

Frequently Asked Questions

Corporate Tax Administration Redesign

Introduction

The Corporate Tax Administration Redesign (CTAR), or Corporate Tax Administration for Ontario (CTAO), as the Canada Revenue Agency calls it, is an initiative between the federal and Ontario governments that will implement a harmonized federal and Ontario corporate income tax administration, with a single tax return. It will be administered by the Canada Revenue Agency, on behalf of Ontario, for tax years ending after December 31, 2008.

The harmonized T2 tax return will include the *Corporations Information Act* Annual Return schedules.

The Ontario Ministry of Revenue will continue to process the integrated *Corporations Information Act* Annual Return for corporations with tax years ending on or before December 31, 2008.

Questions and Answers

Q1. What is CTAR?

A1. The Corporate Tax Administration Redesign (CTAR), or Corporate Tax Administration for Ontario (CTAO), as the Canada Revenue Agency calls it, is an initiative between the federal and Ontario governments that will implement a harmonized federal and Ontario corporate income tax administration, with a single tax return, which will include the *Corporations Information Act* Annual Return. Beginning January 1, 2009, it will be administered by the Canada Revenue Agency, on behalf of Ontario, for tax years ending after December 31, 2008.

Q2. How will the CTAR/CTAO initiative affect my filing requirements under the *Corporations Information Act*?

A2. ServiceOntario and the Canada Revenue Agency are working together to design and implement a *Corporations Information Act* Annual Return filing process that will be administered by the Canada Revenue Agency on behalf of Ontario beginning January 1, 2009. For more information, refer to Q6, Q7, and Q8.

Q3. Where can I get more information about the CTAR/CTAO initiative?

A3. Information on this initiative is available at <http://www.cra-arc.gc.ca/ctao/> and at <http://www.ontario.ca/revenue>

ServiceOntario has posted Notices to Clients including those pertaining to CTAR, and Frequently Asked Questions at www.ServiceOntario.ca under "What's New".

Q4. Will I be able to file a harmonized T2 tax and *Corporations Information Act* Annual Return as a part of the integrated tax return for tax years ending after December 31, 2008?

A4. Yes. Under the Single Administration of Corporate Tax initiative, you will be able to file your *Corporations Information Act* Annual Return as a part of the harmonized T2 corporate tax return.

Q5. Will I still be able to file a CT23 tax and *Corporations Information Act* Annual Return with the Ministry of Revenue?

A5. Yes. For all tax years ending **before** January 1, 2009, you will still be able to file your *Corporations Information Act* Annual Return with the Ministry of Revenue as a part of the CT23 tax return.

Q6. I am a business corporation currently filing my *Corporations Information Act* Annual Return with the Ministry of Revenue. What are the new filing requirements?

A6. Effective January 1, 2009, for tax years ending after December 31, 2008, you will file a Schedule 546, *Corporations Information Act* Annual Return for Ontario Corporations, with the Canada Revenue Agency, together with your T2 Corporation Income Tax return. This return must be filed within six months after the end of each tax year.

You will continue to file your integrated return with the Ministry of Revenue for tax years ending on or before December 31, 2008.

You will continue to have the option of filing a standalone *Corporations Information Act* Annual Return electronically through one of the Ontario government Service Providers, instead of filing it with the Canada Revenue Agency.

Q7. I am a non-profit corporation currently filing my *Corporations Information Act* Annual Return with the Ministry of Revenue? What are the new filing requirements?

A7. If you are a non-profit corporation but **are not a charity** registered under the federal *Income Tax Act*, for tax years ending after December 31, 2008, you will file a Schedule 546, *Corporations Information Act* Annual Return for Ontario Corporations, with the Canada Revenue Agency, together with your T2 Corporation Income Tax return. This return must be filed within six months after the end of each tax year.

Charities - If you are a non-profit corporation and *are* a charity registered under the federal *Income Tax Act*, for tax years ending after December 31, 2008, you will file a *Corporations Information Act* Annual Return using either the Charities RC232WS - Director/Officer Worksheet and Ontario *Corporations Information Act* Annual Return, or the Charities RC232 – Ontario *Corporations Information Act* Annual Return Worksheet in combination with the T1235, Director/Trustees and Like Officials Worksheet. The appropriate worksheet(s) must be submitted along with the T3010 Registered Charity Information Return.

This return must be filed within six months after the end of each tax year. In the past CIA ARs for all not-for-profit corporations were filed within 60 days of the anniversary of the incorporation or amalgamation.

For anniversary dates ending on or before December 31, 2008, you will continue to file your *Corporations Information Act* Annual Return with the Ministry of Revenue within 60 days of the anniversary of the incorporation or amalgamation.

You will also continue to have the option of filing a standalone CIA AR electronically through one of the Ontario government Service Providers, instead of filing it with the Canada Revenue Agency.

Q8. I am an Extra-Provincial Foreign corporation currently filing my *Corporations Information Act* Annual Return with the Ministry of Revenue. What are the new filing requirements?

A8. For tax years ending after December 31, 2008, you will file a Schedule 548, *Corporations Information Act* Annual Return for Foreign Business Corporations, with the Canada Revenue Agency, together with the T2 Corporation Income Tax return. This return must be filed within six months after the end of each tax year.

Q9. Where do I file if I'm a charity?

A9. Please refer to Q7.

Q10. I am an Extra-Provincial Foreign corporation. Will I now be able to file my *Corporations Information Act* Annual Return electronically through the Service Providers?

A10. The Service Providers do not offer this capability at present. There are no immediate plans to change their current service offerings.

Q11. Will I still be able to file my *Corporations Information Act* Annual Return and make corrections to it electronically?

A11. Yes. Ontario business and non-profit corporations will continue to be able to file the *Corporations Information Act* Annual Return electronically through the Service Providers under contract with the Ontario government.

Q12. For what date should I report my information on my *Corporations Information Act* Annual Return?

A12. The information on your *Corporations Information Act* Annual Return must always be the current information as of the date of delivery to the Minister responsible for the administration of the *Corporations Information Act*, the Canada Revenue Agency or the Ministry of Revenue in accordance with the regulations under the *Corporations Information Act*.

Q13. Can I still file a standalone *Corporations Information Act* Annual Return with the Canada Revenue Agency, as I did with the Ministry of Revenue?

A13. No. The *Corporations Information Act* Annual Return must be filed with the Canada Revenue Agency together with your T2 Corporation Income Tax Return or your T3010 Registered Charity Information Return. The Canada Revenue Agency will not accept a standalone *Corporations Information Act* Annual Return.

If you are an Ontario business or non-profit corporation, you will continue to have the option to file a standalone *Corporations Information Act* Annual Return through the Service Providers under contract with the Ontario government.

Q14. What are the changes impacting non-profit corporations?

A14. Non-profit corporations will change from filing their *Corporations Information Act* Annual Return within 60 days of the anniversary of incorporation or amalgamation to filing their *Corporations Information Act* Annual Return within six (6) months after the end of their tax year-end.

The Ontario government will no longer provide an Annual Return 'turnaround' document to non-profit corporations. Non-profit corporations that are charities registered under the federal *Income Tax Act* will receive a 'turnaround' Corporations Information Act worksheet from the Canada Revenue Agency that must be filed together with their T3010 Registered Charity Information Return.

Please refer to Q7 for more information.

Q15. When is my corporation required to file its *Corporations Information Act* Annual Return for 2009 and subsequent years?

A15. For 2009 and subsequent years, your corporation must file its *Corporations Information Act* Annual Return within six (6) months after your tax year-end.

Q16. What is my corporation's tax year?

A16. The tax year of a corporation is its fiscal period. Your tax return is due under the federal *Income Tax Act* within six months after the end of each tax year.

Q17. What if after January 1, 2009, my corporation has to file a *Corporations Information Act* Annual Return for a year prior to 2009?

A17. Ontario business corporations should continue to file their *Corporations Information Act* Annual Return together with their tax returns with the Ministry of Revenue or with the Service Providers for tax years ending on or before December 31, 2008.

Ontario non-profit corporations should continue to file their *Corporations Information Act* Annual Return with the Ministry of Revenue or with the Service Providers for anniversary dates ending on or before December 31, 2008.

Foreign business corporations should continue to file their CIA AR together with their tax returns with the Ministry of Revenue for taxation years ending on or before December 31, 2008.

Q18. My corporation does not have taxable income in Ontario. Am I still required to file a *Corporations Information Act* Annual Return?

A18. Yes. In the absence of Ontario taxable income, a corporation must continue to file a *Corporations Information Act* Annual Return each year as required under the *Corporations Information Act*. The *Corporations Information Act* Annual Return provides legally-required corporate information that differs from the information requirements under the federal and Ontario corporate income tax acts.

For tax years ending BEFORE January 1, 2009, you file your Ontario *Corporations Information Act* Annual Return with the Ontario Ministry of Revenue, together with your CT23 Corporate Tax Return, as required under the Ontario *Corporations Tax Act*.

A corporation without Ontario taxable income that satisfies all the exempt from filing criteria may instead file an Annual Return and Exempt From Filing (EFF) declaration with the Ministry of Revenue in respect of the tax year.

For tax years ending AFTER December 31, 2008, you will file your *Corporations Information Act* Annual Return with the Canada Revenue Agency, together with your T2 Corporation Income Tax return for each tax year.

If you are an Ontario business or non-profit corporation, you will continue to have the option to file a standalone *Corporations Information Act* Annual Return through the Service Providers under contract with the Ontario government.

Q19. Have the *Corporations Information Act* Annual Return forms changed?

A19. Yes. The Canada Revenue Agency will make available the *Corporations Information Act* Annual Return Schedules and worksheets in December 2008.

Q20. Has the government made any changes to the *Corporations Information Act* or Regulations for this initiative?

A20. On March 10, 2008, an amendment to Regulation 182 under the *Corporations Information Act* came into force. The amendment provides authority for the Minister responsible for the administration of the *Corporations Information Act* to enter into agreements with the Ontario Minister of Revenue, the Ontario Minister of Finance and the Canada Revenue Agency for the collection of the *Corporations Information Act* Annual Return on behalf of Ontario.

Q21. What other regulatory changes or statutory amendments will be made?

A21. An amendment to Regulation 182 which becomes effective January 1, 2009, will allow the Canada Revenue Agency to begin collecting the CIA AR, as part of an integrated return, and to allow the Ministry of Revenue to continue to provide this service for filings for taxation years on or before December 31, 2008.

Related amendments to the *Corporations Information Act* will also be proclaimed into force on January 1, 2009.

Q22. Who do I call if I have questions about my tax account and *Corporations Information Act* Annual Return filing?

A22. For taxation years ending on or before December 31, 2008, the Ministry of Revenue continues to be your first point of contact for all matters regarding your Ontario corporate tax account, including information about the completion of the *Corporations Information Act* Annual Return.

The Ministry of Revenue helpline numbers are: General Enquiry 1-800-263-7965; French Language service 1-800-668-5821; Teletypewriter (TTY) Users 1-800-263-7776. The helpline is available from 8:15 a.m. to 5:00 p.m., Monday to Friday, excluding statutory and government holidays.