



Corporate Tax Continuity Worksheet

This worksheet reconciles CRA (re)assessments to journalized tax amounts, and determines the current tax provision.

Your client's situation:

- Tax year end Dec 31, 2016
- Opening tax receivable (payable)
 - Dec 31, 2015 (15,000) - payable from prior year filing
 - Dec 31, 2014 8,000 - refund from capital loss carryback

- 2015 assessment
 - Total federal taxes 25,000
 - Net provincial taxes 10,000
 - Instalments paid 20,000

- 2014 reassessment (in current tax year)
 - Total federal taxes 45,000
 - Refund interest 500

- 2014 assessment (in previous tax year)
 - Total federal taxes 55,000

- Payments (received) paid during the tax year
 - Payment (refund) related to 2015 15,000
 - Payment (refund) related to 2014 (10,500)

- 2016 corporate tax return
 - Total tax payable 25,000
 - Instalments paid in 2016 18,000
 - Taxable credit entitled 5,000

Reconcile the tax provision amounts, and determine applicable journal entries for the year.

- ∞ - Top section
- ∞ - Assessments during year
- ∞ - Reconciliation
- ∞ - Current tax provision

- ∞ - YouTube example
- ∞ - PDF example
- ∞ - Worksheet support
- ∞ - [Completion guide](#)
- Updated November 2016

Prepared	Andrew	Nov 25, 2016
Reviewed		
Approved		

	Ref	Date	
Tax year end	T2 - Line 061	Dec 31, 2016	Q
Tax year start	T2 - Line 060	Jan 1, 2016	

Journalized tax receivable (payable) balances

Opening income tax receivable (payable) for tax year ended	Ref	Income tax receivable (payable) as at December 31, 2015	Unrealized events with journalized accruals				Adjusted income tax receivable (payable) as at December 31, 2015
			Unrealized events - journalized receivable (payable)	Unrealized events - journalized receivable (payable)	Unrealized events - journalized receivable (payable)	Refunds held back (unpaid amounts) for prior year (re)assessments	
Dec 31, 2015		(15,000)					(15,000)
Dec 31, 2014		8,000					8,000
Dec 31, 2013							-
Dec 31, 2012							-
Dec 31, 2011							-
Total		(7,000) Q	-	-	-	-	(7,000)

Notes and calcs

Opening R&D tax receivable (payable) for tax year ended	Ref	R&D tax receivable (payable) as at December 31, 2015	Unrealized events with journalized accruals				Adjusted R&D tax receivable (payable) as at December 31, 2015
			Unrealized events - journalized receivable (payable)	Unrealized events - journalized receivable (payable)	Unrealized events - journalized receivable (payable)	Refunds held back (unpaid amounts) for prior year (re)assessments	
Dec 31, 2015							-
Dec 31, 2014							-
Dec 31, 2013							-
Dec 31, 2012							-
Dec 31, 2011							-
Total		- Q	-	-	-	-	-

Notes and calcs

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(Re)assessments between January 1, 2016 and December 31, 2016

Tax year ended		Dec 31, 2015	Dec 31, 2014									
Assessment / reassessment / interest only		Assessment	Reassessment									
Tax item	Ref											
Debited (credited) to equity - refundable taxes												
Debited (credited) to equity - dividend refund												
Debited (credited) to income statement - taxable credits, excluding R&D												

As per current (re)assessment

Tax year ended		Dec 31, 2015	Dec 31, 2014									
Event date												
Tax item	Ref											
Part IV tax payable	NO(R)A											
Refundable Part I Tax												
Total / sum of federal taxes	NO(R)A	25,000	45,000									
Net provincial and territorial tax (credit)	NO(R)A	10,000										
(Dividend refund)	NO(R)A											
(R&D credit deducted from Part I tax)												
(Investment Tax Credit refund)	NO(R)A											
(Other credits)	NO(R)A											
(Taxable credits only, excluding R&D)												
(Ontario R&D tax credit)	NO(R)A											
(Ontario Innovation Tax Credit)	NO(R)A											
(Instalments and payments)		(20,000)										
Reversal of (refund interest)	NO(R)A		(500)									
Reversal of (refund interest) journalized	GL		-									
(Reversal of) interest and penalties	NO(R)A											
(Reversal of) interest and penalties journalized	GL											

As per previous (re)assessment

Tax year ended			Dec 31, 2014									
Event date												
Tax item	Ref											
Part IV tax payable	NO(R)A											
Refundable Part I Tax												
Total / sum of federal taxes	NO(R)A		55,000									
Net provincial and territorial tax (credit)	NO(R)A											
(Dividend refund)	NO(R)A											
(R&D credit deducted from Part I tax)												
(Investment Tax Credit refund)	NO(R)A											
(Other credits)	NO(R)A											
(Taxable credits only, excluding R&D)												
(Ontario R&D tax credit)	NO(R)A											
(Ontario Innovation Tax Credit)	NO(R)A											

Notes and calcs

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Tax effects from (re)assessments - journal entry

Account	Debit (credit)	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment
		Ref							
Income tax receivable (payable)	2,500	-	-	-	-	-	-	-	-
Income tax provision	(2,000)								
Refundable taxes paid	-								
Dividend tax refund	-								
Investment Tax Credit receivable (payable)	-	-	-	-	-	-	-	-	-
Reduction of R&D expenses / R&D income	-								
Reduction of other expense accounts / other income	-								
Interest income	(500)								
Interest and penalties expense	-								
Adjustment									
Adjustment									

Notes and calcs

Reconciliation of prior year tax balances

Reconciliation - income tax receivable (payable)

Tax year ended	Adjusted income tax receivable (payable) as at December 31, 2015	Increase to income tax receivable (payable)	Current year net interest receivable (payable)	Refunds held back (unpaid amounts) for prior year (re)assessments	Ref	Total amount paid (refunded)	Unrealized events - journalized receivable (payable)	Income tax receivable (payable) from loss carrybacks or other adjustments	Ending income tax receivable (payable) as at December 31, 2016
Dec 31, 2015	(15,000)	-	-	-		15,000	-	-	-
Dec 31, 2014	8,000	2,000	500	-		(10,500)	-	-	-
Dec 31, 2013	-	-	-	-			-	-	-
Dec 31, 2012	-	-	-	-			-	-	-
Dec 31, 2011	-	-	-	-			-	-	-
Total	(7,000)	2,000	500	-		4,500	-	-	-

Reconciliation - R&D receivable (payable)

Tax year ended	Adjusted R&D tax receivable (payable) as at December 31, 2015	Increase to R&D tax receivable (payable)	Current year net interest receivable (payable)	Refunds held back (unpaid amounts) for prior year (re)assessments	Ref	Total amount paid (refunded)	Unrealized events - journalized receivable (payable)	R&D tax receivable (payable) from loss carrybacks or other adjustments	Ending R&D tax receivable (payable) as at December 31, 2016
Dec 31, 2015	-	-	-	-			-	-	-
Dec 31, 2014	-	-	-	-			-	-	-
Dec 31, 2013	-	-	-	-			-	-	-
Dec 31, 2012	-	-	-	-			-	-	-
Dec 31, 2011	-	-	-	-			-	-	-
Total	-	-	-	-		-	-	-	-

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Tax provision (recovery) - Dec 31, 2016 tax year

Tax return input - Dec 31, 2016 tax year		
Refundable portion of Part I tax	T2 - Line 450	
Part IV tax payable	Sch 3 - Line 360	
Total tax payable	T2 - Line 770	25,000
(R&D credit deducted from Part I tax)	Sch 31 - Line 560	
(Refund of Investment Tax Credit)	Sch 31 - Line 610	
(Dividend refund)	T2 - Line 784	
(Ontario R&D tax credit)		
(Ontario Innovation Tax Credit)		
(Instalments paid on or before Dec 31, 2016)		(18,000)
(Instalments paid after Dec 31, 2016)	T2 - Line 840	
(Total credits)	T2 - Line 890	(23,000)
(Taxable credits, excluding R&D credits for Dec 31, 2016)		(5,000)

Taxes receivable (payable) from loss carrybacks or other adjustments

Tax year ended									
Type of adjustment									
Tax item	Ref								
Estimated income taxes receivable (payable)									
Estimated R&D credits receivable (payable)									
Increase (decrease) to refundable taxes paid									
(Increase) decrease to dividend refund									
(Increase) decrease to expense reduction / other income									

Notes and calcs

Tax provision (recovery) - journal entry

Account	Debit (credit)	Adjustment	
		Ref	
Income tax receivable (payable)	(20,000)		-
Income tax provision	25,000		
Refundable taxes paid	-		
Dividend tax refund	-		
Investment Tax Credit receivable (payable)	-		-
Reduction of R&D expenses / R&D income	-		
Reduction of expenses / other income	(5,000)		
Adjustment	-		
Adjustment	-		

Financial statement integration

Tax year components - Dec 31, 2016

Account	Ref	Balance	Balance	Net payments (refunds)
Income tax receivable (payable)		(2,000)	(2,000)	22,500
Income tax provision		23,000	25,000	
Refundable taxes paid		-	-	
Dividend tax refund		-	-	
Investment tax credit receivable (payable)		-	-	
Reduction of R&D expenses / R&D income		-	-	
Reduction of expenses / other income		(5,000)	(5,000)	
Interest income from taxes		(500)		
Interest and penalties expense		-		

Notes and calcs
