INTUIT PROFILE – 2017/18 TRAINING GUIDE

Learning about Taxes with Intuit ProFile

Chapter 4: A Basic T1

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About the Author

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Michael is a CPA, CMA with a strong background in training and technology. Over the years Michael has written dozens of training materials and has taught QuickBooks, ProFile, Microsoft Office and other software applications to thousands of individuals. When not teaching or training you'll often find Michael in various coffee shops, throughout Ottawa and Montreal, discussing business and technology with friends, clients and, even, perfect strangers.

Additional Resources

In addition to this document, Intuit provides numerous resources to accounting professionals. Refer to these sites to explore additional tutorials and training opportunities:

- http://accountant.intuit.ca/professional-accounting/index.jsp
- http://profile.intuit.ca/professional-tax-software/index.jsp
- http://profile.intuit.ca/professional-tax-software/training.jsp

Introduction

Intuit ProFile Tax software is reliable and easy-to-use, and it offers sophisticated features that help tax preparers experience a more productive tax season. The following paragraphs summarize the key components of Intuit ProFile Professional Tax software

ProFile T1 imports and converts data created by competing software products. Whether you carry files forward individually or in batches, you will find the process quick and convenient. Using ProFile`s WYSIWYG (what you see is what you get) forms, you can view and edit federal T1 and Québec TP1 forms in either French or English. You can also print all tax forms in either language at the click of a button.

ProFile T2 is designed for professional preparation of corporate tax returns in all provinces and territories. ProFile T2 includes:

- Federal T2 returns, including T2 RSI (for 2006-2009 and earlier) and Corporation Internet Filing
- Provincial corporate tax returns for Alberta (including AT1 RSI), for Ontario returns with taxation years ending prior to January 1, 2009 (including CT23 disk filing) and for Quebec (CO-17).
- Provincial capital tax returns for Manitoba, Saskatchewan and British Columbia

ProFile T3 prepares Trust income tax returns and supporting schedules, including T3 and T5 slips that the trust receives. Simply enter slip information on intuitive income-reporting screens and ProFile T3 automatically transfers the amounts to the appropriate forms. ProFile T3 also integrates business and rental income statements. In addition to T3 slips, the software allows you to prepare NR4 slips for non-resident taxpayers (including the NR4 summary).

ProFile FX (Forms Expert) gives you more than 80 of the most commonly-used CRA forms which supplement the form-sets in Intuit`s other tax applications. Here are a few highlights of ProFile FX:

- Customizable options help you complete and file the forms you need.
- Automatic form selection facilitates form printing.
- Audit and review features help pinpoint potential errors
- Forms flexibility lets you print facsimile forms on plain paper or directly onto pre-printed CRA forms. ProFile FX also prepares magnetic media files for T4, T4A, T5, T5018 and NR4 slips, as well as for the RL1, RL2, RL3 and RL4.
- Import identification from an existing ProFile T1 or T2 data file minimizes potential data entry errors.

Benefits of Using ProFile

ProFile is powerful, efficient and secure tax software that helps you get your work done fast and efficiently. Here’s how you benefit by using Profile:

- With phone, email or in-product live chat support, you have year-round access to knowledgeable Canadian technical experts
- With its comprehensive set of forms and schedules, ProFile lets you handle just about every tax scenario in any jurisdiction, including Québec
- With a built-in auditor that runs up to 2,800 diagnostic checks of your tax returns, ProFile has your back
- Flexible Licensing means you can install ProFile on more than one personal computer without having to pay additional licensing fees
- Work with QuickBooks? So does ProFile! There’s no need for manual data entry because you can now export data from QuickBooks directly into ProFile

Plus, with ProFile you enjoy a consistent level of advanced features that include:

- Customizable client correspondence
- Database queries and reporting
- Online tools to quickly and easily stay in touch with your clients

Chapter 4: A Basic T1

Chapter 4 Learning Objectives

At this chapter's conclusion, students will understand:

- How to prepare an individual's basic T1 tax return
- How to prepare a T1for a married couple
- The A to Z of preparing a T1 for a client, including CRA's EFILE system

T1 Basics

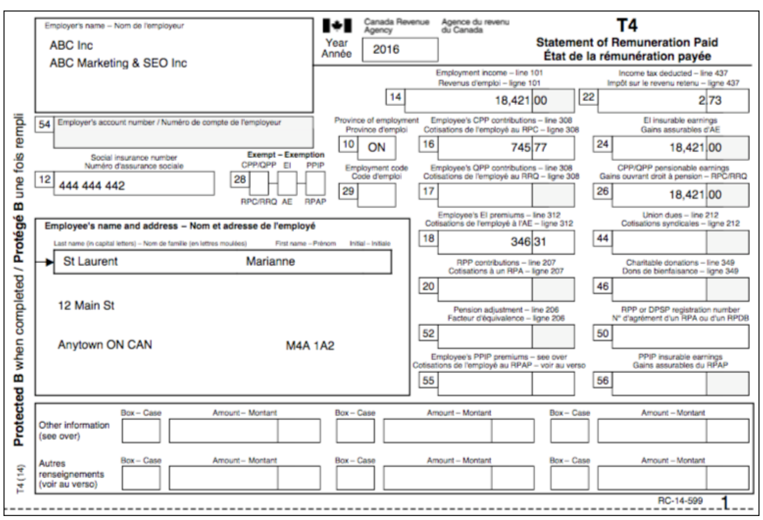
First of all, professional tax preparers rarely, if ever, use the term "tax return." Most will distinguish a tax return by its type. Rather than say "tax return," tax preparers will simply call a personal tax return a "T1." Likewise, a corporate tax return is a "T2," and a trust return, a "T3."

In this section, we will explore the differences between a manually prepared T1 and one prepared in ProFile.

Paper versus ProFile

You might recall that Chapter 1 introduced a hand-written T1 for an individual named Marianne St Laurent. Let's explore how you would manually prepare Marianne's tax return using CRA's hard-copy forms and schedules.

- Assume that Marianne was a student during the tax year and that she also worked part-time. Here is the T4 slip—statement of remuneration—that Marianne received from her employer:



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
ABC Inc
ABC Marketing & SEO Inc

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

12 Social insurance number / Numéro d'assurance sociale: 444 444 442

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

10 Province of employment / Province d'emploi: ON

29 Employment code / Code d'emploi

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
St Laurent Marianne
12 Main St
Anytown ON CAN M4A 1A2

14	Employment income – line 101 / Revenus d'emploi – ligne 101	18,421 00
22	Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	2 73
16	Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	745 77
24	EI insurable earnings / Gains assurables d'AE	18,421 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	18,421 00
18	Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312	346 31
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	

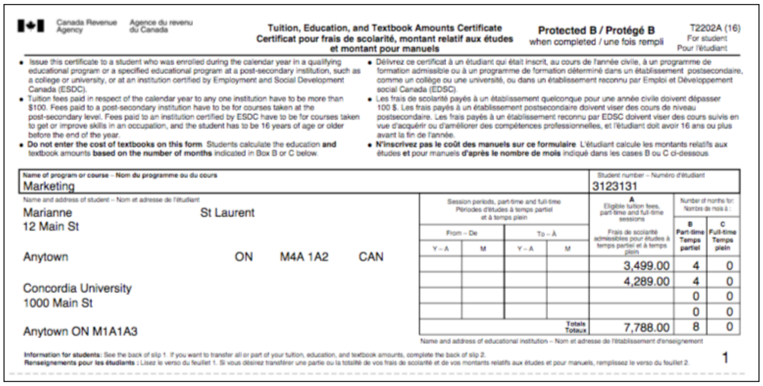
Other information (see over) / Autres renseignements (voir au verso): Box – Case, Amount – Montant

Protected B when completed / Protégé B une fois rempli

T4 (14)

RC-14-599 1

- Because Marianne was a full-time university student, she also received the following tuition slip



Canada Revenue Agency / Agence du revenu du Canada

Tuition, Education, and Textbook Amounts Certificate
Certificat pour frais de scolarité, montant relatif aux études et montant pour manuels

Protected B / Protégé B when completed / une fois rempli

T2202A (16) For student / Pour l'étudiant

- 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.

- Délivrez ce certificat à un étudiant qui était inscrit, au cours de l'année civile, à un programme de formation admissible ou à un programme de formation déterminé dans un établissement postsecondaire, comme un collège ou une université, ou dans un établissement reconnu par Emploi et Développement social Canada (EDSC).
- Les frais de scolarité payés à un établissement quelconque pour une année civile doivent dépasser 100 $. Les frais payés à un établissement postsecondaire doivent viser des cours de niveau postsecondaire. Les frais payés à un établissement reconnu par EDSC doivent viser des cours suivis en vue d'acquérir ou d'améliorer des compétences professionnelles, et l'étudiant doit avoir 16 ans ou plus avant la fin de l'année.
- **N'inscrivez pas le coût des manuels sur ce formulaire** L'étudiant calcule les montants relatifs aux études **et** pour manuels **d'après le nombre de mois** indiqué dans les cases B ou C ci-dessous

Name of program or course – Nom du programme ou du cours: Marketing

Student number – Numéro d'étudiant: 3123131

Name and address of student – Nom et adresse de l'étudiant:
Marianne St Laurent
12 Main St
Anytown ON M4A 1A2 CAN

Concordia University
1000 Main St
Anytown ON M1A1A3

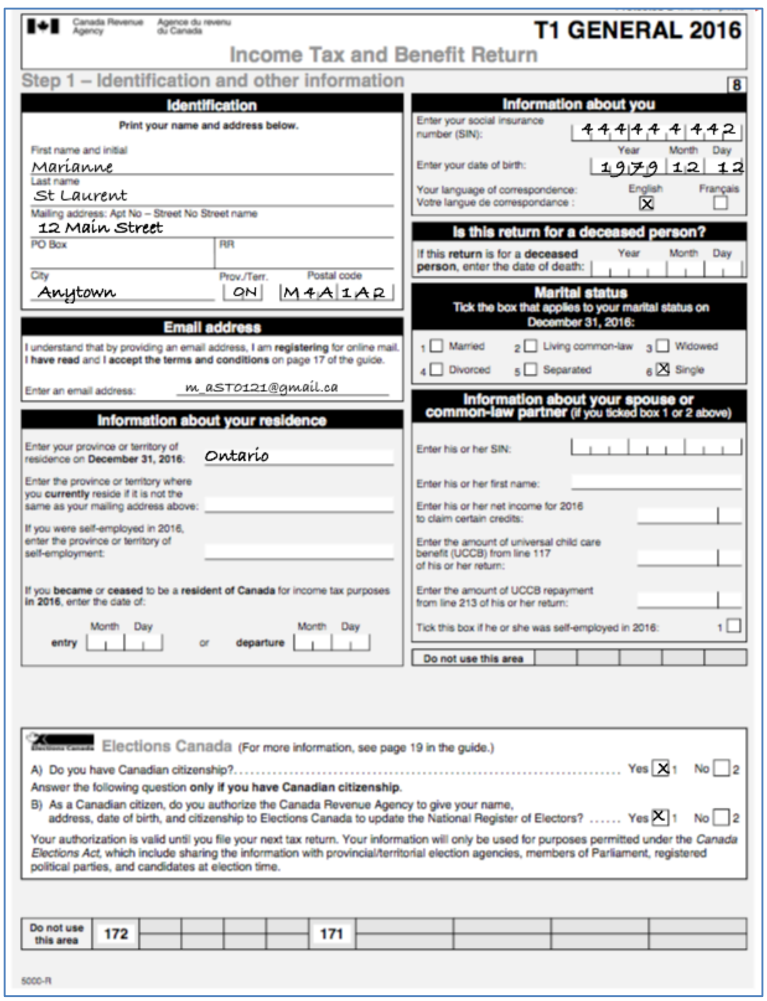
Name and address of educational institution – Nom et adresse de l'établissement d'enseignement

From – De Y – A	From – De M	To – À Y – A	To – À M	A Eligible tuition fees, part-time and full-time sessions / Frais de scolarité admissibles pour études à temps partiel et à temps plein	B Part-time / Temps partiel	C Full-time / Temps plein
				3,499.00	4	0
				4,289.00	4	0
					0	0
					0	0
			Totals / Totaux	7,788.00	8	0

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.
Renseignements pour les étudiants : Lisez le verso du feuillet 1. Si vous désirez transférer une partie ou la totalité de vos frais de scolarité et de vos montants relatifs aux études et pour manuels, remplissez le verso du feuillet 2. 1

To manually prepare a T1, first obtain a copy of CRA's *T1 General, Income Tax and Benefit Return.* You can download a fillable PDF from CRA's website, or a hard copy from any Canada Post outlet.

- Start with Page 1 of the tax return (the T1 Jacket) and begin entering your name, address and other contact info



Canada Revenue Agency / Agence du revenu du Canada

T1 GENERAL 2016

Income Tax and Benefit Return

Step 1 – Identification and other information 8

Identification

Print your name and address below.

First name and initial: Marianne
Last name: St Laurent
Mailing address: Apt No – Street No Street name: 12 Main Street
PO Box / RR
City: Anytown Prov./Terr.: ON Postal code: M4A 1A2

Email address

I understand that by providing an email address, I am **registering** for online mail. I **have read** and I **accept the terms and conditions** on page 17 of the guide.

Enter an email address: m_aST0121@gmail.ca

Information about your residence

Enter your province or territory of residence on **December 31, 2016**: Ontario

Enter the province or territory where you **currently** reside if it is not the same as your mailing address above:

If you were self-employed in 2016, enter the province or territory of self-employment:

If you **became** or **ceased** to be a **resident of Canada** for income tax purposes **in 2016**, enter the date of: entry Month Day or departure Month Day

Information about you

Enter your social insurance number (SIN): 444 444 442

Enter your date of birth: Year 1979 Month 12 Day 12

Your language of correspondence / Votre langue de correspondance: English [X] Français [ ]

Is this return for a deceased person?

If this **return** is for a **deceased person**, enter the date of death: Year Month Day

Marital status

Tick the box that applies to your marital status on December 31, 2016:

1 [ ] Married 2 [ ] Living common-law 3 [ ] Widowed
4 [ ] Divorced 5 [ ] Separated 6 [X] Single

Information about your spouse or common-law partner (if you ticked box 1 or 2 above)

Enter his or her SIN:
Enter his or her first name:
Enter his or her net income for 2016 to claim certain credits:
Enter the amount of universal child care benefit (UCCB) from line 117 of his or her return:
Enter the amount of UCCB repayment from line 213 of his or her return:
Tick this box if he or she was self-employed in 2016: 1 [ ]

Do not use this area

Elections Canada (For more information, see page 19 in the guide.)

A) Do you have Canadian citizenship? .... Yes [X] 1 No [ ] 2

Answer the following question **only if you have Canadian citizenship**.

B) As a Canadian citizen, do you authorize the Canada Revenue Agency to give your name, address, date of birth, and citizenship to Elections Canada to update the National Register of Electors? ...... Yes [X] 1 No [ ] 2

Your authorization is valid until you file your next tax return. Your information will only be used for purposes permitted under the *Canada Elections Act*, which include sharing the information with provincial/territorial election agencies, members of Parliament, registered political parties, and candidates at election time.

Do not use this area 172 171

5000-R

- On Page 2, enter the employment income amount as indicated on your employer's T4

Step 2 – Total income

As a resident of Canada, you have to report your income from all sources both inside and outside Canada.
When you come to a line on the return that applies to you, go to the line number in the guide for more information.

Employment income (box 14 of all T4 slips)			101	18, 421 00
Commissions included on line 101 (box 42 of all T4 slips)	102			
Wage loss replacement contributions (see line 101 in the guide)	103			
Other employment income			104 +	
Old age security pension (box 18 of the T4A(OAS) slip)			113 +	
CPP or QPP benefits (box 20 of the T4A(P) slip)			114 +	
Disability benefits included on line 114 (box 16 of the T4A(P) slip)	152			
Other pensions and superannuation			115 +	
Elected split-pension amount (**attach** Form T1032)			116 +	
Universal child care benefit (UCCB)			117 +	
UCCB amount designated to a dependant	185			
Employment insurance and other benefits (box 14 of the T4E slip)			119 +	
Taxable amount of dividends (eligible **and** other than eligible) from taxable Canadian corporations (**attach** Schedule 4)			120 +	
Taxable amount of dividends other than eligible dividends, included on line 120, from taxable Canadian corporations	180			
Interest and other investment income (**attach** Schedule 4)			121 +	
Net partnership income: limited or non-active partners only			122 +	
Registered disability savings plan income			125 +	
Rental income — Gross	160		Net 126 +	
Taxable capital gains (**attach** Schedule 3)			127 +	
Support payments received — Total	156		Taxable amount 128 +	
RRSP income (from all T4RSP slips)			129 +	
Other income — Specify:			130 +	
Self-employment income				
Business income — Gross	162		Net 135 +	
Professional income — Gross	164		Net 137 +	
Commission income — Gross	166		Net 139 +	
Farming income — Gross	168		Net 141 +	
Fishing income — Gross	170		Net 143 +	
Workers' compensation benefits (box 10 of the T5007 slip)	144			
Social assistance payments	145 +			
Net federal supplements (box 21 of the T4A(OAS) slip)	146 +			
Add lines 144, 145, and 146 (see line 250 in the guide).	=		▶ 147 +	
Add lines 101, 104 to 143, and 147. This is your total income.			150 =	18, 421 00

- Next, find Schedule 11 and use the T2202 issued by your learning institution to calculate your eligible tuition credits

T1-2016 — **Tuition, Education, and Textbook Amounts** — **Schedule 11**

For more information, see line 323 in the guide.

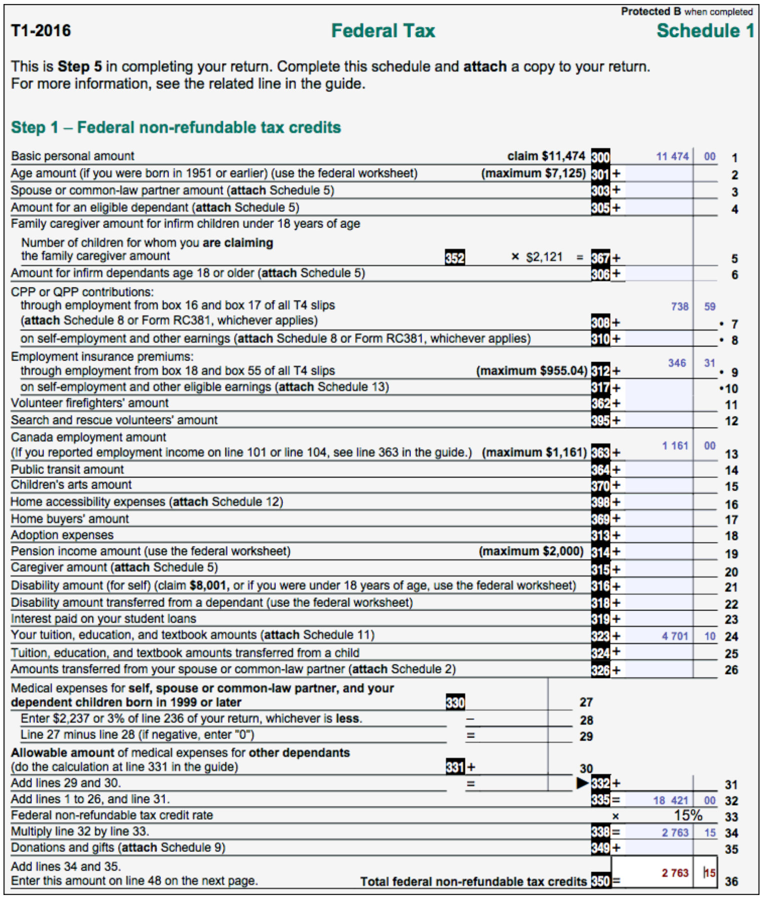
Only the student must complete this schedule and **attach** it to his or her return. Use it to:

- calculate your federal tuition, education, and textbook amounts;
- determine the federal amount available to transfer to a designated individual; and
- determine the unused federal amount, if any, available for you to carry forward to a future year.

Tuition, education, and textbook amounts claimed by the student for 2016

Unused federal tuition, education, and textbook amounts from your 2015 notice of assessment or notice of reassessment					1
Eligible tuition fees paid for 2016			320 7788 00		2
Education and textbook amounts for 2016					
Part-time student: use column B of forms T2202A, TL11A, TL11B, and TL11C. **Do not include any month that is also included in column C.** Only one claim per month **(maximum 12 months)**					
Education amount: Number of months from column **B**	× $120 =				3
Textbook amount: Number of months from column **B**	× $20 =	+			4
Add lines 3 and 4.		=	▶ 321 +		5
Full-time student: use column C of forms T2202A, TL11A, TL11B, and TL11C. Only one claim per month **(maximum 12 months)**					
Education amount: Number of months from column **C**	8 × $400 =	3200 00			6
Textbook amount: Number of months from column **C**	8 × $65 =	+ 520 00			7
Add lines 6 and 7.		=	▶ 322 + 3720 00		8
Add lines 2, 5, and 8. **Total 2016 tuition, education, and textbook amounts**			=	▶ + 11 508 00	9
Add lines 1 and 9. **Total available tuition, education, and textbook amounts**				= 11 508 00	10
Enter the amount of your taxable income from line 260 of your return if it is $45,282 or less. If your taxable income is more than $45,282, enter instead the result of the following calculation: amount from line 45 of your Schedule 1 divided by 15%.			18421 00		11
Total of lines 1 to 22 of your Schedule 1			– 13 719 00		12
Line 11 minus line 12 (if negative, enter "0")			= 4 701 10		13
Unused tuition, education, and textbook amounts claimed for 2016 Amount from line 1 or line 13, whichever is **less**			–	▶ 0 00	14
Line 13 minus line 14			= 4 701 00		15
2016 tuition, education, and textbook amounts claimed for 2016 Amount from line 9 or line 15, whichever is **less**				+ 4 701 10	16
Add lines 14 and 16. Enter this amount on line 323 of Schedule 1. **Total tuition, education, and textbook amounts claimed for 2016**				= 4 701 10	17

- You will also need to find Schedule 1 and enter the basic personal amount at line 300, the Canada employment amount at line 363, and the CPP and EI amounts from your T4 slip at lines 308 and 312. Finally, transfer the amount from line 17 of Schedule 11 to line 323 of Schedule 1



T1-2016 **Federal Tax** **Schedule 1**

Protected B when completed

This is **Step 5** in completing your return. Complete this schedule and **attach** a copy to your return.
For more information, see the related line in the guide.

Step 1 – Federal non-refundable tax credits

Basic personal amount	claim $11,474	300	11 474 00	1
Age amount (if you were born in 1951 or earlier) (use the federal worksheet)	(maximum $7,125)	301 +		2
Spouse or common-law partner amount (**attach** Schedule 5)		303 +		3
Amount for an eligible dependant (**attach** Schedule 5)		305 +		4
Family caregiver amount for infirm children under 18 years of age				
Number of children for whom you **are claiming** the family caregiver amount	352 × $2,121 =	367 +		5
Amount for infirm dependants age 18 or older (**attach** Schedule 5)		306 +		6
CPP or QPP contributions: through employment from box 16 and box 17 of all T4 slips (**attach** Schedule 8 or Form RC381, whichever applies)		308 +	738 59	• 7
on self-employment and other earnings (**attach** Schedule 8 or Form RC381, whichever applies)		310 +		• 8
Employment insurance premiums: through employment from box 18 and box 55 of all T4 slips	(maximum $955.04)	312 +	346 31	• 9
on self-employment and other eligible earnings (**attach** Schedule 13)		317 +		•10
Volunteer firefighters' amount		362 +		11
Search and rescue volunteers' amount		395 +		12
Canada employment amount (If you reported employment income on line 101 or line 104, see line 363 in the guide.)	(maximum $1,161)	363 +	1 161 00	13
Public transit amount		364 +		14
Children's arts amount		370 +		15
Home accessibility expenses (**attach** Schedule 12)		398 +		16
Home buyers' amount		369 +		17
Adoption expenses		313 +		18
Pension income amount (use the federal worksheet)	(maximum $2,000)	314 +		19
Caregiver amount (**attach** Schedule 5)		315 +		20
Disability amount (for self) (claim **$8,001**, or if you were under 18 years of age, use the federal worksheet)		316 +		21
Disability amount transferred from a dependant (use the federal worksheet)		318 +		22
Interest paid on your student loans		319 +		23
Your tuition, education, and textbook amounts (**attach** Schedule 11)		323 +	4 701 10	24
Tuition, education, and textbook amounts transferred from a child		324 +		25
Amounts transferred from your spouse or common-law partner (**attach** Schedule 2)		326 +		26
Medical expenses for **self, spouse or common-law partner, and your dependent children born in 1999 or later**	330			27
Enter $2,237 or 3% of line 236 of your return, whichever is **less**.	–			28
Line 27 minus line 28 (if negative, enter "0")	=			29
Allowable amount of medical expenses for **other dependants** (do the calculation at line 331 in the guide)	331 +			30
Add lines 29 and 30.	=	▶ 332 +		31
Add lines 1 to 26, and line 31.		335 =	18 421 00	32
Federal non-refundable tax credit rate		×	15%	33
Multiply line 32 by line 33.		338 =	2 763 15	34
Donations and gifts (**attach** Schedule 9)		349 +		35
Add lines 34 and 35. Enter this amount on line 48 on the next page.	Total federal non-refundable tax credits	350 =	2 763 15	36

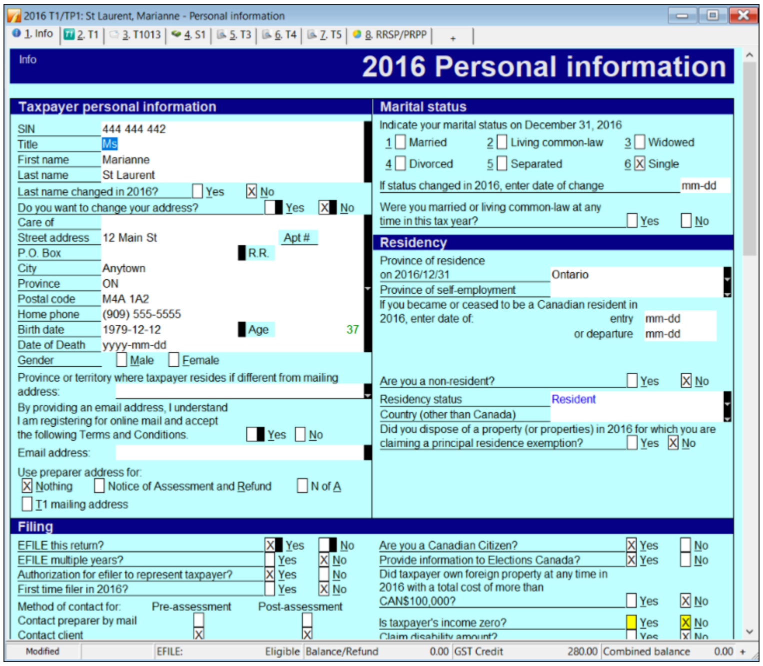
Paper Observations

As you can see from the example above, it quickly becomes evident that manually preparing even the most basic is a protracted and complex affair. The need for complex calculations, the risk of omitting a schedule or form, or of not transferring the proper amounts to said forms, all mean that the probability of errors and omissions is, in fact, quite high.

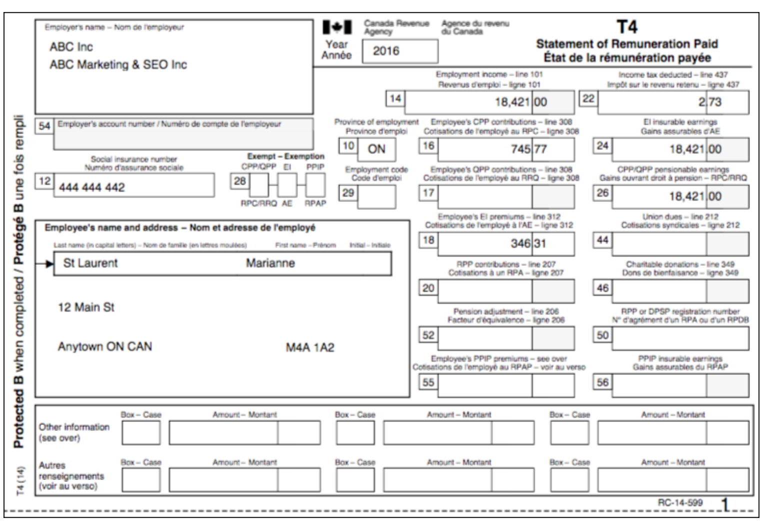
Once again, in ProFile

Let's now explore how we prepare the same T1 in Profile:

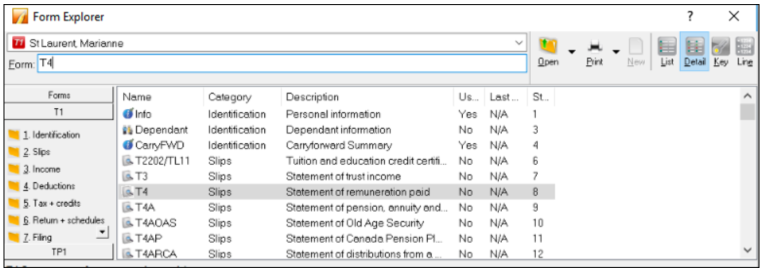
- Launch ProFile and go to *File > New > 2016 T1*
- After ProFile opens the *Info* page, enter the individual's name, social insurance number, date of birth and other relevant information
- The Info page should look like the image below



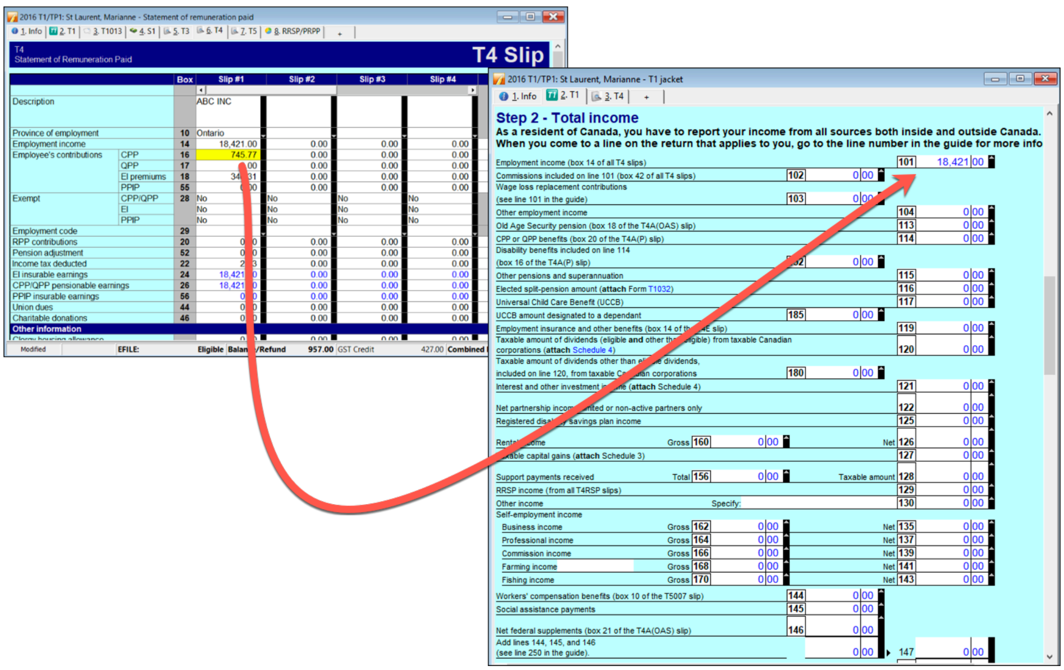
- Once again, here is the T4 slip—statement of remuneration—that Marianne received from her employer



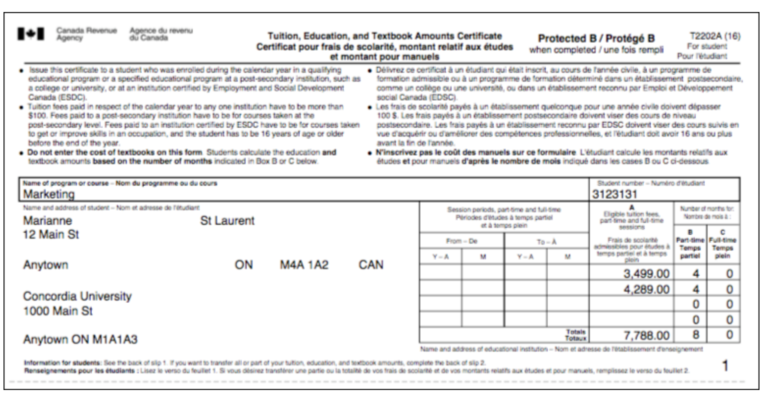
- To record the T4 slip in ProFile, press the *F4* key to open Form Explorer and then, in the Search field, type T4. Double-click the T4 line in the right pane of the Form Explorer window, and ProFile will open that form



- Enter the data on the T4 Slip form line by line
- And ProFile will transfer the T4 amounts to the corresponding line on the T1 return itself (the T1 Jacket)



- And here, again, is Marianne's tuition slip


Canada Revenue Agency / Agence du revenu du Canada

Tuition, Education, and Textbook Amounts Certificate
Certificat pour frais de scolarité, montant relatif aux études et montant pour manuels

Protected B / Protégé B when completed / une fois rempli

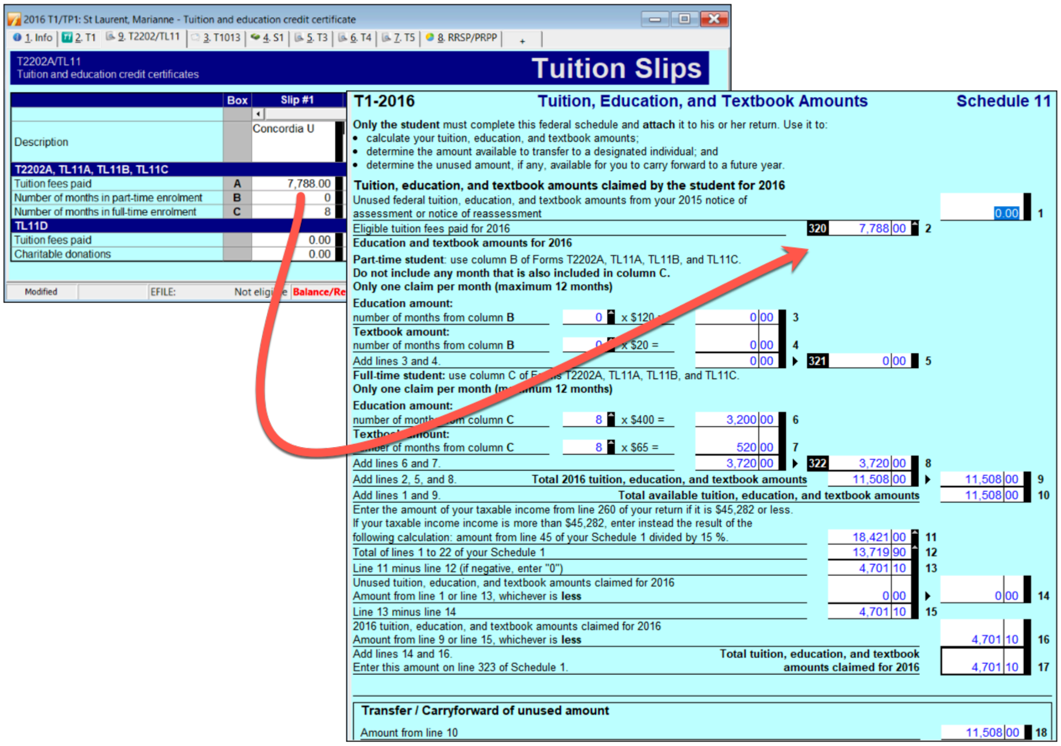
T2202A (16) For student / Pour l'étudiant

Name of program or course: Marketing		Student number: 3123131		
Name and address of student: Marianne St Laurent, 12 Main St, Anytown ON M4A 1A2 CAN		A – Eligible tuition fees, part-time and full-time sessions	B – Part-time	C – Full-time
		3,499.00	4	0
		4,289.00	4	0
			0	0
Name and address of educational institution: Concordia University, 1000 Main St, Anytown ON M1A1A3			0	0
	Totals / Totaux	7,788.00	8	0

1

- Use Form Explorer to find and open the T2202 tuition form. Record the slip information on that form

- ProFile will transfer those amounts to the Schedule 11



- And ProFile will then transfer the amounts from Schedule 11 to the Schedule 1 and, finally to the T1 Jacket

T1-2016 Federal Tax Schedule 1

This is **Step 5** in completing your return. Complete this schedule, and **attach** a copy to your return.
For more information, see the related line in the guide.

Step 1 - Federal non-refundable tax credits

Basic personal amount **claim $11,474**	300	11,474 00	1
Age amount (if you were born in 1951 or earlier) (use federal worksheet) **(maximum $7,125)**	301	0 00	2
Spouse or common-law partner amount (**attach** Schedule 5)	303	0 00	3
Amount for an eligible dependant (**attach** schedule 5)	305	0 00	4
Family caregiver amount for infirm children under 18 years of age. Number of children born for whom you **are claiming** the family caregiver amount 352: 0 x $ 2,121 =	367	0 00	5
Amount for infirm dependants age 18 or older (**attach** Schedule 5)	306	0 00	6
CPP or QPP contributions: through employment from box 16 and box 17 on all T4 slips (**attach** Schedule 8 or Form RC381, whichever applies)	308	738 59	• 7
on self-employment and other earnings (**attach** Schedule 8 or Form RC381, whichever applies)	310	0 00	• 8
Employment Insurance premiums: through employment from box 18 and box 55 of all T4 slips **(maximum $955.04)**	312	346 31	• 9
on self-employment and other eligible earnings (**attach** Schedule 13)	317	0 00	• 10
Volunteer firefighters' amount	362	0 00	11
Search and rescue volunteers' amount	395	0 00	12
Canada employment amount (If you reported employment income on line 101 or line 104, see line 363 in the guide.) **(maximum $1,161)**	363	1,161 00	13
Public transit amount	364	0 00	14
Children's arts amount	370	0 00	15
Home accessibility expenses (**attach** Schedule 12)	398	0 00	16
Home buyers' amount	369	0 00	17
Adoption expenses	313	0 00	18
Pension income amount (use the federal worksheet) **(maximum $2,000)**	314	0 00	19
Caregiver amount (**attach** Schedule 5)	315	0 00	20
Disability amount (for self) (claim **$8,001**, or if you were under age 18, use the federal worksheet)	316	0 00	21
Disability amount transferred from a dependant (use the federal worksheet)	318	0 00	22
Interest paid on your student loans	319	0 00	23
Your tuition, education, and textbook amounts (**attach** Schedule 11)	323	4,701 10	24
Tuition, education, and textbook amounts transferred from a child	324	0 00	25
Amounts transferred from your spouse or common-law partner (**attach** Schedule 2)	326	0 00	26
Medical expenses for **self, spouse or common-law partner, and your dependent children born in 1999 or later** 330: 0 00			27
Enter $2,237 or 3% of line 236 of your return, whichever is **less**. 552 63			28
Line 27 minus line 28 (if negative, enter "0") 0 00			29
Allowable amount of medical expenses for **other dependants** (do the calculation at line 331 in the guide) 331: 0 00			30
Add lines 29 and 30. 0 00	332	0 00	31
Add lines 1 to 26, and line 31.	335	18,421 00	32
Federal non-refundable tax credit rate		15 %	33
Multiply line 32 by line 33.	338	2,763 15	34
Donations and gifts (**attach** Schedule 9)	349	0 00	35
Add lines 34 and 35. Enter this amount on line 48. **Total federal non-refundable tax credits**	350	2,763 15	36

Protected B when completed

Step 2 - Federal tax on taxable income

Enter your **taxable income** from line 260 of your return. 18,421 00 — 37

Complete the appropriate column depending on the amount on line 37.	Line 37 is $45,282 or less	Line 37 is more than $45,282 but not more than $90,563	Line 37 is more than $90,563 but not more than $140,388	Line 37 is more than $140,388 but not more than $200,000	Line 37 is more than $200,000	
Enter the amount from line 37.	18,421 00	0 00	0 00	0 00	0 00	38
	0 00	45,282 00	90,563 00	140,388 00	200,000 00	39
Line 38 minus line 39 (cannot be negative)	18,421 00	0 00	0 00	0 00	0 00	40
	x 15 %	x 20.5 %	x 26 %	x 29 %	x 33 %	41
Multiply line 40 by line 41.	2,763 15	0 00	0 00	0 00	0 00	42
	0 00	6,792 00	16,075 00	29,029 00	46,317 00	43
Add lines 42 and 43.	2,763 15	0 00	0 00	0 00	0.00	44

Step 3 - Net federal tax

Enter the amount from line 44		2,763 15		45
Federal tax on split income (from line 5 of Form T1206)	424	0 00		• 46
Add lines 45 and 46.	404	2,763 15	2,763 15	47
Enter your total federal non-refundable tax credits from line 36 on the previous page.	350	2,763 15		48
Federal dividend tax credit	425	0 00		• 49
Minimum tax carryover (**attach** Form T691)	427	0 00		• 50
Add lines 48, 49, and 50.		2,763 15	2,763 15	51
Line 47 minus line 51 (if negative, enter "0") **Basic federal tax**	429		0 00	52

Protected B when completed — 5

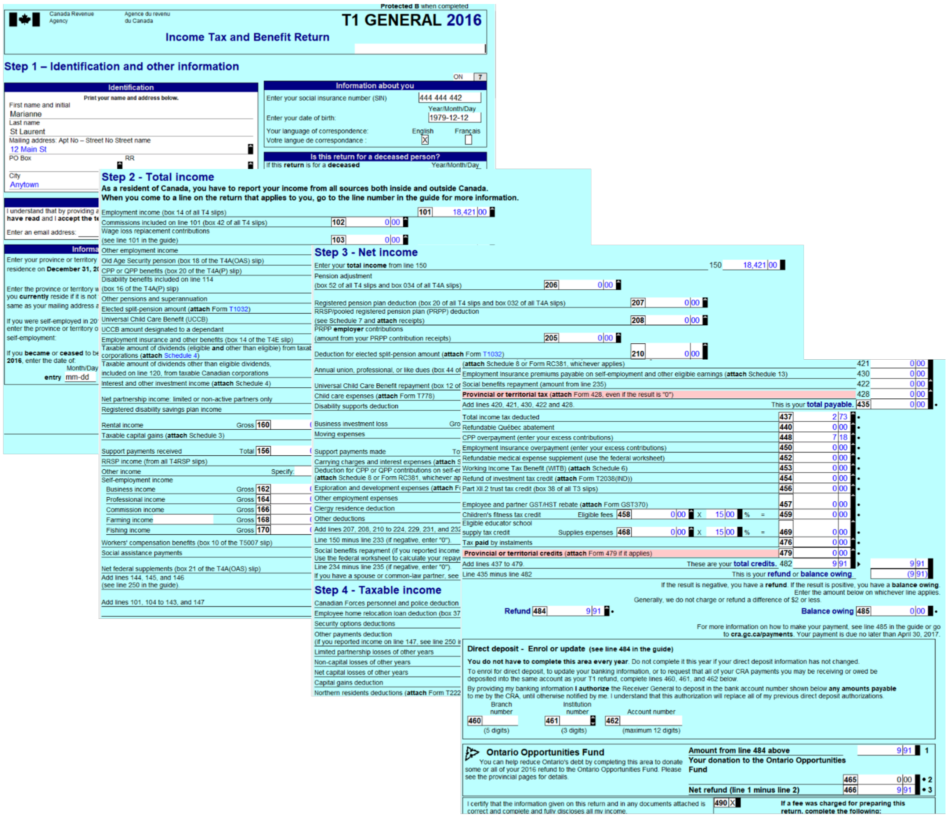
Step 6 - Refund or Balance owing

Net federal tax: enter the amount from line 64 of Schedule 1 (**attach** Schedule 1, even if the result is "0")	420		0 00
CPP contributions payable on self-employment and other earnings (**attach** Schedule 8 or Form RC381, whichever applies)	421		0 00
Employment Insurance premiums payable on self-employment and other eligible earnings (**attach** Schedule 13)	430		0 00
Social benefits repayment (amount from line 235)	422		0 00
Provincial or territorial tax (**attach** Form 428, even if the result is "0")	428		0 00
Add lines 420, 421, 430, 422 and 428. This is your **total payable.**	435		0 00 •
Total income tax deducted	437	2 73 •	
Refundable Québec abatement	440	0 00 •	
CPP overpayment (enter your excess contributions)	448	7 18 •	
Employment Insurance overpayment (enter your excess contributions)	450	0 00 •	
Refundable medical expense supplement (use the federal worksheet)	452	0 00 •	
Working Income Tax Benefit (WITB) (**attach** Schedule 6)	453	0 00 •	
Refund of investment tax credit (**attach** Form T2038(IND))	454	0 00 •	
Part XII.2 trust tax credit (box 38 of all T3 slips)	456	0 00 •	
Employee and partner GST/HST rebate (**attach** Form GST370)	457	0 00 •	
Children's fitness tax credit — Eligible fees 458: 0 00 x 15 00 % =	459	0 00 •	
Eligible educator school supply tax credit — Supplies expenses 468: 0 00 x 15 00 % =	469	0 00 •	
Tax paid by instalments	476	0 00 •	
Provincial or territorial credits (**attach** Form 479 if it applies)	479	0 00 •	
Add lines 437 to 479. These are your **total credits.**	482	9 91	9 91
Line 435 minus line 482 This is your **refund** or **balance owing**.			(9 91)

If the result is negative, you have a **refund**. If the result is positive, you have a **balance owing**.
Enter the amount below on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Refund 484: 9 91 • **Balance owing** 485: 0 00 •

- Because Marianne had no other slips or additional information to record, here is snapshot of her tax return
- Note that the last page of the tax return indicates that Marianne is receiving a refund of $9.91



Conclusion

As can be seen from the illustration above, ProFile—at least with a basic T1—provides guided tax preparation that requires you to simply enter information on the required forms and slip (in this example T4 and T2202) and ProFile will then complete the T1 based on those entries.

Contrast that with the same hand-written example, and the benefits gained by using tax-preparation software are immediately evident.

A Tax Practitioner Approach

Preparing a T1 for a Married Couple

This section explores how a tax preparer works with a client—in this example, a married couple named Jane and Javier Cosan—who have asked you to file their T1 returns. So that you can proceed, they provide you with the following tax slips:

- T4 slips that itemize each spouse's employment earnings

T4 — Statement of Remuneration Paid / État de la rémunération payée (Canada Revenue Agency / Agence du revenu du Canada)

Protected B when completed / Protégé B une fois rempli

Employer's name – Nom de l'employeur	NewCo International
Year / Année	2016
54 Employer's account number / Numéro de compte de l'employeur	99552 2243 RP 0001
12 Social insurance number / Numéro d'assurance sociale	444 444 442
Employee's name and address – Nom et adresse de l'employé	COSAN Jane, 12 Main St, Anytown ON CAN M4A 1A2
14 Employment income – line 101 / Revenus d'emploi – ligne 101	102,911.00
22 Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	24,312.44
10 Province of employment / Province d'emploi	ON
16 Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	2,544.30
24 EI insurable earnings / Gains assurables d'AE	50,800.00
26 CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	54,900.00
18 Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312	955.04

RC-14-599 1

T4 — Statement of Remuneration Paid / État de la rémunération payée (Canada Revenue Agency / Agence du revenu du Canada)

Protected B when completed / Protégé B une fois rempli

Employer's name – Nom de l'employeur	NewCo International
Year / Année	2016
54 Employer's account number / Numéro de compte de l'employeur	99552 2243 RP 0001
12 Social insurance number / Numéro d'assurance sociale	888 888 880
Employee's name and address – Nom et adresse de l'employé	COSAN Javier, 12 Main St, Anytown ON CAN M4A 1A2
14 Employment income – line 101 / Revenus d'emploi – ligne 101	97,321.00
22 Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	23,121.00
10 Province of employment / Province d'emploi	ON
16 Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	2,544.30
24 EI insurable earnings / Gains assurables d'AE	50,800.00
26 CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	54,900.00
18 Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312	955.04

RC-14-599 1

- There is also a charitable donation receipt and a T5 slip issued by a bank or other financial institution that lists the amount of investment income earned in the tax year. Assume that the investment income was shared equally by each spouse

T5 — Statement of Investment Income / État des revenus de placement (Canada Revenue Agency / Agence du revenu du Canada)

Year / Année: 2 0 1 6 — Protected B / Protégé B when completed / une fois rempli

10 Actual amount of dividends other than eligible dividends	1,275.00
11 Taxable amount of dividends other than eligible dividends	1,491.75
12 Dividend tax credit for dividends other than eligible dividends	156.96
13 Interest from Canadian sources / Intérêts de source canadienne	448.12
21 Report Code / Code du feuillet	O
22 Recipient identification number / Numéro d'identification du bénéficiaire	444 444 442
23 Recipient type / Type de bénéficiaire	1
Recipient's name and address	COSAN MARIA, COSAN JAVIER, 12 MAIN ST, ANYTOWN ON CAN M4A 1A2
Payer's name and address	HIGH FLYING ETF INVESTMETS, 10 BAY STREET, TORONTO ON M1A 1A1

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

T5 (15)

Parkinson Canada

316 - 4211 Yonge Street, Toronto, ON M2P 2A9
T: 416-227-9700 | F: 416-227-9600 | www.parkinson.ca
Charitable Business No / No. d'organisme de bienfaisance enregistré : 10809 1786 RR0001

Date Received/Don reçu le: 2016/12/12
Date Issued/Reçu émis le:
Place of Issue/Lieu d'émission: Toronto, ON

DUPLICATE RECEIPT
REÇU EN DOUBLE

Receipt No./Numéro du reçu: L100032816

Donation Amount/Montant du don: $100.00

Jane Cosan
12 Main St
Anytown, ON
M4A 1A2

Authorized signature/Signature autorisée

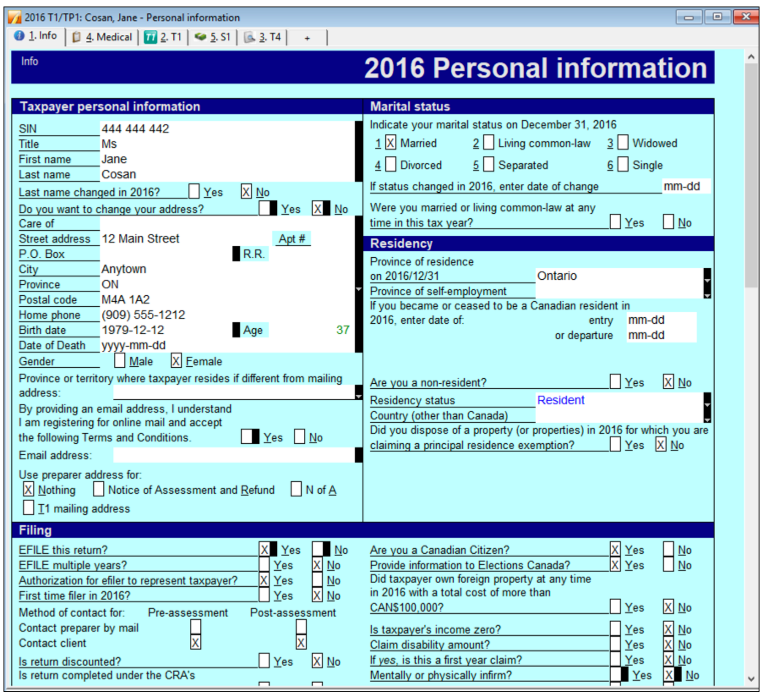
This is an official tax receipt for income tax purposes. / Reçu officiel aux fins de l'impôt.
Canada Revenue Agency: www.cra.gc.ca/charitiesandgiving
Agence du revenu du Canada: www.cra-arc.gc.ca/chrts-gvng/menu-fra.html

With these slips, along with their contact information, you are ready to proceed.

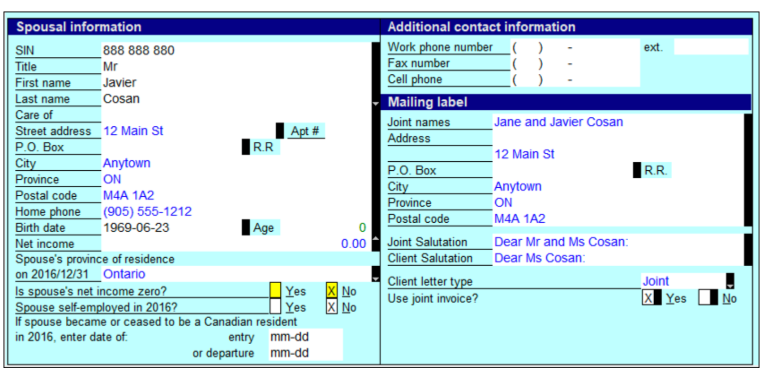
T1013

As a professional tax preparer, you will want all new clients to complete and sign CRA's T1013 authorization form. Think of a T1013 as your T1 Launchpad. With it you can access CRA's website and obtain your clients' tax information. The information that a T1013 provides will include: Notices of Assessments, client data summary, account balances, as well as information slips such as T3, T4, T5 and RRSP slips. Here's how you complete and file a T1013

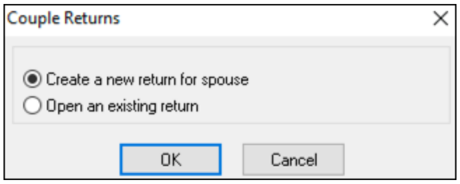
- Create a new tax return in ProFile and fill out the *Personal Information* page. Here's an excerpt of Jane's information page



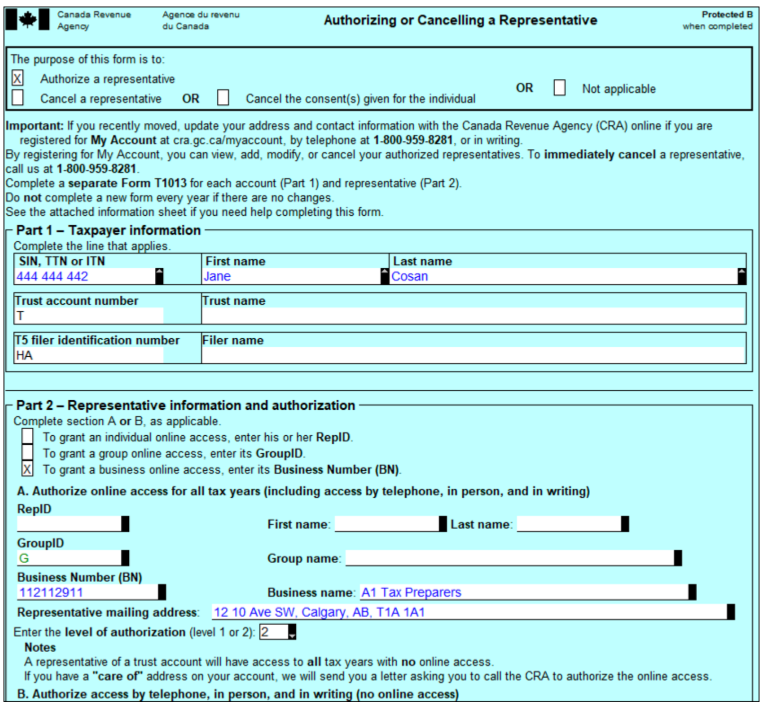
- To enter Javier's spousal information, just scroll to the bottom of Jane's *Personal Information* page



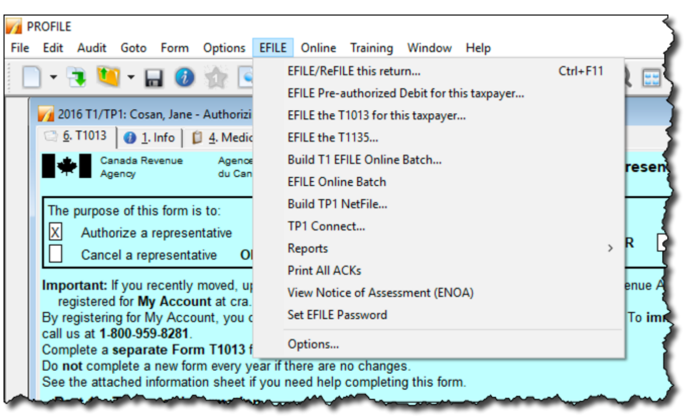
- After entering Javier's information, press F5, or click the toolbar's *Spouse* toggle icon 
- ProFile will ask if you want to open or create a tax return. Because Jane and Javier are new clients, select *Create a new return for spouse*



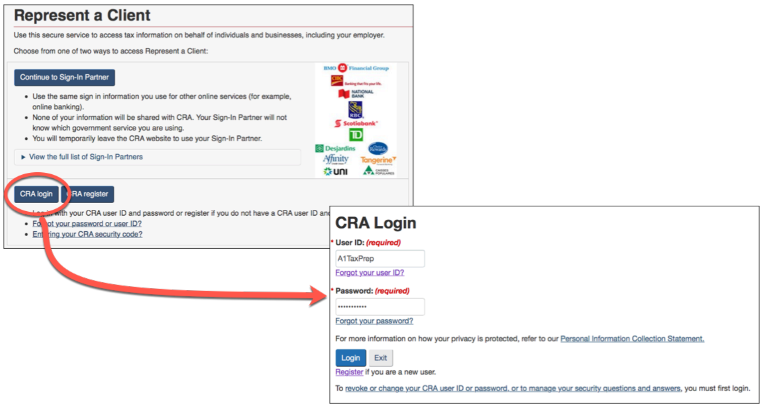
- Once you enter Jane and Javier's Personal Information page, press *F4* to open ProFile's *Form Explorer* and, in the *Search* field, enter *T1013*
- On the T1013, check the *Authorize a representative* box and ensure that the information--including the clients' names and social insurance numbers, your CRA representative information as well as the authorization level—are all accurate
- Submit the T1013 to your client for signature



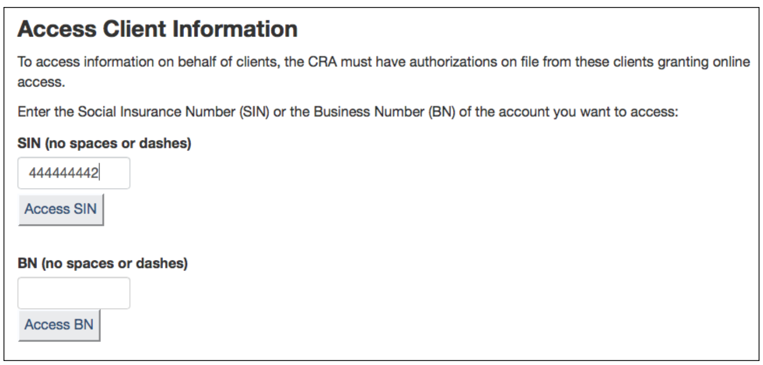
- It is very important that your clients sign their T1013 before you submit them to CRA. Once signed, click *EFILE > EFILE the T1013 for this taxpayer*



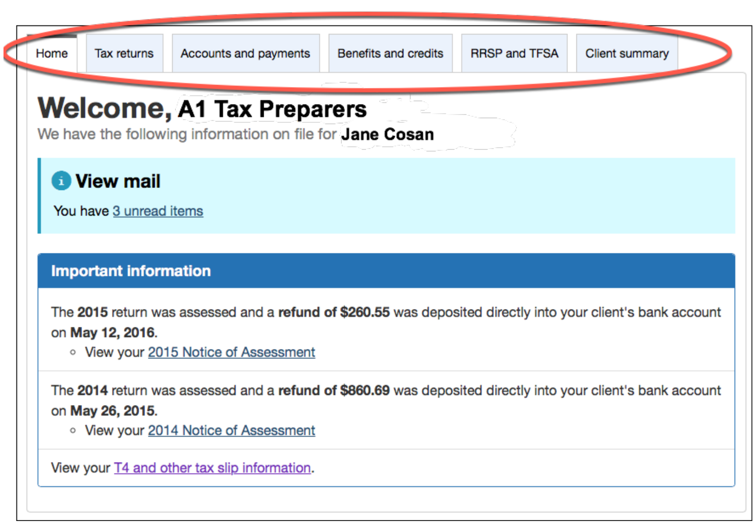
- Once CRA authorizes access, log into CRA's *Represent a Client* portal at www.canada.ca (select the Income Tax dropdown)
- Choose *CRA login* and enter your CRA *Represent a Client* credentials



- Enter Jane's social insurance number and click *Access SIN*



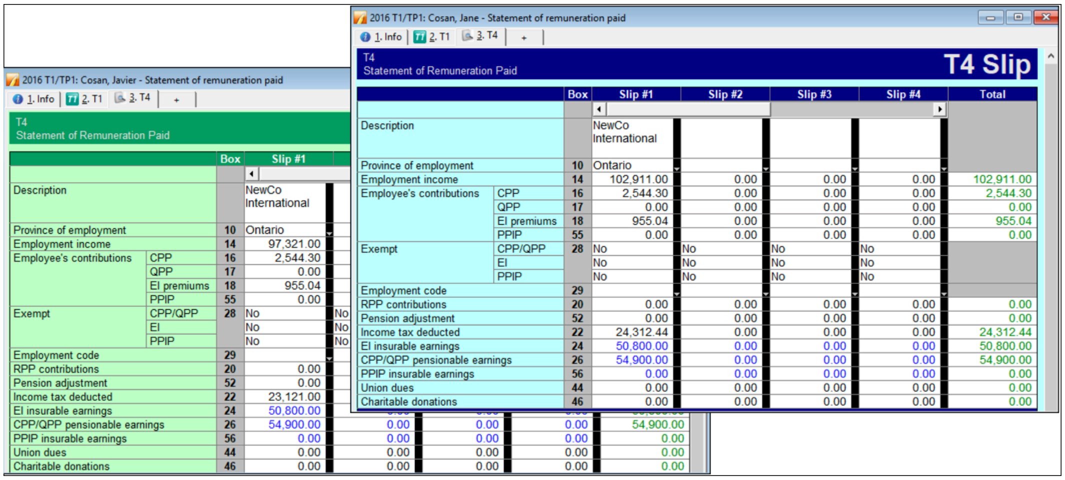
- You are now at Jane's Information page. Note the tabs at the top of the page that give you access to CRA's tax information for that client



Entering tax data

With Jane's tax return open in ProFile, use *Form Explorer* to open the forms and schedules that you need to record Jane's slip information.

- Press *F4* to open *Form Explorer,* and, in the *Search* field, enter *T4.* Record the slip information on Jane's T4 form. Press *F5* to toggle to Javier's return. Enter Javier's T4 information as well



2016 T1/TP1: Cosan, Javier - Statement of remuneration paid

T4 Statement of Remuneration Paid

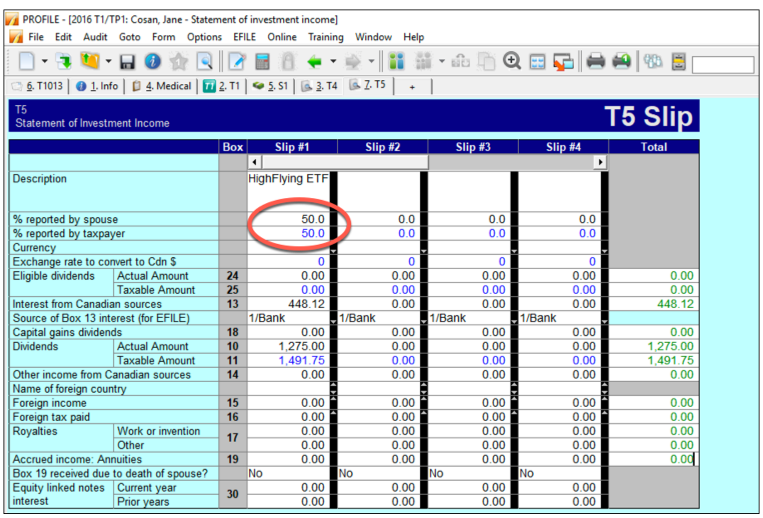
		Box	Slip #1
Description			NewCo International
Province of employment		10	Ontario
Employment income		14	97,321.00
Employee's contributions	CPP	16	2,544.30
	QPP	17	0.00
	EI premiums	18	955.04
	PPIP	55	0.00
Exempt	CPP/QPP	28	No
	EI		No
	PPIP		No
Employment code		29	
RPP contributions		20	0.00
Pension adjustment		52	0.00
Income tax deducted		22	23,121.00
EI insurable earnings		24	50,800.00
CPP/QPP pensionable earnings		26	54,900.00
PPIP insurable earnings		56	0.00
Union dues		44	0.00
Charitable donations		46	0.00

2016 T1/TP1: Cosan, Jane - Statement of remuneration paid

T4 Statement of Remuneration Paid — T4 Slip

		Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
Description			NewCo International				
Province of employment		10	Ontario				
Employment income		14	102,911.00	0.00	0.00	0.00	102,911.00
Employee's contributions	CPP	16	2,544.30	0.00	0.00	0.00	2,544.30
	QPP	17	0.00	0.00	0.00	0.00	0.00
	EI premiums	18	955.04	0.00	0.00	0.00	955.04
	PPIP	55	0.00	0.00	0.00	0.00	0.00
Exempt	CPP/QPP	28	No	No	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	24,312.44	0.00	0.00	0.00	24,312.44
EI insurable earnings		24	50,800.00	0.00	0.00	0.00	50,800.00
CPP/QPP pensionable earnings		26	54,900.00	0.00	0.00	0.00	54,900.00
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

- Return to Jane's T1 by pressing *F5* again, and press *F4* to find the T5 form and record that slip's information
- Because it was decided that 50% of the investment earning is allocated to each spouse, enter "50" on the line that reads, "*% reported by spouse*"

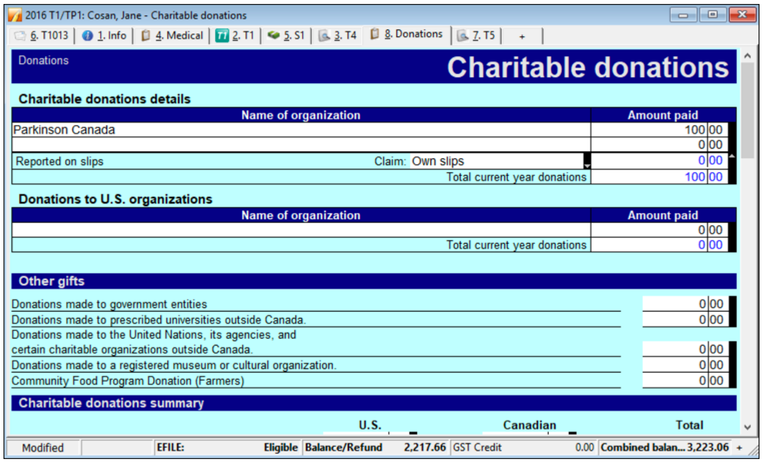


PROFILE - [2016 T1/TP1: Cosan, Jane - Statement of investment income]

T5 Statement of Investment Income — T5 Slip

		Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
Description			HighFlying ETF				
% reported by spouse			50.0	0.0	0.0	0.0	
% reported by taxpayer			50.0	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	448.12	0.00	0.00	0.00	448.12
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	1,275.00	0.00	0.00	0.00	1,275.00
	Taxable Amount	11	1,491.75	0.00	0.00	0.00	1,491.75
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	

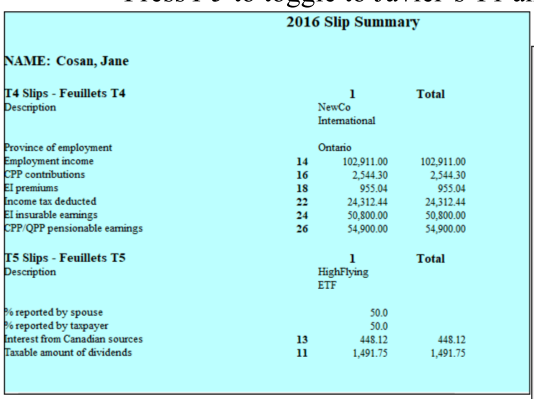
- Press F4 and enter *DON* in the *Search* field to open the *Charitable Donations* form. Record that slip's amount as indicated below

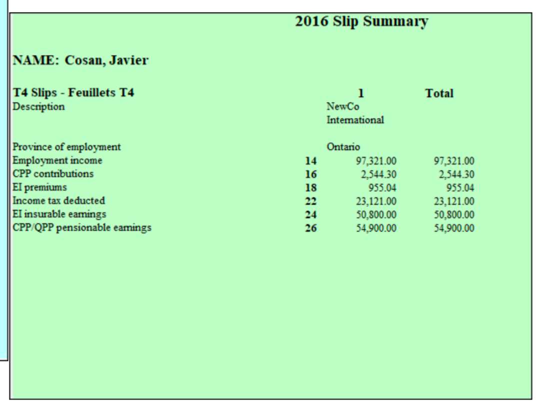


Wrapping things up

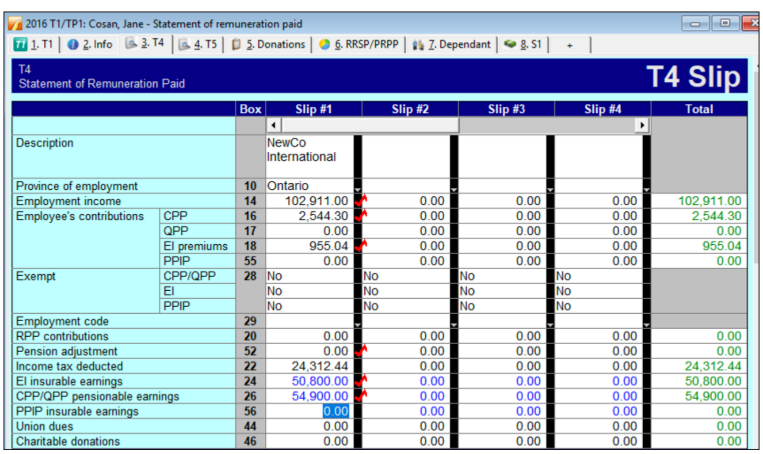
Before finalizing things, you'll want to double-check the tax returns. As discussed earlier, ProFile's auditor is a powerful tool that alerts you about any errors or missing information. In addition to the auditor, you will also want to refer to the *Slip Summary* form. This form lists, on a single page, the information from every slip used on a T1.

- Press *F4* to find Jane's *Slip Summary* form. Use it to confirm the T4 and other slip amounts
- Press *F5* to toggle to Javier's T1 and to access his *Slip Summary* form as well



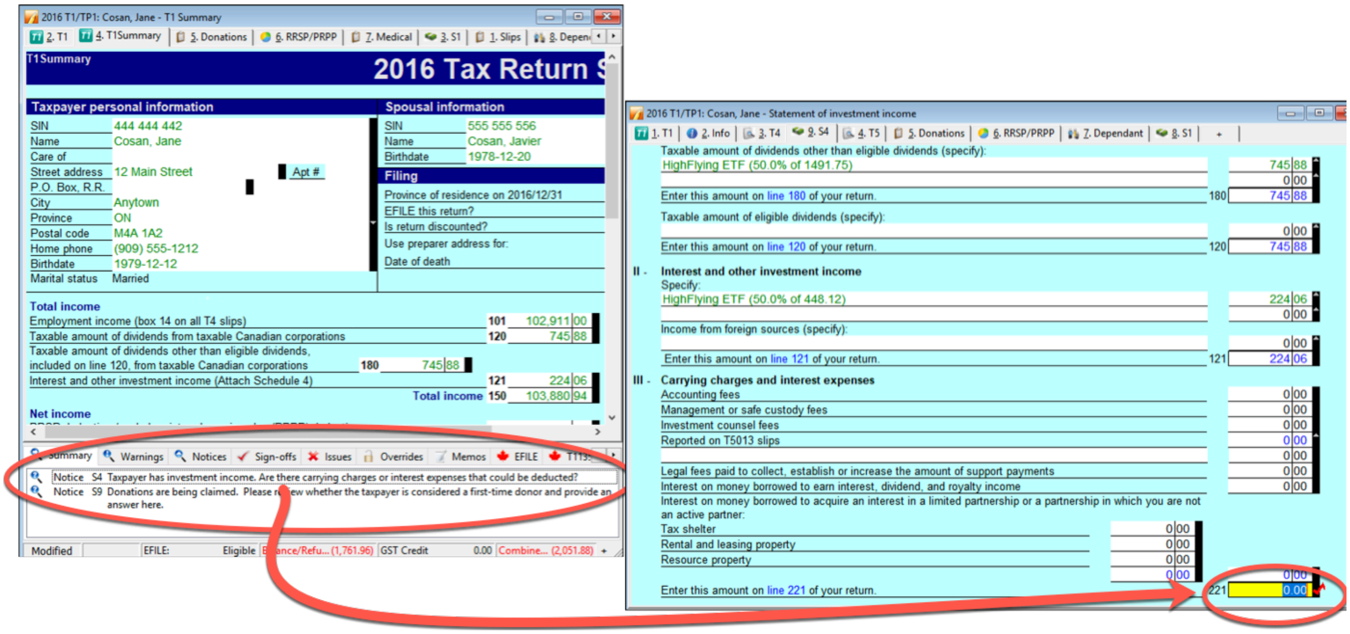


- You can also use ProFile's *Sign-offs* Review Marks to indicate, on each form, that you have verified and confirmed all entered amounts



Using the auditor

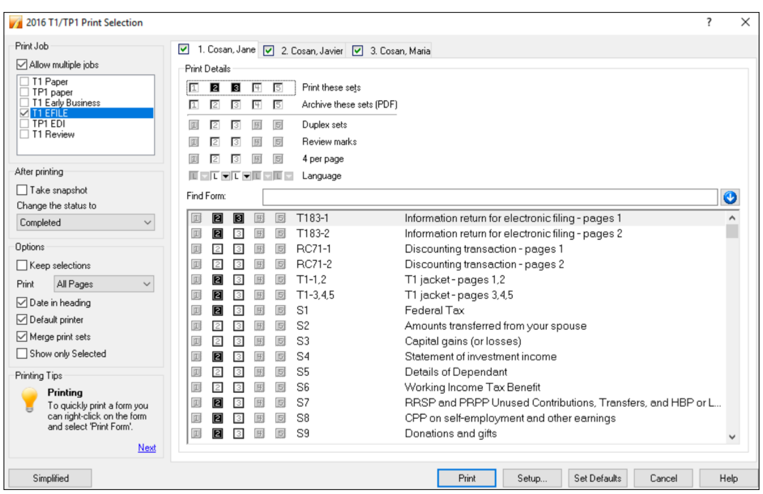
- Press CTRL+F9 to consult ProFile's *Auditor* for errors, omissions and suggestions
- Double-click an audit message to jump to the related form
- Use a sign-off to clear the audit message



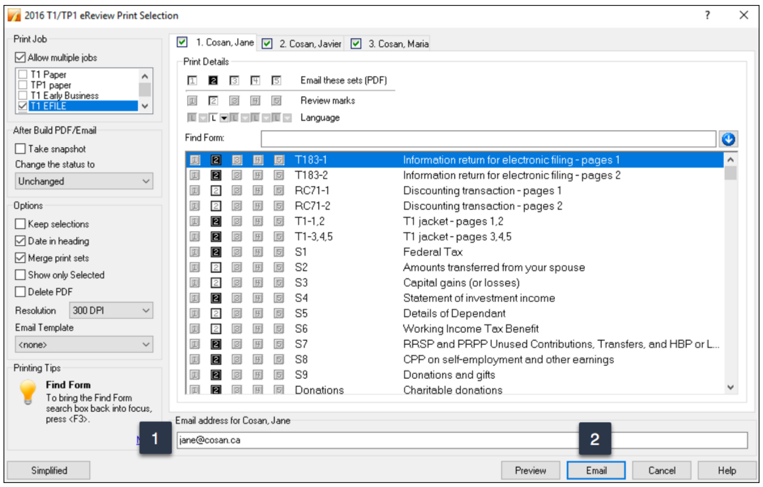
Out the door

You'll need to provide to your clients a copy of their tax returns. You can, of course, print the return or, as is becoming increasing popular, provide a PDF copy. In either case, in order to EFILE the returns, you will want your clients to sign CRA's T183 form.

- To print the return, click the toolbar's *Print* icon
- ProFile will open the *Print Selection* window—ready to print only those forms that you selected under *Options>Print Selection*



- If you'd rather email a PDF, first enter the client's email address on the *Personal Information* form, then click *Print / Email PDF*
- In the *eReview Print Selection* window, ProFile enters the email address for you
- After confirming the address, 1
- Click *Email* to send the tax file 2

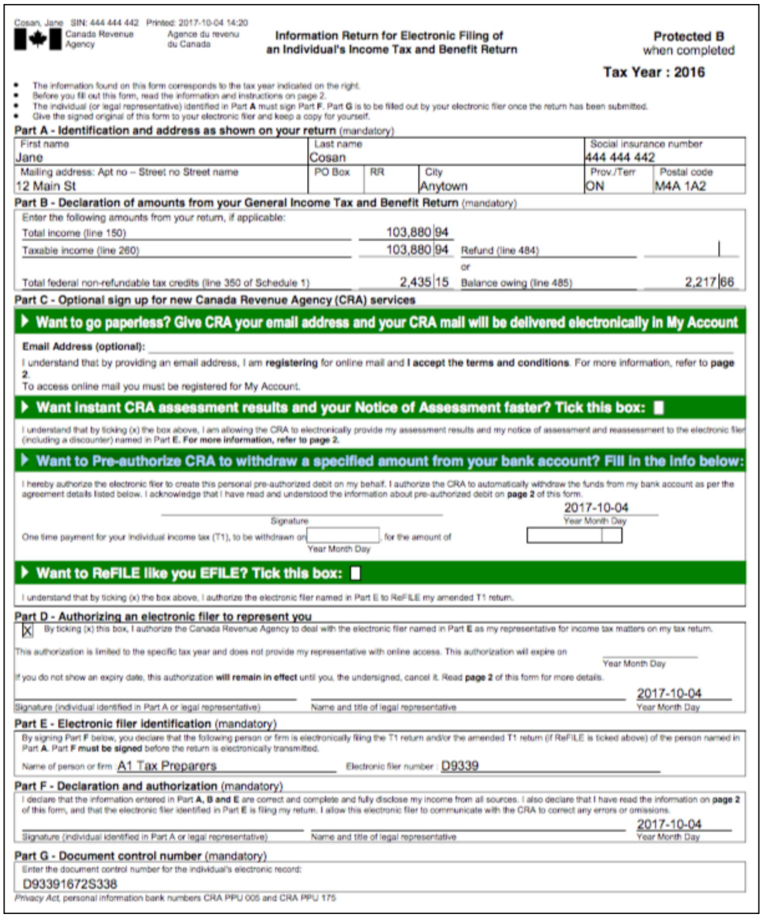


EFILE it

The very last step is to EFILE the return. EFILE is CRA's electronic-filing portal that all professional tax preparers are required to use.

Before a preparer can EFILE a tax return, she will need the client's signature on CRA Form T183. Here are a few additional need-to-know items regarding the T183:

- Ensure that your client signs at Parts D and F of the T183
- Consider checking the box that reads *Want instant CRA assessment results…* Clicking that box will activate CRA's *Express Notice of Assessment,* thereby allowing individuals and authorized representatives to view the result of an assessment immediately after filing a return—and receive a *Notice of Assessment* the next day



Cosan, Jane SIN: 444 444 442 Printed: 2017-10-04 14:20

Canada Revenue Agency / Agence du revenu du Canada

Information Return for Electronic Filing of an Individual's Income Tax and Benefit Return

Protected B when completed

Tax Year : 2016

- The information found on this form corresponds to the tax year indicated on the right.
- Before you fill out this form, read the information and instructions on page 2.
- The individual (or legal representative) identified in Part **A** must sign Part **F**. Part **G** is to be filled out by your electronic filer once the return has been submitted.
- Give the signed original of this form to your electronic filer and keep a copy for yourself.

Part A - Identification and address as shown on your return (mandatory)

First name	Last name			Social insurance number	
Jane	Cosan			444 444 442	
Mailing address: Apt no – Street no Street name	**PO Box**	**RR**	**City**	**Prov./Terr**	**Postal code**
12 Main St			Anytown	ON	M4A 1A2

Part B - Declaration of amounts from your General Income Tax and Benefit Return (mandatory)

Enter the following amounts from your return, if applicable:

Total income (line 150)	103,880 94		
Taxable income (line 260)	103,880 94	Refund (line 484)	
		or	
Total federal non-refundable tax credits (line 350 of Schedule 1)	2,435 15	Balance owing (line 485)	2,217 66

Part C - Optional sign up for new Canada Revenue Agency (CRA) services

Want to go paperless? Give CRA your email address and your CRA mail will be delivered electronically in My Account

Email Address (optional):

I understand that by providing an email address, I am **registering** for online mail and **I accept the terms and conditions**. For more information, refer to **page 2**.
To access online mail you must be registered for My Account.

Want instant CRA assessment results and your Notice of Assessment faster? Tick this box:

I understand that by ticking (x) the box above, I am allowing the CRA to electronically provide my assessment results and my notice of assessment and reassessment to the electronic filer (including a discounter) named in Part **E**. **For more information, refer to page 2.**

Want to Pre-authorize CRA to withdraw a specified amount from your bank account? Fill in the info below:

I hereby authorize the electronic filer to create this personal pre-authorized debit on my behalf. I authorize the CRA to automatically withdraw the funds from my bank account as per the agreement details listed below. I acknowledge that I have read and understood the information about pre-authorized debit on **page 2** of this form.

Signature — 2017-10-04 Year Month Day

One time payment for your individual income tax (T1), to be withdrawn on [Year Month Day], for the amount of

Want to ReFILE like you EFILE? Tick this box:

I understand that by ticking (x) the box above, I authorize the electronic filer named in Part E to ReFILE my amended T1 return.

Part D - Authorizing an electronic filer to represent you

[X] By ticking (x) this box, I authorize the Canada Revenue Agency to deal with the electronic filer named in Part **E** as my representative for income tax matters on my tax return.

This authorization is limited to the specific tax year and does not provide my representative with online access. This authorization will expire on ____ Year Month Day

If you do not show an expiry date, this authorization **will remain in effect** until you, the undersigned, cancel it. Read **page 2** of this form for more details.

Signature (individual identified in Part A or legal representative) — Name and title of legal representative — 2017-10-04 Year Month Day

Part E - Electronic filer identification (mandatory)

By signing Part **F** below, you declare that the following person or firm is electronically filing the T1 return and/or the amended T1 return (if ReFILE is ticked above) of the person named in Part **A**. Part **F must be signed** before the return is electronically transmitted.

Name of person or firm : A1 Tax Preparers Electronic filer number : D9339

Part F - Declaration and authorization (mandatory)

I declare that the information entered in Part **A, B and E** are correct and complete and fully disclose my income from all sources. I also declare that I have read the information on **page 2** of this form, and that the electronic filer identified in Part **E** is filing my return. I allow this electronic filer to communicate with the CRA to correct any errors or omissions.

Signature (individual identified in Part A or legal representative) — Name and title of legal representative — 2017-10-04 Year Month Day

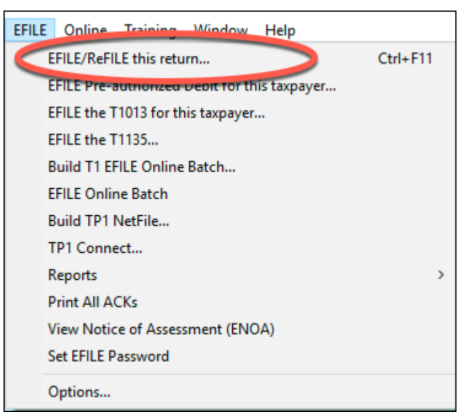
Part G - Document control number (mandatory)

Enter the document control number for the individual's electronic record:

D93391672S338

Privacy Act, personal information bank numbers CRA PPU 005 and CRA PPU 175

- To EFILE the T1 return, just click the *EFILE* menu and select *EFILE/ReFILE* this return



And that's it. Job done!

Chapter 4 Quiz

Question 1: Tax preparers use the term "T1" to describe:

A. The form an employer sends to an employee at year-end
B. A statement that a bank sends to investors
C. A corporate tax return
D. A personal tax return

Question 2: True or False: You record all income and deductions directly onto ProFile's T1 jacket

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Question 3: ProFile's *Info* page is used to:

A. Enter all amounts earned during the year
B. Enter the names of employers, banks and investments houses
C. Indicate which forms and schedules you want to use on a T1
D. Enter the name, address and other personal information

Question 4: True or False: Each type of income (T4, T5, etc.) is recorded on a dedicated form or Schedule in ProFile

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Question 5: True or False: The T2202 Form is used to enter tuition amounts paid to a learning institution

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Question 6: A signed T1013 form is used to:

A. Get a client's sign-off on a completed T1
B. Record deductions and credits
C. Ensure that there are no CRA omissions
D. Access CRA's website and obtain a client's tax information

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Question 7: True or False: There is an icon on ProFile's toolbar to toggle between spouses' T1s

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Question 8: True or False: You use the Slip Summary form to verify the amounts from all slips

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Question 9: A signed T183 is used to:

A. Record the amount of tax deducted on a T4 slip
B. Get a client's authorization to EFILE a T1
C. Change an error on a filed T1
D. All the above

Question 10: True or False: ProFile cannot EFILE a T1. You can only do so from CRA's website

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