15,470.00			15,470.00		15,470.00	30.00	1,116.23	10,829.00
8	2,254.94			2,254.94		2,254.94	20.00	450.99	1,803.95
10	219.15	525.00		744.15	262.50	481.65	30.00	144.50	599.65
50	426.00	2,048.00		2,474.00	1,024.00	1,450.00	55.00	797.50	1,676.50
Total CCA claim for the year (enter this amount, **minus** any personal part and any CCA for business-use-of-home expenses, on line 9936 in Part 5**)								2,509.22	

* If you have a negative amount in this column, add it to income as a recapture on line 8230, "Other income", in Part 3. If no property is left in the class and there is a positive amount in the column, deduct the amount from income as a terminal loss on line 9270, "Other expenses", in Part 5. Recapture and terminal loss do not apply to a Class 10.1 property. For more information, see Chapter 4 of Guide T4002.

** For information on CCA for "Calculation of business-use-of-home expenses", see "Special Situations" in Chapter 4 of Guide T4002.

Area B - Details of equipment additions in the year

1 Class number	2 Property details	3 Total cost	4 Personal part (if applicable)	5 Business part (col 3 - col 4)
10	New Software	525.00		525.00
50	Laptop Computer	2,048.00		2,048.00
			Total equipment additions in the year 9925	2,573.00

Area C - Details of building additions in the year

1 Class number	2 Property details	3 Total cost	4 Personal part (if applicable)	5 Business part (col 3 - col 4)
			Total building additions in the year 9927	

Area D - Details of equipment dispositions in the year

1 Class number	2 Property details	3 Proceeds of disposition	4 Personal part (if applicable)	5 Business part (col 3 - col 4)
			Total equipment dispositions in the year 9926	

Note: If you disposed of property from your business in the year, see Chapter 4 of Guide T4002, for information about your proceeds of disposition.

Area E - Details of building dispositions in the year

1 Class number	2 Property details	3 Proceeds of disposition	4 Personal part (if applicable)	5 Business part (col 3 - col 4)
			Total building dispositions in the year 9928	

Note: If you disposed of property from your business in the year, see Chapter 4 of Guide T4002, for information about your proceeds of disposition.

Area F - Details of land additions and dispositions in the year

	Total cost of all land additions in the year	**9923**	
	Total proceeds from all land dispositions in the year	**9924**	
Note:	You cannot claim capital cost allowance on land.		

See the privacy notice on your return.

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T2125AssetList

Read & Write Consulting 2016/12/31

T2125 Asset list

Class	Description	Date of acquisition	Net cost ACB		Total proceeds		Type of disposition	Net proceeds		Lesser of cost and proceeds		UCC	
8	Prior Furniture						Full						
8	Total											1,803	95
10	Prior Computer Software						Full						
10	New Software	2016/05/12	525	00			Full						
10	Total		525	00								599	65
50	Prior Computer Hardware						Full						
50	Laptop Computer	2016/05/12	2,048	00			Full						
50	Total		2,048	00								1,676	50

Michael Ford
123 Main Street
Citiville, ON
A1A 1A1

Dear Michael:

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 balance owing of $9,849.03 that must be paid on or before April 30, 2017. You can pay the balance at most financial institutions using form T7DR(A). Alternately, you can mail form T7DR(A) and a cheque, made out to the Receiver General, to CRA. Please write your social insurance number on the back of your cheque.

We have calculated that you will need to make tax instalment payments this year totalling $9,849.04. Please remit these payments to CRA according to the following schedule:

September 15, 2017 $ 4,924.52
December 15, 2017 $ 4,924.52
March 15, 2018 $ 2,462.26

You will receive a GST credit of $185.84 in July 2017.

We estimate that you will receive the Ontario Trillium Benefit of $168.48 in July 2017.

Your RRSP deduction limit for 2017 is $7,661.

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

Sincerely yours,

1. What amount is on Line 150?
   a. $42,562.81
2. What amount is on Line 236 & 260 and explain?
   a. $40,629.20, CPP contributions on self-employment earnings
3. What amount is on Line 310 and 421 and explain?

   a. Line 310 = $1,933.61, CPP contributions on self-employment earnings

      Line 421 = $3,867.22, Total CPP contributions on self-employment earnings

4. Review Schedule T2125:

   a. What amount is on Line code A?

      a) $61,603.17

   b. What amount is on Line 8523, and explain?

      a) $443.56, Meals and entertainment % amount

   c. What amount is on Line 9281?

      a) $1,396.21

   d. What amount is on Line 9945?

      a) $2,361.48

Chapter 7 - What we learned

You have finished Chapter 7. Congratulations!

In this chapter we learned:

- Basic Data Entry in Forms and Worksheets
- Various T1 scenarios
- Business statements

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

Checklist for tax preparers

Did you…

- enter your address on the income tax and benefit return?
- complete the information about your province or territory of residence?
- complete the Elections Canada section on page 1 of the return?
- complete email address for CRA?
- complete the federal Schedule 1, your provincial or territorial Forms 428 and 479, and all applicable schedules?
- sign the return?
- attach all completed schedules and information slips (for example, T4, T4A)?
- keep a copy for your records?
- complete the “Direct deposit – Start or change” section on page 4 if you are entitled to a refund?
- If you have a balance owing, did you make your payment online using the CRA's My Payment service at www.cra.gc.ca/mypayment or using your financial institution’s telephone or Internet banking services? If you are sending a cheque or money order, did you make it payable to the Receiver General for Canada, write your SIN on the back, and attach it to page 1 of the return? Or complete the “Pre-Authorized Debits – PAD” section on page 4.
- keep a record of the address of your tax centre in case you want to ask for a change to your tax return?

Quick Reference Chart

Box numbers on common information slips and the related line numbers on the income tax and benefit return.

Slip Type	Box No.	Box Title	Line No.
T4		**Statement of Remuneration Paid**	
	14	Employment income	101
	16	Employee's Canada Pension Plan contributions	308
	17	Employee's Quebec Pension Plan contributions	308
	18	Employee's employment insurance premiums	312
	20	Registered pension plan contributions	207
	22	Income tax deducted	437
	55	Employee's provincial parental insurance plan (PPIP) premiums (if province of employment is Quebec)	375
T4A		**Statement of Pension, Retirement, Annuity, and Other Income**	
	016	Pension or superannuation	115 and 314
	018	Lump-sum payments	130
	020	Self-employed commissions	166 and 139
	022	Income tax deducted	437
	028	Other income	Various
	040	RESP accumulated income payments	130 and 418
	042	RESP educational assistance payments	130
T5		**Statement of Investment Income**	
	25	Taxable amount of eligible dividends	120
	26	Dividend tax credit for eligible dividends	425
	11	Taxable amount of dividends other than eligible dividends	180 and 120
	12	Dividend tax credit for dividends other than eligible dividends	425
	13	Interest from Canadian sources	121
	14	Other income from Canadian sources	121
	15	Foreign income	121
T4E		**Statement of Employment Insurance and Other Benefits**	
	7	Repayment rate	235 and 422
	14	Total benefits paid	119
	20	Taxable tuition assistance	not entered on return
	22	Income tax deducted	437