

Ministry of Finance

August 2005

2005 CT23 Schedule 591

6010

About this Notice

This notice is to inform corporations filing an election under subsection 69(2.1) of the *Corporations Tax Act* about the revision to the 2005 Capital Tax Election of Associated Group Agreement for Allocation of Taxable Capital Deduction (TCD) - CT23 Schedule 591.

Background

The previous version (2004-09) of 2005 CT23 Schedule 591 did not require written details of the calculation of the 'Tax Effect of Taxable Capital Deduction' for each corporation making the election under subsection 69(2.1).

CT23 Schedule 591 Revised

The revised version (2005/07) of the 2005 CT23 Schedule 591 incorporates for clarification purposes a detailed calculation of the Tax Effect for each associated corporation subject to the election under subsection 69(2.1). Corporations affected by the revisions to the 2005 CT23 Schedule 591 are those that meet **all** of the following criteria:

- the corporation's taxation year ends after Dec 31, 2004
- the corporation is associated with other Canadian corporations and
- at least one corporation in the associated group has a different taxation year end.

If your corporation meets all of the above criteria and has already filed a tax return accompanied by the previous version of the 2005 Schedule 591, you may be required to re-file the election using the revised form. For additional information, please contact the Corporations Tax Branch at the number provided at the end of this notice.

Guide to 2004-2005 CT23 Corporations Tax and Annual Return

Please be advised that example #3 at the back of the Guide to the 2004-2005 CT23 Corporations Tax and Annual Return contains a miscalculation in step 4 of the comprehensive solution. The net deduction for AAA corporation should be \$6276 (60% x 15,690 x 6 million / 9 million) and not \$6740 as stated. Consequently, the erroneous result is repeated throughout the solution.

For More Information

For further information, please contact Desk Audit, general tax enquiries:

- Pickering (905) 837-3888 (905) 837-3889
- Français (905) 837-3907
- Toll-free 1-866-805-7702 ext. 3888; Français poste 3907
- Fax (905) 837-3800

Hours of Service: 8:30 a.m. to 5 p.m. or visit our website at: www.trd.fin.gov.on.ca