Note: All index references are to sections of the book.

### Α

Α	Additions to income for tax purposes, see Deductions from (additions to) income		
<b>Accelerated Canadian development expenses</b> (ACDE), see Resource taxation	Adjusted Aggregate Investment Income (AAII), 8145		
Accelerated Canadian oil and gas property expenses (ACOGPE), see Resource taxation	Adjusted stub period accrual, 2568		
Accelerated Investment Incentive (AII), 5015	Advance income tax rulings, 12330		
Accelerated Investment Incentive Property (AIIP), 5010	Advance pricing arrangements, 6425		
Accounting standards, tax, 15000	Adventure or concern in the nature of trade, 4015		
Accounting tax provisions, see Tax provisions	<ul><li>Affiliated persons, see also Stop-loss rules</li><li>defined, 4705</li></ul>		
Accurate picture of a taxpayer's profit (ITA 9(1)), 2010	<ul> <li>transfers of property between, 4710</li> <li>domesicable property, 4720</li> </ul>		
Acquisition of control (AOC), 3400	<ul><li>depreciable property, 4720</li><li>inventory, 4730</li></ul>		
• allowable business investment losses, and, 3401	• non-depreciable property, 4715		
• avoidance rules, 3402	• shares to issuing corporation, 4725		
• deemed year-end, 3405	<ul> <li>superficial losses, 4716</li> </ul>		
• foreign currency debt, gain or loss, 3420	•		
loss streaming rules, 3410	Aggregate Investment Income (AII), 8210		
•• same business, 3411	Alberta		
• quick reference table, 3425	• AT1 return general identification information, 13015		
• recognition of accrued losses, 3415	• balance unpaid (overpayment), 13030		
•• capital gain election, 3416	• capital cost allowance (CCA), 13052		
Active assets (passive income SBD reduction), 8145	• capital gains refund, 13029		
Active business income, 8105	• capital investment credit, 13063		

• charitable donations and gifts, 13058

• certification, 13032

#### Alberta (*cont'd*)

- corporate tax, 13024
- current year loss and continuity of losses, 13059
- digital media tax credit, 13064
- dispositions of capital property, 13057
- filing requirement, 13005
- film credit, 13066
- foreign investment income tax credit, 13043
- functional currency reporting, 7440
- income allocation, 13042
- • factor, 13023
- income/loss reconciliation, 13051
- instalments, 13027
- insurance corporations tax, 13065
- interest charges and credits, 13035
- • offset of refund and arrears interest, 13037
- • refund interest, 13036
- investor tax credit, 13061
- late-filing and related penalties, 13010
- loss carryback application, 13048
- net file, 13006
- notice of assessment, 13031
- notice of objection, 13008
- resource deductions, 13054
- section 85 election forms, 6555
- small business deduction, 13041
- SR&ED tax credit, 13047, 13060
- taxable income, 13021
- tax payments, 13033
- tax reserves, 13056
- Allowable business investment losses (ABILS), 2115, 4500
- deductibility of, 4505
- guarantees of debt, 4515, 7110
- small business corporation defined, 4510

#### Amalgamations

- first return after, 1025, 1027
- paid-up capital of successor corporation, 1028
- rollover rules, 1027
- tax deferred cooperative shares (rollover), 1025

Amended T2 returns, 1605, 3210, 3240, 3245

"Amounts Receivable", 2010

#### Arm's length, see also Non-arm's length

- defined, 6005
- personal trusts, 6007
- unrelated persons not dealing at, 6006

#### Assessments

- checklist, 12035
- consequential, 12025
- contingent dates quick reference table, 12015
- electronic CRA notices, 12020
- objections to, 12050
- partnerships, 12035
- reassessment periods, 12010
- taxpayer misrepresentations, 12030
- waivers, 12035

#### Associated corporations, 8500

- consequences of association, 8505
- core rules, 8510
- • meaning of control, 8512
- shares of a specified class, 8511
- election not to be associated, 8135
- generally, 8500
- supporting rules, 8515
- • anti-avoidance rules, 8524
- • business financing exception, 8523.25
- control by same executor or trustee, 8523.50
- controlling corporation is trustee, 8523.75

Associated corporations (cont'd)

- deemed control, 8518
- group of persons, 8517
- look-through rules, 8519, 8520
- options to acquire shares, 8522
- relationship to self, 8516
- saving provisions, 8523
- shares held by minor, 8521 • •

Atlantic ITC, 9010

#### At-risk amount (limited partners), 3228

#### Audits and investigations

- access to foreign information, 12117
- books and records, 12105
- investigations and inspections, 12115
- large business audits, 12110
- solicitor-client privilege, 12120
- • accountant working papers and privilege, 12115

#### Automobiles

- deduction from income, generally, 2540
- employee considerations, 2543
- non-deductible interest expense, 2541
- non-deductible lease payments, 2542
- passenger vehicles
- • luxury, 5160 (Class 10.1)
- zero-emission, 5162 (Class 54)

#### В

Backdating, 8105, 12315

Back-to-back loans, 6314, 7111

Bad debts, 2140

Balance-due day, 1740

#### Banks and Life Insurers ("bank or life insurer group member")

- additional 1.5% surtax, 10102
- Canada Recovery Dividend, 10127
- Benefit conferred (indirect payment or transfers), 12305
- BEPS, 2436 (hybrid mismatch arrangements), 6412, 7015 (PE in Canada)

**Billed-Basis Accounting**, 2484

Book income vs taxable income, 2005

Book tax provisions, see Tax provisions

Books and records, 12105

#### **Branch** tax

- branches carried on through a permanent establishment, 7040
- calculation of, 7045
- non-resident insurers, 7050

#### **British Columbia**

- book publishing tax credit, 11130
- corporate tax, 11121
- film and television tax credit, 11127
- increased employment incentive, 11131.75
- interactive digital media tax credit, 11132
- logging tax credit, 11122
- mining exploration tax credit, 11129
- natural gas investment tax credit, 11135
- production services tax credit, 11128
- QET tax credit, 11126
- shipbuilding credit, 11131.50
- small business venture capital tax credit, 11124
- SR&ED tax credit, 11325
- tax avoidance reporting rules, 11138
- training tax credit, 11131

#### **Business income**

- active (SBD), 8105
- cryptocurrency, 4432, 2115
- vs property income, 2020

Business number, 1106

С

Canada Emergency Business Account (CEBA), 2459

Canada Emergency Wage Subsidy (CEWS), Canada Emergency Response Subsidy (CERS), and Canada Recovery Hiring Program (CHRP), 2187

Canada Recovery Dividend, 10127

#### **Canadian-controlled private corporation (CCPC)**

- advantages of CCPCs, quick reference table, 8010
- Canadian corporation, defined, 8400
- control by non-qualifying persons, 8400
- deemed year-end, change in status, 1017
- defined, 1205
- dividend sprinkling, 12420
- hypothetical shareholder test, 8415
- options to purchase shares granted to non-residents or public companies, 8420
- refundable portion of Part I tax on CCPCs, 8222
- refundable tax on CCPC's investment income, 8220
- small business deduction, see Small business deduction
- status, 8400
- • benefits of, table, 8010
- checklist, 8425
- substantive CCPCs, 8421
- **Canadian development expenses (CDE)**, see Resource taxation

**Canadian exploration expenses (CEE)**, see Resource taxation

**Canadian oil and gas property expenses (COGPE)**, see Resource taxation

Canadian resident corporations, defined, 1010

#### Capital cost allowance

- Accelerated Investment Incentive (AII), 5015
- Accelerated Investment Incentive Property (AIIP), 5010
- adjustments to capital cost of property, 5130
- • non-arm's length acquisition, 5131
- non-government assistance, 5132
- • section 85 rollovers, 5133
- transferred or misclassified property, 5134
- acquisition year rules (half-year rule), 5140
- available-for-use (AFU) rules, 5125
- • long-term projects (election), 5126
- claim for the year, 5110
- • revision of, 5170
- clean energy equipment, 5235
- depreciable property
- • additions, 5115
- CCA classes, table, 5000
- dispositions, 5135
- •• general rules, 5105
- net proceeds of disposition, 5136
- fixed asset reconciliation schedule, 5120
- generally, deduction from income, 2190
- half-year rule, 5140
- immediate expensing incentive, 5017
- leasehold interests, 5210
- lease transactions, 5220
- lease-leasebacks, 5222
- options (including bargain purchase options), 5221
- shareholder benefits, 6307

Capital cost allowance (cont'd)

- mining projects, 5225
- oil sands projects, 5230
- passenger vehicles, luxury, 5160
- patents, franchises, concessions, licences rules, 5205
- railway property, 5240
- recaptured, 2601, 5145
- Class 1 property election, 5147
- transfer former property to a new class, 5146
- rental properties, 5165
- revising CCA claims, 5170
- separate businesses, 3411
- separate class properties, 5155
- • rental properties, 5165
- specified leasing property, 5215
- terminal losses, 2700, 5150

#### **Capital dividends**

- election, 8305
- excessive elections, 8310
- Capital gains (losses), see also Dispositions of capital property, Dispositions of shares, Dispositions of real estate
- adjusted cost base (ACB) of capital property, 4110
- • bonds, 4114
- • identical properties, 4111
- land, 4115
- negative, 4117
- partnership interests, 4113
- •• shares, 4112
- • V-day value, 4116
- bad debts, capital account, 4420
- bonds, 4405
- computation of capital gains and losses, 4100
- depreciable property, 4410
- disposition (meaning), 4105, 4210, 4445

- donations of capital property, 4130
- eligible capital property, 4415
- foreign exchange gains and losses, capital account, 4425
- • hedging, 4430
- generally, 2195
- losses, 3210, 4005
- net proceeds of disposition, 4105
- • bad debts, 4107
- outlays and expenses, 4106
- • seizure of property by creditor, 4108
- options to buy or sell property, 4435
- person-use property, 4440
- reserve, 4125
- taxable, 4120

#### Capital gains stripping, 12335

- allocation of SIOH to shares, 12395
- butterfly reorganizations, 12415
- computation of safe income, 12365
- computation of safe income on hand, 12370
- consequences of the application of ITA 55(2), 12360
- deemed separate taxable dividend, 12355
- dividends subject to Part IV tax, 12345
- · reduction in value of a share or increase in cost of property, 12340
- related party exemption, 12405
- safe income exception, 12350
- significant Reduction of Capital Gain, 12338
- stock dividends (ITA 55(2.2)-(2.4)), 12400

#### Capital tax, federal

- generally, 1407
- investment allowance, 1412
- taxable capital
- financial institutions, 1415
- large corporations, 1410 • •

Capital tax, federal (cont'd)

• large insurance corporations, 1420

Capital vs current expenses, 2200

Carbon capture, utilization, and storage ITC (federal), 9035

Cash pooling arrangements, 6312

CCA, see Capital cost allowance

**CCPC**, see Canadian-controlled private corporation (CCPC)

#### Central management and control, 1010

Charitable donations, 3005, see also Gifts

- capital property, 3007
- carryforwards on acquisition of control, 3014
- eligible amount of gift, 3010
- leveraged, 3013
- maximum deduction, 3006
- non-qualifying securities, 3009
- partnership allocations, 3011
- publicly-traded securities, 3008
- U.S. charities, 3012

Clearance certificate, 1035

**Connected corporations**, 8227

Constituent entity, 6416

**Construction corporations**, 1113

#### Contingency fee WIP (professional inventory), 2484

**Control**, see also Non-arm's length, Related corporations

- business financing exception, 6110
- de facto, 6140
- • franchise exception, 6145
- de jure, 6105

- • unrelated groups, by, 6125
- executors or trustees, by, 6130
- meaning of, 6100
- shareholder agreements, 6120
- shares held by partnerships, 6135
- simultaneous, 6115

Convention on Mutual Administrative Assistance in Tax Matters, 7220

Corporate residency, 1010

Covered Tax Agreements (CTAs) (MLI), 6412

**Credits**, see Federal taxes and credits, Provincial taxes and credits

**Critical Mineral Exploration Tax Credit (CMETC)**, 5440

Current vs capital expenses, 2200

## D

**Debt forgiveness rules**, 3300

- debt parking, 3330
- deduction from income, 2270
- forgiven amount, 3305
- • designation in respect of, 3310
- transfer of, 3315
- income inclusion limitation or reserve, 3340
- purchase of bonds by issuer, 3325
- settlement of on winding-up or amalgamation, 3320

# Dedicated telephone service (CRA), 12330

#### Deductions from (additions to) income

- accounting fees, 2510
- advertising expenses, 2110
- •• foreign, 2111, 2112, 2113

Deductions from (additions to) income (cont'd)

- allowable business investment losses (ABILs), 2115, 4500
- allowance for doubtful accounts, 2637
- appeals costs, 2125
- appraisal fees, 2130
- architect fees, 2135
- bad debts, 2140
- capital debts, 2141
- proceeds of disposition not collected, 2143, 2144
- recovery of, 2145
- trade debts, 2142
- bank charges, 2150
- barter transactions, 2155
- bonuses and salaries, 2160
- book gains, 2195
- branch losses, 2165
- brokers' charges, 2170
- builders' second mortgages, 2175
- business cessation costs, 2180
- business promotion expenses, 2185
- capital cost allowance, 2190, see also Capital cost allowance
- capital gains (losses), 2195
- capital items that are expensed, 2200
- capital leases, 2205
- capital taxes, provincial, 2207
- carrying charges, 2210
- club dues and green fees, 2220
- contingent liabilities, 2230
- limitation, 2231
- • rewards programs, 2230
- contract cancellation payments, 2235
- contractors' completion method, 2240
- convention and training expenses, 2245
- conversion of property to (from) inventory, 2246

- credit union interest bonus payments, 2250
- crown royalties, 2255
- damages, 2265
- debt forgiveness, 2270
- debt issues expenses, 2275
- deep discount debts, 2278
- deferred and prepaid expenses, 2280
- deferred profit sharing plan (DPSP) contributions, 2575
- deferred tax expense, 2290
- depletion, 2295
- depreciation, 2300
- development expenses (resource), 2650
- directors' fees, 2310
- disability-related modifications, 2315
- discounts and premiums on debts, 2468
- disposition of property
- •• gains, 2405
- losses, 2525
- dividends, 2325
- • accrued income, 2326
- • capital, 2330
- credited to investment account, 2329
- • deemed, 2327
- stop-loss adjustments, 2328
- donations and gifts, 2332, 3005, see also Gifts
- political, 2585
- eligible capital property gain on sale, 2335
- employee profit sharing plan (EPSP) contributions, 2575
- equity investments (book income or loss), 2345
- exchangeable debentures, 2468
- exempt income, 2350
- expenses prior to incorporation, 2030
- exploration expenses (resource), 2355

Deductions from (additions to) income (cont'd)

- farmers and fishermen, 2360
- financing fees, 2365
- fines and penalties, 2370
- flow-through share tax, 2375
- foreign exchange gains/losses, 2390
- foreign tax deduction, 2400
- general limitation on, 2025
- gifts
- • to customers or clients, 2162
- • to employees, 2161
- government grants and subsidies, 2450
- GST/HST input tax credits, 2420
- guarantee fees, 2425
- hedge gains and losses, 2430, 4430
- holdbacks, contractor's, 2435
- hydrocarbons, recovery of, 2605
- illegal payments, 2440
- income taxes (current), 2445
- incorporation expenses, 2446
- indexed debts, 2477
- inducement payments, 2450
- instalment sales reserves, 2452
- insurance proceeds, 2455
- interest and penalties on taxes, 2460
- interest expense, 2465, see also Interest expense
- interest income, 2475, see also Interest income
- inventory, 2480, see also Inventory
- investment counsel fees, 2485
- investment tax credits, 2490
- land carrying charges, 2495
- landscaping, 2500
- lease payments, 2505
- legal fees, 2125, 2510
- life insurance premiums, 2515

- limited partnership at-risk amount, 3228
- limited partnership losses, 2520
- management fees, 2527, 7108
- mark-to-market rules, 2528
- meals and entertainment expenses, 2530
- mining taxes, 2535
- motor vehicle expenses, 2540, see also Automobiles
- partnership income and losses, see Partnerships
- patronage dividends (cooperatives), 2570
- pension and profit sharing plan contributions, 2575
- personal services businesses, 2580
- political donations, 2585
- premiums and discounts on debts, 2468
- property taxes, 2590
- qualifying environmental trusts, 2595
- RCA contributions, 2597
- recaptured income, 2600, 5145
- registered pension plan (RPP) contributions, 2575
- related party transactions (deferred book income), 2615
- rent expense, 2620
- repairs and maintenance, 2625
- reserves, 2630, see also Reserves
- resource deductions, see Resource taxation
- running expenses deferred for book purposes, 2281
- salaries and bonuses, 2160
- sales tax assessments, 2420, 2460
- shareholder benefits, 2670, 6305
- share issue expenses, 2675
- shares issued for property or services, 2699
- site investigation costs, 2680
- soft costs (construction and renovation of a building), 2685
- SR&ED expenditures, 2690
- stock options, 2695–2698

Deductions from (additions to) income (cont'd) • terminal losses, 2700, 5150

- theft, defalcation, embezzlement, 2705
- thin capitalization interest deduction, 2710 ٠
- unpaid amounts, 2720
- unpaid remuneration, 2721
- unvouchered/unclaimed expenses, 2725
- upstream foreign affiliate loans, 2723
- utilities service connections expenses, 2730
- voluntary payments, 2745
- warranties, 2643, 2644
- write-down of capital properties (book), 2740

De facto control, see Control

De jure control, see Control

Deemed dividend, 3125

Deemed residency (ITA 250(5)), 1010

Deferring tax by earning passive income through foreign resident corporations, 8245

Depreciation, see Capital cost allowance

#### **Digital Platform Operators (Reporting Rules)**, 1835

Dispositions of capital property, 4000, 5135

- adventure or concern in the nature of trade, 4015
- capital gains and losses, 4005
- capital gains vs income, 4010
- security gains or losses, 4011
- capital losses, creation of, 4120
- proceeds of disposition, 5136

#### Dispositions of real estate, 4300, 4310

#### **Dispositions of shares**, 4200

- bankrupt corporation, deemed disposition, 4215
- convertible shares or debt, 4225

- dividend stop-loss rules, 4220
- proceeds of, 4210

#### **Dividends**

- capital, see Capital dividends
- deemed, 3125
- capitalization of surplus, 3126
- distribution of winding-up, 3127
- redemption or acquisition of shares, 3128
- reduction of paid-up capital, 3129
- dispositions, stop-loss rules, 4220
- eligible, 10400
- definition, 10410
- designation procedures, 10420
- general rate income pool (GRIP), 10440
- gross-up and dividend tax credit, 10405
- late-filed designation, 10411
- low rate income pool (LRIP), 10450
- non-resident shareholders, 10412
- Part III.1 tax, 10110
- · hedging and short selling by Canadian financial institutions, 3121
- received, 3030, 3100
- deductible, 3105
- Canadian corporation, 3106
- capital, 3107
- foreign affiliates, 3110
- non-deductible dividends, 3115
- collateralized preferred shares, 3116
- dividend rental arrangements, 3119
- shares guaranteed by specified financial institution, 3118
- term preferred shares, 3117
- non-resident corporations, 3108
- sprinkling, 12340

#### Due dates and forms table, 1905

Е

Earnouts, 4210

**EFILE**, 1605

Electronic filing requirement, 1606

Eligible Canadian banks deduction, 10056

#### Eligible capital property (ECP)

- additions, 5360
- • non-arm's length transfers, 5361
- CEC pool on cessation of business, 5366
- eligible capital amounts, 5360
- gain on dispositions of, 5370
- proceeds received after 2016 (transitional rules), 5355

#### Eligible derivatives, 2336

#### Eligible dividends, see Dividends

Eligible refundable dividend tax on hand (ERDTOH), 8238

- Eligible Zero-Emission Technology M&P Income, 10032
- **Embedded obligations**, 4105
- Employee loans, interest-free, 6312
- Excessive Income and Financing Expenses Limitation (EIFEL), 2352
- Excluded business (TOSI), 12420

Excluded shares (TOSI), 12420

#### **Exempt corporations**, 1300

- certain insurers, 1320
- non-profit organizations, 1305
- •• SR&ED, 1315
- other exempts, 1325

• registered journalism organizations, 1325

Expenses, see Deductions from (additions to) income

F

Factual non-arm's length relationship, 6005

Farmers and fishermen, 2360

Farm losses, 3215

#### Federal taxes and credits

- 1.5% surtax on banks and life insurers, 10102
- apprenticeship expenditures ITC, 9020
- capital gains refund, investment and mutual fund corporations, 10220
- labour-sponsored venture capital corporations (LSVCC), 10222
- TCP gains distribution, 10221
- eligible child care space ITC, 9025
- eligible dividends, see Dividends
- other federal taxes, 10100
- Part II tobacco manufacturer's surtax, 10105
- Part III.1 tax on excessive eligible dividend designations, 10110
- Part IV tax on private and subject corporations, 8225
- Part IV.1 tax on taxable preferred share dividends, 10120
- Part IV.2 tax the Canada recovery dividend (CRD) (one-time 15% tax on banks and life insurer groups), 10127
- Part VI tax on capital of financial institutions, 10130, 10500
- Part VI.1 tax on dividends paid on taxable preferred shares, 10125
- Part XII.1 additional tax on authorized foreign banks (AFBs), 10135
- Part XIV non-resident corporation branch tax, 7040
- • Share buyback tax, 10142

Federal taxes and credits (*cont'd*)Part I tax, 10000

- base amount of tax, 1005
- credit unions deduction, 10040
- foreign tax credits (FTCs) (Sch. 21), 10045
- general tax reduction, 10050
- investment corporation deduction, 10035
- investment tax credit, 10065
- logging tax credit, 10055
- manufacturing and processing profits deduction, 10030
- provincial tax abatement, 10025
- qualifying environmental trust tax credit, 10060
- recapture of ITCs, 10010
- refundable tax on CCPC's investment income, 8220
- small business deduction, 8125
- Part VI tax on capital of financial institutions, 10500
- • authorized foreign banks, 10520
- definitions, 10505
- • non-resident life insurance corporation, 10515
- resident life insurance corporation, 10510
- qualified property Atlantic ITC, 9010
- qualifying journalism organizations refundable labour tax credit, 9030
- refundable credits, 9300 (SR&ED), 10200
- • dividend refund, 10210
- federal QET tax credit refund, 10060, 10125
- film or video tax credit refunds, 10225
- ••• Canadian production tax credit, 10226
- ••• production services tax credit, 10227
- •• ITC refund, 9300, 10205
- SR&ED credits, 9100
- taxable preferred shares, *see Taxable preferred shares*

Filing-due date, 1020

# Filing procedures, 1600

- authorized representatives, 1760
- bar code return, 1610
- certification, 1755
- electronic filing, 1605
- mailing addresses, 1625
- non-resident actors, 1635
- preprinted returns, 1620
- T2 short return, 1615
- tax elections filing, 1630

# Filing requirements, 1000, see also Filing procedures

- Canadian resident corporations, 1010
- dissolution, final return, 1035
- due dates and forms table, 1905
- filing-due date, 1020
- first return after incorporation or amalgamation, 1025
- forms, 1006
- non-resident corporations, 1007
- penalties quick reference table, 1915
- procedures, 1600, see also Filing procedures
- required schedules and forms, 1150
- taxation year, 1015
- wind-up of subsidiary, 1030

#### **Financial institutions**

- allowance for doubtful debts, 2637, 2637.50
- eligible Canadian banks deduction, 10056
- impaired loans of financial institutions, 2478
- Part VI tax on capital of financial institutions, 10500
- taxable capital, 1415, 10130

#### Fishermen, see Farmers and fishermen

#### Flow-through shares, see Resource taxation

# Foreign accrual capital loss (FACL), 7225

# Foreign accrual property income (FAPI)

• imputation of, 2380

# Foreign affiliates, 7200

- controlled, 7210
- defined, 7205
- deemed property income, base erosion rules, 7235
- dumping, 7265
- equity percentage, 7206
- excluded property and capital gains, 7240
- FAPI, 7225
- information returns, 7215
- investment business, 7230
- participating percentage, 2380
- property income recharacterization rules, 7245
- provisions quick reference table, 7212
- qualifying interest in, 7220
- qualifying return of capital (QROC), 7205
- reorganizations, 7260
- surplus accounts, 7250
- adjustments, 7257
- •• exempt, 7251
- • hybrid, 7255
- non-business-income tax deduction, 7254
- • pre-acquisition, 7256
- •• taxable, 7252
- • underlying foreign tax deduction, 7253

# Foreign exchange gains/losses, 2390, 4425

**Foreign exploration and development expenses** (FEDE), see Resource taxation

### Foreign investment income, 8215

**Foreign resource expenses, (FRE)**, see Resource taxation

# Foreign tax credits (FTC), 10300

- conversion of an FTC to non-capital loss, 10340
- federal foreign business-income tax credit, 10320
- federal foreign non-business-income tax credit, 10310
- FTC generator transactions, 10350

Forms, see Schedules and forms

# Functional currency reporting, 7400

- Alberta and Quebec reporting, 7440
- anti-avoidance rules, 7410
- conditions for, 7410
- conversion in initial year, 7415
- conversion of amounts payable/refundable, 7425
- conversion of carryover amounts, 7435
- election, 7405
- exchange gains and losses on debt, 7420
- functional currency defined, 7406
- locked-in gains and losses, 7417
- reversionary rules, 7430
- wind-ups and amalgamations, 7432

# G

### General anti-avoidance rule (GAAR), 12200

- CRA policies, 11230
- post-Canada Trustco GAAR cases, 12220
- series of transactions, 12210
- statistics, 12225
- T2 return filing positions, 12215

# **General Index of Financial Information**, 1500

- codes, 1500
- CRA Guide RC4088, 1500

### GIFI, see General Index of Financial Information

#### Gifts, see also Charitable donations

- cultural, 3021
- ecological, 3022
- political, 2585
- to Canada or province, 3020

**Global Minimum Tax**, 6412

#### Н

Health and Welfare Trusts (HWTs), 6305

Hedging gains and losses, 4430

Hybrid Mismatch Arrangements, 2436

IFRS, see International Financial Reporting Standards

Immediate expensing incentive (CCA), 5017

**Inadequate consideration**, 12310

- **Income for tax purposes**, see Net income for tax purposes
- Income for the year pertaining to or incident to that business, 8106
- Income of the corporation for the year from an active business, 8106

Income versus capital gain, 4010

Individual pension plan (IPP), 8145

Instalment payments, 1700

- advance payments of tax, 1720
- balance-due day, 1740
- contra-interest rules, 1730
- deficient, interest charges, 1730, 1740
- electronic payments, 1725

#### luex

- exceptions and special rules, 1715
- form RC159, 1725
- methods of computation, 1705
- provincial, 1735
- quarterly, small CCPCs, 1710

#### **Insurance corporations**

- capital tax
- • large insurance corporations, 1420
- non-resident life insurance corporation, 10515
- Ontario special additional tax (SAT) on life insurance corporations, 11426
- • Quebec, 14465
- resident life insurance corporation, 10510
- Saskatchewan insurance corporations premium tax, 11289

Integration of tax, 8205

Interest coupon stripping, 7110

Interest expense, 2465

- capitalized for tax purposes, 2472
- deductibility generally, 2465
- discounts and premiums on debts, 2468
- excessive income and financing expenses limitation (EIFEL earnings-stripping interest deduction limitation rule), 2352
- equity distribution for book purposes, 2469
- exchangeable debentures, 2468.50
- loss of source income, 2467
- meaning of "debt" or "borrowed money", 2469
- meaning of "interest", 2475
- paid pursuant to a legal obligation, 2475
- penalties, bonuses, rate-reduction payments, 2471
- prepaid, 2470
- purpose test, 2465
- reasonableness test, 2465
- share investments, 2466

Interest expense (cont'd)

• use test, 2465

#### Interest income, 2475

- blended payments, deemed interest, 2476
- bonds transferred between interest dates, 2475.50
- impaired loans of financial institutions, 2478
- indexed debt obligations, 2477
- non-resident loans, imputed interest, 2550
- prescribed debts, 2477
- tax refunds, 2475.25

# **International Financial Reporting Standards**, 1110, 2015

#### Inventory

- adventure or concern in nature of trade, 2482.25
- advertising, packaging material, parts, supplies, 2483
- book depreciation of, 2481
- CRA inventory valuation audit policies, 2480
- generally, 2480
- land developers, 2482.75
- non-deductible reserves, 2482
- security traders, 2482.50

Investigations, see Audits and investigations

Investment business, 7230

**Investment income integration tables**, 8205

#### Investment tax credits (ITCs)

- apprenticeship expenditures, 9020
- available-for-use rules, 9006
- carbon capture, utilization, and storage, 9050
- clean hydrogen ITC, 9060
- clean technology investment credit, 9055
- eligible child care space, 9025
- qualified property Atlantic ITC, 9010
- • nature of, 9011

- use of property, 9012
- SR&ED, see Scientific research and experimental development
- summary, 9005

#### L

Land carrying charges, 2495

#### Large corporations, 1400

- capital tax, federal, 1407
- defined, 1405

Limitation on benefits (LOB), 7107

Limited liability limited partnership, 7205

LOCAM (lower of cost and market), 2336, 2480, 2484

#### Losses

- capital, 3210
- · carryback balances
- • claim schedules, 3247
- • CRA policies, 3242
- carryforward balances, CRA adjustments, 3240
- continuity and application, 3200
- farm, see Farm losses
- limited partnership, 2520, 3225
- listed personal property, 3220
- non-capital, 3205
- requests to adjust prior year returns, 3245
- trading (case law), 3422
- utilization strategies, 3250
- wind-up election, 3235

#### Μ

#### M&A oversight expenses, 2512

#### Mandatory disclosure rules, 1810

#### Manitoba

- book publishing tax credit, 11148
- community enterprise development tax credit, 11156
- co-op education and apprentice tax credit (i.e., paid work experience credit), 11143
- cooperative development tax credit, 11146
- corporate tax, 11141
- cultural industries printing tax credit, 11149
- film and video production tax credit, 11151
- green energy equipment ITC, 11150
- interactive digital media tax credit (IDMTC), 11147
- manufacturing ITC, 11142
- small business venture capital tax credit, 11145
- SR&ED tax credit, 11330

MLI (Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting), 6412

MNE (Multinational Enterprise), 6416

Motor vehicles, see Automobiles

#### Ν

#### Natural gas liquefaction properties, 5245

#### Net income for tax purposes, 2100

- amortization, intangible capital property, 2120
- book income vs taxable income, 2005
- business income vs property income, 2020
- computation of, 2005, 3000
- expenses, see Deductions from (additions to) income
- general limitation on deductible expenses, 2025
- profit for tax purposes, 2010

#### **New Brunswick**

• corporate tax, 11161

#### ЮЛ

- small business investor tax credit, 11164
- SR&ED tax credit, 11335

#### Newfoundland and Labrador

- capital tax on financial institutions, 11182
- corporate tax, 11181
- direct equity tax credit, 11185
- film and video industry tax credit, 11187
- political contribution tax credit, 11183
- resort property ITC, 11186
- small business venture capital tax credit, 11188
- SR&ED tax credit, 11345

Nil assessment (notification that no tax is payable), 12035

# **Non-arm's length**, see also Control, Related corporations, Non-resident transactions

- sale of shares, 12315
- transaction rules, quick reference table, 6010

Non-capital losses, 3205

# Non-eligible refundable dividend tax on hand (NERDTOH), 8237

Non-profit organizations, 1305

**Non-qualified securities (stock option expense)**, 2695.50

Non-resident commercial trusts, 2385

#### Non-resident corporations, 7000

- branches carried on through a permanent establishment, 7040
- carrying on business in Canada, defined, 7005
- certificates of compliance, 7030
- dispositions of taxable Canadian property (TCP), 7025
- dispositions of treaty-protected property, 7020
- entering or leaving Canada, 7035

Non-resident corporations (cont'd)

- filing requirement, 1007, 7000
- permanent establishment (PE) in Canada, 7015
- services rendered in Canada by, 7010
- shipping companies, 7001

#### Non-resident discretionary trust, interest in, 1125

#### **Non-resident transactions**

- non-arm's length, 6400
- • Form T106, 6405
- surplus stripping, 12315
- transfer pricing, 6410, see also Transfer pricing

#### **Northwest Territories**

- corporate tax, 11201
- political contribution tax credit, 11202

#### Notifiable Transactions (Disclosure Rules), 1813

#### Nova Scotia

- capital investment tax credit, 11229
- corporate tax, 11221
- reduction for new small businesses, 11225
- digital animation tax credit, 11227.5
- digital media tax credit, 11227
- financial institutions capital tax, 11230
- food donation credit, 11229.50
- insurance premium tax, 11231
- political contribution tax credit, 11224
- SR&ED tax credit, 11340
- venture capital tax credit, 11229.75

#### Nunavut

- corporate tax, 11241
- political contribution tax credit, 11242

#### 0

#### **Objections to assessments**, 12050

• appealing loss determinations, 12035

#### Offshore investment funds, 2385

#### Ontario

- beneficial ownership reporting requirements, 11448
- book publishing tax credit, 11472
- business-research institute tax credit, 11352
- computer animation and special effects tax credit, 11456
- co-operative education tax credit, 11451
- corporate minimum tax (CMT), 11421
- • credits, 11422
- corporate tax rates, 11405
- Corporations Information Act Annual Return, 11445
- credit union tax reduction, 11407
- film and television tax credit, 11457
- food program donation tax credit for farmers, 11474
- harmonization of federal and Ontario corporate tax administration, 11441
- innovation tax credit, 11351
- insurance taxes, 11425
- insurance premium tax, 11427
- special additional tax (SAT) on life insurance corporations, 11426
- interactive digital media tax credit (IDMTC), 11459
- M&P tax credit, 11406
- political contributions tax credit, 11471
- production services tax credit, 11458
- qualifying environmental trust (QET) tax credit, 11473
- regional opportunities investment tax credit, 11475
- SR&ED tax credit, 11350

- Ρ
- Paid-up capital, computation of, successor corporation, 1028

Part I tax, 10000

Part III.1 tax, 10430

- **Part IV tax on private and subject corporations**, 8225
- **Part IV.1 tax on taxable preferred share dividends**, 10120
- **Part VI tax on capital of financial institutions**, 10500
- Part VI.1 tax on dividends paid on taxable preferred shares, 10125

#### **Partnerships**

- ACB of interest, 4113
- avoidance rules (ITA 100), 4442
- book loss (income) from, 2566
- filing requirements, 1820
- fiscal period of, 2568
- income and losses, 2565
- joint ventures, 2569
- limited partnership losses, 2520, 3225
- residency certificates, 1010
- taxable income (loss) from, 2567

Passenger vehicles, see Automobiles

#### Passive income reduction (SBD business limit), 8145

### Penalties

- quick reference table, 1915
- requests for taxpayer relief, 1925
- third-party, 1930

Permanent differences, 15110

Permanent establishment (PE) in a province, 11010

Permanent establishment (PE) in Canada, 7015

Perpetual debt, 2469

Personal services business (PSB), 2580, 8115

**Pertinent loan or indebtedness (PLOI)**, 2552, 6310, 6315, 7265

Pillar One and Pillar Two (BEPS), 6412

Planning, year-end considerations, 2800

Portfolio dividends, 8105

PPT (principal purpose test — MLI), 6412

Price adjustment clause, 6500

#### Prince Edward Island

- corporate tax, 11261
- ITC, 11263

#### **Private corporations**

- defined, 1207
- quick reference table, 8005, 8010
- shareholder information, 1130

**Professional corporations**, 1108

Profit (for tax purposes), 2010

Property income versus business income, 2020

#### Provincial taxes and credits, 10145

- Alberta, see Alberta
- allocation of taxable income among provinces, 11020
- • audits of allocation, 11030
- British Columbia, see British Columbia
- capital gains refunds, 10222
- dual rates of corporate income tax, 11040
- foreign tax credits, 10330

 -	 

• permanent establishment (PE) in province, 11010

Newfoundland and Labrador, see Newfoundland and

Northwest Territories, see Northwest Territories

- Prince Edward Island, see Prince Edward Island
- provincial tax credits table, 11060

Provincial taxes and credits (cont'd)

• liability for provincial tax, 11000

• New Brunswick, see New Brunswick

• Manitoba, see Manitoba

Labrador

- Quebec, see Quebec
- refundable tax credits, 10230

• Nova Scotia, see Nova Scotia

• Nunavut, see Nunavut

• Ontario, see Ontario

- Saskatchewan, see Saskatchewan
- Schedule 5, provincial tax credits and rebates, 11110
- scientific research and experimental development (SR&ED) credits, 11320
- tax rate tables, 11050
- Yukon, see Yukon
- Public body performing a function of government in Canada, 1325

#### **Public corporations**

- defined, 1210
- election to be (or not), 1211

### Q

**QJO** (qualifying journalism organization), 1325, 9030

QLAD, 7260

Qualified Canadian journalism organization, 1325

Qualifying currency, 7406

Qualifying interest, 7220

- Corporate Tax Return and Provisions Guide
  - Qualifying journalism organizations refundable labour tax credit, 9030
  - Qualifying non-resident employee, 1826
  - Qualifying non-resident employer, 1826
  - Qualifying transitional income (QTI), 2568.50

#### Quebec

- Agri-Quebec, 14335
- allocation of income to Quebec, 14435
- assessments, voluntary disclosures, objections, 14130
- balance due, 14515
- • payments, 14520
- •• refunds, 14525
- book publishing tax credit, 14725
- capital tax on insurance corporations, 14465
- CCA deduction
- • accelerated CCA, 14308
- general, 14305
- • permanent additional CCA deduction, 14307
- CEC deductions, 14305
- commercialization of intellectual property, tax holiday, 14210, 14430
- corporate income taxes, 14400
- • credits, 14600
- design activity
- •• in-house, 14790
- • outside consultant, 14785
- designated trust income tax credit, 14443
- determined transaction, 14205
- digital transformation of print media company credit, 14762
- donations and gifts, 14365
- e-business development tax credit, 14710
- elections, tax, 14345
- eligible business income (small business rate), 14415, 14420

#### Quebec (cont'd)

- environment trust income tax credit, 14442, 14795
- ethanol production, 14800
- exempt corporations, 14110
- filing requirement, 14100, 14115
- film and cultural industry tax credits, 14715
- • film dubbing, 14740
- film productions and services, 14720, 14745
- • performances production, 14735
- • sound recordings production, 14730
- financial institutions compensation tax, 14470
- financial services corporations (new services) tax credit, 14832
- foreign tax credit (FTC), 14441
- forest producers: property tax refund, 14820
- functional currency reporting, 7440
- · hiring tax credits
- individuals with limited employment capacity, 14772
- new financial services corporation, 14831
- incentive deduction for the commercialization of innovations (IDCI), 14212
- instalments, paid, 14505, 14530
- international financial centres (IFC) deduction and tax credit, 14382, 14830
- large investment projects tax holiday, 14215
- late-filing penalties, interest charges and credits, 14535
- logging tax deduction, 14444
- losses carried forward, 14375
- mandatory and preventive disclosures, 14205
- manufacturing tax credits, 14680
- Ci3: Investments and Innovation Tax Credit, 14686
- investment tax credit, 14685
- job creation in certain regions, 14690, 14700
- • workplace apprenticeship program, 14705

- marine industry incentives, 14326
- meals and entertainment expenses, 14310
- multimedia titles production tax credits, 14750
- near north and far north exploration expenses deduction, 14386
- netfile, 14120
- net income or loss for tax purposes, 14300
- paid-up capital for tax purposes, 14450
- paper-filed returns, 14125
- Part VI.1 tax on dividends deduction, 14384
- patronage dividend deduction, 14340, 14396
- production of multimedia environments or events staged outside Quebec (tax credit), 14736
- public transit pass deduction, 14320
- refunds, 14525
- registration fees, 14510
- renovations to improve building access, 14330
- resource tax credits (exploration expenditures), 14775
- return general identification information, 14200
- section 85 election forms, 6560
- small business limit, 14410
- social security taxes paid on tips tax credit, 14825
- SR&ED
- •• credits, 14625
- expenditure pool, 14315
- private partnership pre-competitive research credit, 14640
- research by university, public research centre, research consortium, 14635
- salaries and wages, 14630
- technological adaptation services, 14647
- synergy capital tax credit, 14714
- tax avoidance, 14205
- taxable dividends, 14370
- taxable Quebec property, 14105

Quebec (*cont'd*)

• tax credits, 14600

- • filing requirements, 14610
- quick reference table, 14605
- • recapture, 14900
- tax holiday for large investment projects, 14215
- training tax credits, 14765
- general training credits, 14770
- • SMB employees, 14771
- transportation costs of remote manufacturing SMEs (special deduction), 14398
- vessel construction or conversion (tax credit), 14840

# R

Re-appropriation of T2 statute-barred credits, 1750

Reassessments, see Assessments

Recaptured CCA, see Capital cost allowance

Rectification, 12055

Refreeze transaction, 6305

Refundable credits, 10200

Refundable dividend tax on hand (RDTOH), 8236

Refundable Part I tax on CCPC's, 8222

Refundable Part IV tax, 8225

Refundable taxes, 8200

- dividend refund, 8240
- integration rules, 8205
- refundable dividend tax on hand (RDTOH), 8236
- refundable Part IV tax, 8225
- refundable portion of Part I tax on CCPC's, 8222
- refundable tax on CCPC's investment income, 8220

Refundable tax on CCPC's investment income, 8220

#### Refunds or payments due, 1750

#### Related corporations, 6200

- corporation and another corporation controlled by same group, 6210
- corporation and persons who control it, 6205
- corporations related to same corporation, 6215
- individuals who control connected by blood, marriage, adoption, 6220
- partnerships, 6230
- trusts, 6225

#### **Replacement property**

- former business property, 4605
- involuntary dispositions, 4610
- land and building reallocation of proceeds, 4620
- rollover rules, 4600
- election filed, 4615

**Research and development**, see Scientific research and experimental development

#### Reserves

- allowance for doubtful debts, 2637
- • financial institutions, 2637.50
- capital gains, 2635
- generally, 2630
- instalment sales, 2638
- insurers' property and casualty, 2639
- loan guarantees, 2640
- prepaid rent, 2641
- quadrennial surveys, 2645
- returnable containers, 2642
- unearned revenue, 2643
- warranties, 2644

#### Resource taxation, see also Alberta, Ontario, Quebec

• book resource deductions, 2651

Resource taxation (cont'd)

- Canadian development expenses (CDE), 2650, 2652, 5410
- accelerated Canadian development expenses (ACDE), 5413
- incurred during year, 5411
- Canadian exploration expenses (CEE), 2355, 2653, 5405
- Canadian renewable and conservation expenses, 5407
- incurred during year, 5406
- Canadian oil and gas property expenses (COGPE), 2654, 5415
- Accelerated Canadian oil and gas property expenses (ACOGPE), 5416
- Critical Mineral Exploration Tax Credit (CMETC), 5440
- depletion, 5401
- earned depletion base, 2655
- flow-through shares, 5435
- • expenses renounced, 5436
- • look-back rule, 5437
- • reporting forms, 5438
- foreign exploration and development expenses (FEDE), 2656
- foreign resource expenses, (FRE), 2657, 5420
- generally, 5400
- successor rules, 5425
- transfers on amalgamation or winding-up, 5430

Restrictive covenants, 5380

#### Retirement compensation arrangements, 1109

Reverse earnouts, 4210

#### S

Safe income on hand (SIOH), 12370

Same business verses separate business, 3411

# Saskatchewan

- agriculture incentive, 11285.5
- chemical fertilizer incentive, 11287
- commercial innovation incentive, 11281.50
- corporate tax, 11281
- insurance corporations premium tax, 11289
- M&P exporter tax credit, 11285
- M&P ITC, 11284
- M&P profits tax reduction, 11283
- mineral processing tax refund, 11288
- multi-unit residential rental projects tax rebate, 11289
- political contribution tax credit, 11282
- QET tax credit, 11286
- SR&ED tax credit, 11355
- venture capital tax credit, 11281.75

#### Schedules and forms

- determination of required forms, 1150
- federal
- RC59: Business consent for offline access, 1760
- RC312: Reportable Transaction Information Return, 1810
- RC431: Request for Re-appropriation of T2 Statute-barred Credits, 1750
- Schedule 1: Net Income (Loss) for Income Tax Purposes, 2100
- Schedule 2: Charitable Donations and Gifts, 3005, 3020, 3021, 3022
- Schedule 3: Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation, 3030, 3040, 3105, 3110, 8225, 8227, 8240, 8305, 10115
- Schedule 4: Corporation Loss Continuity and Application, 3040, 3205, 3210, 3215, 3220, 3225
- Schedule 5: Tax Calculation Supplementary Corporations [(Provincial PE income allocation), 10145, 10230, 10330, 11020, 11110

Schedules and forms (cont'd)

- Schedule 6: Summary of Dispositions of Capital Property [(Capital gains and losses)], 4005, 4105, 4110, 4120, 4125, 4130, 4200, 4300, 4400, 4505
- Schedule 7: Aggregate Investment Income and Active Business Income [(Computation of SBD and refundable taxes)], 8105, 8110, 8115, 8120, 8210, 8215
- Schedule 8: Capital Cost Allowance (CCA), 5110, 5115, 5130, 5135, 5140, 5145, 5150
- Schedule 9: Related and Associated Corporations, 6200, 8500
- Schedule 10: Cumulative Eligible Capital Deduction [(Applicable before 2018)], 5360
- Schedule 11: Transactions with Shareholders, Officers, or Employees, 6300
- Schedule 12: Resource-Related Deductions [(CEEs, CDEs, COGPEs, FREs), 5405, 5410, 5415, 5420, 5425, 5430, 5435
- Schedule 13: Continuity of Reserves, 2630
- Schedule 14: Miscellaneous Payments to Residents, 1115
- Schedule 15: Deferred Income Plans, 2577
- Schedule 16: Patronage Dividend Deduction, 2570
- Schedule 17: Credit Union Deductions, 10040
- Schedule 18: Federal and Provincial or Territorial Capital Gains Refund, 10220
- Schedule 19: Non-Resident Shareholder Information, 1120
- Schedule 20: Part XIV Additional Tax on Non-Resident Corporations, 7040, 10140
- Schedule 21: Federal and Provincial or Territorial Foreign Income Tax Credits and Federal Logging Tax Credit, 10045, 10055, 10310, 10320, 10330
- Schedule 22: Non-Resident Discretionary Trust, 1125, 7300
- Schedule 23: Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit (see Schedule 49 for allocation of the expenditure limit), 8130, 8500
- Schedule 24: First-Time Filer After Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent, 1025, 1030

- Schedule 25: Investment in Foreign Affiliates, 7205
- Schedule 27: Calculation of Canadian Manufacturing and Processing Profits Deduction, 10030
- Schedule 28: Election Not to Be Associated Through a Third Corporation, 8135
- Schedule 29: Payments to Non-Residents, 1830, 7105
- Schedule 31: Investment Tax Credit Corporations, 9005, 9010, 9020, 9025, 9110, 9310, 9340, 9400, 10010, 10065
- Schedule 33: Taxable Capital Employed in Canada Large Corporations, 1410
- Schedule 34: Taxable Capital Employed in Canada Financial Institutions, 1415
- Schedule 35: Taxable Capital Employed in Canada — Large Insurance Corporations, 1420
- Schedule 38: Part VI Tax on Capital of Financial Institutions, 10500
- Schedule 39: Agreement Among Related Financial Institutions — Part VI Tax, 10130
- Schedule 43: Calculation of Parts IV.1 and VI.1 Taxes, 10120, 10125
- Schedule 44: Non-Arm's Length Transactions, 6510
- Schedule 45: Agreement Respecting Liability for Part VI.1 Tax, 10126
- Schedule 46: Part II Tobacco Manufacturers' Surtax, 10105
- Schedule 49: Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Expenditure Limit (see Schedule 23 for allocation of the business limit), 9320
- Schedule 50: Shareholder Information, 1130
- Schedule 53: General Rate Income Pool (GRIP) Calculation, 10440
- Schedule 54: Low Rate Income Pool (LRIP) Calculation, 10450
- Schedule 55: Part III.1 Tax on Excessive Eligible Dividend Designations, 10110
- Schedule 59: Information Return for Non-Qualified Securities, 2695.50

Schedules and forms (cont'd)

- Schedule 63: Return of Fuel Charge Proceeds to Farmers Tax Credit, 9045
- Schedule 65: Air Quality Improvement Tax Credit, 9040
- Schedule 71: Income Inclusion for Corporations that Are Members of Single-Tier Partnerships, 2568
- Schedule 72: Income Inclusion for Corporations that Are Members of Multi-Tier Partnerships, 2568
- Schedule 73: Income Inclusion Summary for Corporations that Are Members of Partnerships, 2568
- Schedule 88: Internet Business Activities, 1140
- Schedule 89: Request for Capital Dividend Account Balance Verification, 8305
- Schedule 91: Information Concerning Claims for Treaty-Based Exemptions, 97: Additional Information on Non-resident Corporations in Canada, 1007, 7020
- Schedule 92 (Authorized foreign banks), 10135
- Schedule 546: *Corporations Information Act* Annual Return for Ontario Corporations, 11445
- T2 Corporation Income Tax Return, 1005 and throughout the Guide by Page and Line
- T2 Short Return, 1615
- T106: Information Return of Non-Arm's Length Transactions with Non-Residents, 6400
- T183CORP: Information Return for Corporations Filing Electronically, 1605
- T1031: Subsection 13(29) Election in Respect of Certain Depreciable Properties, Acquired for Use in a Long Term Project, 5126
- T1044: Non-Profit Organization (NPO) Information Return, 1305
- T400A: Objection Income Tax Act, 12050
- T652: Notice of Revocation of Waiver, 12035
- T661: Scientific Research and Experimental Development (SR&ED) Expenditures Claim, 9210, 9230, 9235, 9240, 9250, 9260, 9270, 9280
- T1131: Canadian Film or Video Production Tax Credit, 10225

- T1134: Information Return Relating to Controlled and Not-Controlled Foreign Affiliates, 7215–7250
- T1135: Foreign Income Verification Statement, 7300
- T1141: Information Return in Respect of Contributions to Non-Resident Trusts, Arrangements or Entities, 7310
- T1142: Information Return in Respect of Distributions from and Indebtedness to a Non-Resident Trust, 7315
- •• T1146: Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length, 9274
- T1177: Film or Video Production Services Tax Credit, 10225
- T1296: Election, or Revocation of an Election, to Report in a Functional Currency, 7405
- T2002: Election, or Revocation of an Election, Not To Be a Canadian-Controlled Private Corporation, 1017
- T2012: Election in Respect of a Capital Gains Dividend Under Subsection 130.1(4), 10220
- T2022: Election in Respect of the Sale of Debts Receivable, 6525
- T2029: Waiver in Respect of the Normal Reassessment Period or Extended Reassessment Period, 12035
- T2055: Election in Respect of a Capital Gains Dividend Under Subsection 131(1), 10220
- T2057: Election on Disposition of Property by a Taxpayer to a Taxable Canadian Corporation, 6500
- T2058: Election on Disposition of Property by a Partnership to a Taxable Canadian Corporation, 6500, 6535
- T2059: Election on Disposition of Property by a Taxpayer to a Canadian Partnership, 6550
- T5003: Statement of Tax Shelter Information, T5004: Claim for Tax Shelter Loss or Deduction, 1815
- T5013: Partnership Financial Return, 1820

#### Scientific research and experimental development

• claim documentation, 9231

Scientific research and experimental development (*cont'd*)

- defined, 9115
- expenditure pool, 9105, 9260
- acquisitions of control, 9267
- • deduction claimed in current year, 9266
- government and non-government assistance, 9261
- prior year pool and ITC recaptured, 9264
- sale of SR&ED capital assets, 9263
- SR&ED ITC applied/refunded in prior year, 9262
- transferred on amalgamation or wind-up, 9265
- expenditures, see also qualified expenditures for ITC (below)
- • capital, 9250
- • current, 9240
- • cost of materials consumed, 9243
- • cost of materials transformed, 9244
- • leased equipment, 9246
- ••• overhead and other expenditures, 9247
- • salaries or wages of employees, 9242
- ••• SR&ED contracts' expenditures, 9245
- ••• third party payments, 9248
- ••• unpaid salaries or wages, 9242.75
- ••• work performed outside Canada, 9242.25
- proxy vs traditional method, 9235
- filing requirements, 9210
- first-time claimant advisory service, 9115
- incentives summary, 9100
- investment tax credits available, 9110
- partnership claims, 9220
- limited partners claims, 9290
- preclaim project review (PCPR) service, 9115
- prescribed proxy amount (PPA), 9280
- • calculation of, 9284
- salary base, 9282
- project information, Form T661, 9230

- qualified expenditures for ITC, 9270
- assistance and contract payments received, 9275
- ••• repayments of, 9279
- non-arm's length transactions, 9278
- other non-qualifying expenditures, 9277
- payment of prior years' unpaid amounts, 9271
- prescribed proxy amount (PPA), 9272
- shared-use equipment, 9273
- • transferred to corporation, 9274
- • unpaid current expenditures, 9276
- recapture of SR&ED ITC, 9400
- refundable ITCs, 9300
- • calculation of, 9340
- • expenditure limit, 9310
- ••• allocation, 9320
- •• relieving provision, 9330
- self-assessment learning tool, 9115

#### Secondary transfer pricing adjustments, 6421

#### Section 85 rollovers, 6500

- accounts receivable transfer, 6525 (see also 1025 amalgamations)
- Alberta election forms, 6555
- checklists, 6545
- elected amount, 6520
- eligible property, 6515
- late-filed rollover elections, 6540
- paid-up capital adjustment, 6530
- partnership transferor, 6535
- Quebec election forms, 6560
- rollovers to partnerships, 6550

#### Share issue expenses, 2675

## Shareholder transactions, 6300

• benefits, 6305, 6307, 6308

Source deductions, 1825

• qualifying non-resident employee, 1826

• qualifying non-resident employer, 1826

<ul><li>Shareholder transactions (cont'd)</li><li>loans, 6310</li></ul>
• income inclusion exceptions, 6311
• interest-free, 6312
• non-resident corporation or shareholder, 6315
• offsetting loans and advances, 6313
• repayment included in income, 6312
• non-arm's length sale of shares, 12315
• shareholder vs employee benefits, 6305
Signatory, 1755
Small business deduction, 8100
• active business income, 8105
• active business income ineligible for the SBD, 8106
• anti-avoidance rule, 8123
• business limit, 8130
• assignment, 8118
• • bonusing down to, 8150
• reduction of, 8140
• calculation of, 8125
• campgrounds, 8110
• designated member, 8121
• election not to be associated, 8135
• generally, 8100
• multiplier structures (central services corp), 8118
• PSBs, 8115
• royalty income, 8110
• side car structure, 8121
• specified corporate income (SCI), 8118
• specified investment business (SIB), 8110

- specified partnership business limit, 8122
- specified partnership income, 8120

Soft costs (buildings), 2685

Solicitor-client privilege, 12120

• stock option benefit withholding, 1827 Specified investment business, 8110 Specified partnership income, 8120 SR&ED, see Scientific research and experimental development Stock option expenses, 2695 **Stock options**, 2695–2698 Stop-loss rules, 4700 Straddle Transactions, 2699 Substantive CCPCs, 8421 Surplus stripping, 12315 Surrogatum principle, 2265 Synthetic equity arrangements, 3120

### Т

T2 return, see Filing procedures T2 short return, 1615 Tax accrual working papers (TAWPs), 12115 Tax indifferent investor (TII), 4012 Taxable Canadian property (TCP) • dispositions of, 7025 • • certificates of compliance, 7030 • • excluded dispositions, 7026 Taxable capital reduction (SBD business limit),

8140

#### **Taxable income**

- charitable donations, see Charitable donations
- computation of, 3000
- debt forgiveness rules, see Debt forgiveness rules
- deductible losses, 3040, 3200
- dividends, see Dividends
- gifts, see Gifts
- loss continuity and application, 3200
- losses, see Losses
- other deductions, 3045
- Part VI.1 tax deduction, 3035

#### Taxable preferred shares, 10600

- definition, 10605
- short-term preferred shares, 10610
- taxable restricted financial institution (RFI) shares, 10620
- • excepted dividends, 10625
- • excluded dividends, 10635

#### **Taxation year**

- acquisition of control, 1016
- change in CCPC status, 1017
- defined, 1015
- final year before amalgamation, 1018
- partnerships and joint ventures, 1019

#### Tax avoidance

- GAAR, 12200
- reportable transactions, 1810

#### Tax earned by auditor (TEBA), 12110

#### Tax expense (accounting)

- current, 15100
- deferred, 15200

Tax instalments, see Instalment payments

# Tax integration, 8205

Tax on split income, 12420

Tax on split income (TOSI) rules, 12340

#### Taxes

- federal, see Federal taxes and credits
- provincial, see Provincial taxes and credits
- refundable, see Refundable taxes

#### Taxpayer relief from penalties and interest, 1925

Tax planning, see Planning, year-end considerations

Tax preparer registration, 1805

#### **Tax provisions**

- accounting standards, 15000
- classification of income tax accounts, 15405
- current, 15100
- • tax expense, 15105
- deferred, 15200
- • liability method (balance sheet approach), 15202
- • tax rates and legislation method, 15210
- disclosure requirements, 15410
- examples of tax provisions
- comprehensive, 15500
- current tax provision, 15510
- • deferred tax provision, 15515
- exceptions and special rules, 15300
- foreign currency translations, 15330
- goodwill, 15310
- initial recognition of asset or liability, 15325
- • intragroup transfers, 15320
- investments in subsidiaries and joint ventures, 15315
- • refundable taxes, 15340
- • uncertain tax positions, 15305

- Tax provisions (cont'd)
- interim tax provision, 15450
- offsetting tax asset and liability accounts, 15425
- other items affecting deferred tax balances, 15225
- permanent differences quick reference table, 15110
- tax rate reconciliation, 15415
- quick reference table, 15420
- timing differences quick reference table, 15220

#### Tax rate tables, 11050

- combined federal and provincial, 11052
- federal for active business eligible for SBD, 8100
- federal Part I tax, 10005

Tax refunds, see Refunds or payments due

Tax returns, processing, 12005

Tax shelter loss or deduction, 1815

Terminal losses, 2700, 5150

#### Territorial taxes and credits

- Northwest Territories, see Northwest Territories
- Nunavut, see Nunavut
- Yukon, see Yukon

Thin capitalization rules, 2710

#### Time Limits and Other Periods Act (TLOPA)

- appeals and court proceedings, 12030
- assessment periods, 12010
- objections, 12050
- Timing differences, 15220

Tobacco manufacturer's surtax, 10105

Transaction fees (M&A), 2512

- Transfer pricing, 6410
- advance pricing arrangements, 6425

- audits, adjustments, penalties, 6420
- contemporaneous documentation, 6415
- OECD guidelines, 6411

#### Treaty shopping, 6413

#### U

Ultimate parent entity, 6416

Uncertain tax positions (Reporting rules), 1814

Unnamed persons information requests, 12115

#### V

Vehicles, see Automobiles

Voluntary disclosures program, 1920

#### W

Waivers (Form T2029), 12035

#### Wind-ups

- bump, 1031
- Canadian corporation, non-subsidiary, 1032
- partnership, 1033
- subsidiary, 1030
- Withholding tax (Part XIII), see also Source deductions
- back-to-back loans, 6314, 7111
- dividends, 7115
- fees or commissions, 1830
- interest, 7110
- management fees, 7108
- payments to non-residents, 7105
- reduced withholding treaty benefits claim, 7120
- rents and royalties, 7117

Work in Progress (WIP) Inventory, 2484

Υ

Ζ

Zero-emission technology M&P income, 10032

Zero-emission vehicles, 5162

Year-end planning considerations, 2800

Yukon

- corporate tax, 11301
- M&P profits tax credit, 11303
- political contribution tax credit, 11302
- SR&ED tax credit, 11360