



Corporate Tax Administration for Ontario - Questions and Answers

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1. General

Q. What are the benefits of single administration of corporate income tax for businesses that file in Ontario?

A. Single administration of Ontario's corporate income tax will lead to a more streamlined tax system for businesses that file in Ontario. Ontario businesses will benefit from one form, one set of rules, one audit, one objections and appeals process, and one point of contact. This will reduce the compliance burden on the province's businesses by an estimated \$100 million a year.

Q. Which provincial functions will be assumed by the CRA under the single administration of Ontario's corporate tax?

A. Once the transition is fully implemented, the CRA will provide the same services to businesses that it currently provides to seven other provinces and all three territories. These services include payments processing, returns processing, audit, objections and appeals, rulings, and the collection of accounts receivable.

Q. When will the transition to single administration for Ontario's corporate tax happen?

A. The CRA has already begun receiving combined federal and provincial instalment payments for the 2009 tax year.

Beginning April 3, 2008, Ontario's corporate tax audit, objections, appeals and advisory functions will be transferred to the CRA.

For taxation years ending on or after January 1, 2009, corporations will begin to file a single harmonized T2 *Corporation Income Tax Return* with the CRA, and the CRA will become the single point of contact for matters relating to Ontario provincial corporate income tax.

2. Your harmonized tax return and combined instalment payments

Q. Where do I send my corporate tax return?

A. For taxation periods ending on or before December 31, 2008, you will continue to separately file your CT23 income tax return with the Ontario Ministry of Revenue and your federal T2 *Corporation Income Tax Return* with the CRA.

For taxation periods ending on or after January 1, 2009, you will file one harmonized T2 return with the CRA.

Q. Where do I call if I have a question regarding corporate income tax?

A. For now, the Ontario Ministry of Revenue remains your point of contact for all telephone enquiries regarding your Ontario corporate tax account.

Beginning January 1, 2009, all enquiries regarding federal or Ontario corporate tax accounts should be directed to the CRA.

After January 1, 2009, the Ontario Ministry of Revenue will continue to be responsible for corporate taxes not transferred to the CRA, including: premium taxes, mining tax, transfer tax and the payment in lieu tax. All calls regarding these taxes should be directed to the Ontario Ministry of Revenue, at 1 800 263-7965.

Q. Will the CRA have the expertise to properly administer Ontario's corporate income tax and answer clients' questions?

A. Yes. The CRA has extensive experience providing a responsive service to safeguard, administer and streamline tax programs for governments across Canada.

The CRA is committed to retaining subject matter experts from the province of Ontario for the transition to single administration. Many former Ontario employees have been hired by the CRA to help ensure a seamless transition to CRA administration.

Q. In calculating and making my combined instalment payments, do I just add the amount I estimate for Ontario corporation income tax to the amount I estimate for federal and other provincial/territorial taxes?

A. Yes. When calculating your combined instalment payments for tax years ending in 2009 and later, please include the following Ontario corporation taxes:

- | corporate income tax;
- | corporate minimum tax;
- | capital tax; and
- | special additional tax on life insurers.

Q. Are there any instructions available for calculating the combined instalment payments?

A. Yes. You can find instructions and an example in the 2008 version of [Guide T7B-CORP, Corporation Instalment Guide](#).

This guide includes the 2009 worksheets for Ontario:

- | T2WS4, Calculating estimated Tax Payable and Tax Credits for 2009 (Ontario);
- | T2WS5, Calculating monthly instalment payments for 2009 (Ontario), and
- | T2WS6, Calculating quarterly instalment payments for 2009 (Ontario).

The guide and the worksheets are available at www.cra.gc.ca/forms. Instructions, and more information on paying your taxes by instalments are on the [Pay by instalments](#) page.

Q. When the CRA assesses my harmonized 2009 T2 *Corporation Income Tax Return*, how will they be able to determine the instalment base correctly?

A. The CRA will determine the instalment base using the assessed 2009 T2 *Corporation Income Tax Return* and previous corporate tax information provided by the Ontario Ministry of Revenue.

Q. If the CRA needs to verify prior year Ontario corporation income tax in order to determine the 2009 instalment base, will it slow down the processing of the T2 *Corporation Income Tax Return*?

A. There will be no time delay in processing. Determining your 2009 instalment base will not affect the processing of your T2 *Corporation Income Tax Return*.

Q. I use software certified by the CRA to file my T2 *Corporation Income Tax Returns*. When I'm ready to file my 2009 return, will the software include everything I need to compute Ontario tax and credits?

A. Yes. By January 2009, all CRA certified software packages for T2 returns and Schedules will contain additional schedules and modified calculations you will need to fill out the new T2 return with the Ontario component.

Q. Will the CRA provide all of the 2009 Ontario forms I need to calculate Ontario tax and credits? If so, when will they be available?

A. Yes. The CRA will provide all the 2009 Ontario forms you will need to file a harmonized T2 *Corporation Income Tax Return* for tax years ending in 2009 and later. These forms will be available on the CRA Web site in December 2008.

Q. If a corporation has been audited by the Ontario Ministry of Revenue in a previous year, does this exempt the CRA from auditing the same return again after the CRA has started administering Ontario's corporate income tax on April 3, 2008?

A. The CRA will not audit years that have already been audited. If the CRA makes adjustments to a federal return that impact a previously audited Ontario CT23, an adjustment to the CT23 will be processed, but the CT23 will not be re-opened for an audit.

Q. When will the CRA start issuing *Corporation Notices of (Re)Assessment* that include Ontario taxes and credits?

A. In April 2009, the CRA will start issuing *Corporation Notices of (Re)Assessment* for the 2009 tax year, that will reflect Ontario taxes and credits.

Q. Will the Ontario taxes and credits assessed as part of the harmonized T2 *Corporation Income Tax Return* be itemized on the *Corporation Notices of (Re)Assessment*?

A. Yes. The *Corporation Notices of (Re)Assessment* will display "net Ontario taxes/credits" as well as all separate tax/credit amounts used in the net provincial tax calculation. These tax and credit amounts will correspond with those displayed on the revised Schedule 5 (*Tax Calculation Supplementary – Corporations*).

Q. If I would like to adjust a CT23 *Ontario Corporations Tax Return* I filed for a taxation year before 2009, where do I send my request?

A. You must send your adjustment request or amended return to the Ontario Ministry of Revenue.

Q. I sent my corporate tax return to the wrong organization. What will happen to it?

A. The CRA and the Ontario Ministry of Revenue have developed procedures for forwarding misdirected mail. Your tax return will be redirected to the appropriate organization.

Q. Where do I go for all the forms and guides related to my Ontario corporate income tax return?

A. For now, you will obtain all forms and guides you will need to file your CT23 *Ontario Corporations Tax Return* from the Ontario Ministry of Revenue.

As of January 1, 2009, you will be able to obtain all documents for filing the harmonized T2 return from the CRA.

3. Managing your debts

Q. My corporation has a debt with the Province of Ontario. Will my existing payment arrangement be honoured once the CRA assumes administration of Ontario corporate tax? Will my payments continue to go to Ontario, or the CRA ?

A. If you currently have a payment arrangement in place with the Province of Ontario for any debts existing for tax years prior to 2009, they will remain in place and continue to be sent to the Ontario Ministry of Revenue.

The CRA will only be taking payment arrangements on debts for tax years 2009 and subsequent, as these years will include both the federal and provincial portions of the corporate tax.

Q. My corporation has a debt with the CRA. Will my existing payment arrangement be honoured and how will I make payments? Will my payments continue to go to the CRA ?

A. Yes. If you currently have a payment arrangement in place with the CRA for any debts existing for tax years prior to 2009, they will remain in place and continue to be sent to the CRA.

Q. My corporation currently has a debt with both the CRA and the province of Ontario. Will my payments continue to go separately to both organizations?

A. Yes. If you currently have a payment arrangement in place with both the CRA and the province of Ontario for debts existing for tax years prior to 2009, they will remain in place and continue to be sent separately to the respective governing authority.

The CRA will only be taking payment arrangements on debts for tax years 2009 and later, as these years will include both the federal and provincial portions of the corporate tax.

Q. What do I do if I owe Corporation taxes for both 2008 and 2009?

A. You will need to make two separate payment arrangements.

All Corporation tax debts for years 2008 and prior remain the responsibility of the governing authority, namely the CRA or the Province of Ontario.

This means that, for these debts, you will continue to make separate arrangements, as you have in the past, with both the CRA and the province of Ontario.

Corporation tax debts for tax years 2009 and later will become the responsibility of the CRA.

CTAO-Insolvency

Q. I am an insolvency practitioner. As of January 1, 2009, with whom do I deal when administering insolvency matters of a corporation operating in Ontario?

A. Depending on the type of taxes or fiscal periods involved, you may have to deal with the CRA, Ontario, or both. You will deal with:

The CRA:

- | For fiscal periods ending in 2009 and forward, for all federal taxes and provincial corporate income tax, as well as, Ontario: "*Corporate Minimum Tax*," "*Capital Tax*," and "*Special Additional Tax on Life Insurers*."
- | Regardless of the fiscal period involved, for all federal taxes.

Ontario:

- | For fiscal periods ending on or before December 31, 2008, for Ontario corporate income tax.
- | Regardless of the fiscal period involved, if the taxes in question remain the responsibility of Ontario (such as; "*Retail Sales Tax*," "*Employer Health Tax*," "*Mining Tax*," "*Insurance Premiums Tax*," or "*Electricity Act payments-in-lieu of federal and Ontario corporate taxes*" etc.).

4. Requesting Income Tax Rulings and Interpretations

Q. Where do I send my request for an advance tax ruling or a technical interpretation under the Ontario *Corporations Tax Act* or *Taxation Act, 2007*?

A. Until April 3, 2008, you should continue to send your requests for Ontario rulings and interpretations to the Ontario Ministry of Revenue.

After April 2, 2008, you should send your requests to the CRA.

Contact information and other information about the CRA Income Tax Rulings Directorate can be found in [Information Circular 70-6R5, Advance Income Tax Rulings](#).

Q. I have sent requests to the Ontario Ministry of Revenue for advanced tax rulings and technical interpretations on behalf of my clients. Who can I contact for information on the status of those requests?

A. On April 3, 2008, the CRA will assume responsibility for all rulings and interpretations in progress with the Ontario Ministry of Revenue. The CRA will contact each person who submitted such a request to confirm the contact name and phone number of the CRA official who is

responsible for their file.

Q. Will the CRA respond to telephone enquiries on Ontario tax matters?

A. The CRA Income Tax Rulings Directorate provides a telephone enquiry service to respond to specific questions based on interpretative positions previously taken by the CRA. After April 2, 2008, the CRA will also respond to specific questions based on interpretative positions previously taken by the Tax Advisory Services Branch of the Ontario Ministry of Revenue respecting the *Ontario Corporations Tax Act* and the *Taxation Act, 2007*. For the contact number, and for other information about the telephone enquiries service offered by the CRA Income Tax Rulings Directorate, see [Information Circular 70-6R5, Advance Income Tax Rulings](#).

Q. Will there be a delay in dealing with my request for an Ontario ruling or interpretation because it is transferred to the CRA ?

A. Delays should be minimal. The Income Tax Rulings Directorate will continue to make every effort to provide rulings and interpretations in accordance with its published service standards: see [Information Circular 70-6R5, Advance Income Tax Rulings](#).

To minimize the potential for delay resulting from the transfer of work from the Ontario Ministry of Revenue to the CRA , the Ontario Ministry of Revenue's work-in-progress on April 3, 2008 will be accorded a high degree of priority to ensure that it is completed on a timely basis.

Q. The Ontario Ministry of Revenue and the CRA have different [fees](#) in place for obtaining an advance income tax ruling. What fees will apply when the CRA is ruling on Ontario law?

A. For matters regarding taxation years prior to 2009, the Ontario Ministry of Revenue's fees will continue to apply for advance income tax rulings issued under the *Ontario Corporations Tax Act*.

Q. Can I submit a single request to the CRA for advance tax rulings under both the federal *Income Tax Act* and the *Ontario Corporations Tax Act* or *Taxation Act, 2007*? What fees will be charged for the work done?

A. Yes, you can submit a single request. The Ontario Ministry of Revenue's fees will continue to apply for work done on issues related to the *Corporations Tax Act* or the *Taxation Act, 2007*. The CRA's fees will apply for the work done that is related to *Income Tax Act* issues.

5. Filing Objections and Appeals

Q. Where will I file my Ontario notice of objection when the CRA starts administering the *Ontario Corporations Tax Act* on April 3, 2008?

A. Except for those related to premium tax, all Notices of Objection will be filed with the CRA by delivering or mailing them to the Chief of Appeals at one of its [Tax Services Offices](#) or [Tax Centres](#). The objection form, ON100, will be accessible through the CRA Web site in March 2008.

Applications to extend the time to file an objection under section 91 of the *Act* should be filed in the same manner. No special form is required to do this, but you must address a written request to the Chief of Appeals of your tax services office or tax centre, justifying your need for an extension.

Q. What will happen to objections in progress at the Ontario Ministry of Revenue on

April 2, 2008?

A. Unresolved objections (except those related to Provincial Income Allocation and Interprovincial Tax Avoidance) will be transferred to the Appeals Division of the CRA Toronto East Tax Services Office. The Ontario Ministry of Revenue will send a letter to this effect to the affected taxpayers in late March 2008.

Q. What about appeals in progress with the Ontario Ministry of Revenue, and that are before the courts on April 2, 2008?

A. The Ontario Ministry of Revenue will continue to be responsible for the appeals in court on April 2, 2008 and any subsequent appeals arising from decisions on objections processed by the Ministry.

Q. If I disagree with the CRA's decision on my objection and decide to file an appeal before the Ontario Superior Court of Justice, who will be responsible for the appeal?

A. The CRA Appeals Branch will be responsible for the appeal and Justice Canada will represent the province of Ontario in court.

6. Your Ministry of Government and Consumer Services (MGCS) *Annual Information Return*

Q. What is a Ministry of Government and Consumer Services (MGCS) *Annual Information Return*?

A. The MGCS *Annual Information Return* refers to information collected under the authority of the *Corporations Information Act*, to confirm director and officer information for corporations registered in the Province of Ontario, for the purposes of maintaining a public database of corporate information.

Q. Am I required to file a MGCS *Annual Information Return*?

A. Corporations subject to the Ontario *Business Corporations Act*, corporations subject to the Ontario *Corporations Act* and foreign corporations which have a license endorsed under the Ontario *Extra-Provincial Corporations Act* are required to file a MGCS *Corporations Information Act* Annual Return.

More information can be found at www.serviceontario.ca

Q. Where will I file my integrated *Corporations Information Act* Annual Return?

A. Work is underway to develop regulations to allow you to file your integrated return with the Canada Revenue Agency for taxation years ending on or after January 1, 2009 and to continue to file your integrated return with the Ministry of Revenue for taxation years ending on or before December 31, 2008.

Q. If I have questions or want to make changes to my MGCS *Corporations Information Act* Annual Return after it has been filed, whom should I contact?

A. Subject to approval of the regulations currently being drafted, you should contact the MGCS at 416-314-8880, toll free at 1 800-361-3223 TTY 416-325-3408 or toll free at 1 800-268-7095.

7. Making a Voluntary Disclosure on your Ontario Corporate Tax

Q. As of April 3, 2008, what are the procedures to make an Ontario corporate tax voluntary disclosure?

A. Effective April 3, 2008, the CRA is administering corporate tax voluntary disclosures on behalf of Ontario. All Ontario corporate tax disclosures (for pre and post harmonization taxation years) will follow the procedures outlined in the CRA's [voluntary disclosures policy](#).

<http://www.cra-arc.gc.ca/voluntarydisclosures>

Q. How will the transition to single administration affect the way I make an Ontario corporate tax disclosure?

A. Before April 3, 2008, all Ontario corporate tax disclosures were made to the Ontario Ministry of Revenue. As of April 3, 2008, all Ontario corporate tax disclosures must be made to the CRA.

Q. Where can I get more information on the new procedures and/or on how to make a corporate tax disclosure under the CRA's Voluntary Disclosures Program?

A. For information on disclosures submitted on or after April 3, 2008, or on how to make a disclosure, please contact the CRA's St. Catharines Tax Services Office by phone at 1-888-592-6869, by fax at 905-322-3133, or in writing at :

Voluntary Disclosures Program
St. Catharines Tax Services Office
32 Church Street, P.O. Box 3038
St. Catharines ON L2R 3B9

Q. Will the CRA be responsible for disclosures related to Ontario provincial taxes other than corporate tax?

A. The CRA is now administering disclosures for Ontario corporate tax. The CRA will also continue to administer disclosures for Ontario personal income tax.

Disclosures for other Ontario provincial taxes, including Retail Sales Tax, Employee Health Tax, and Motor Fuels and Tobacco Tax will remain the responsibility of the Ontario Ministry of Revenue.

For more information on making a voluntary disclosure to the Ontario Ministry of Revenue, please visit their Web site at www.ontario.ca/revenue.

Q. How will I be notified of the status of my corporate tax disclosure which was made to the CRA?

A. The CRA will first acknowledge receipt of your disclosure by mail. If the CRA needs more information, you will be asked to send it to the CRA. Otherwise, you will receive a decision letter informing you whether your disclosure has been accepted or denied, and you will receive the appropriate notice regarding your assessment.

Q. Where can I find more information on the CRA's Voluntary Disclosures Program?

A. You can find more information on the CRA's Voluntary Disclosures Program on the CRA's Web site at [Voluntary Disclosures Program](#).

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