



Single Administration of Ontario Corporate Tax

RC307

The Canada Revenue Agency (CRA) will soon begin to administer corporate taxes on behalf of Ontario. We're working with the Ontario Ministry of Revenue to implement a single administration for taxation years ending after December 31, 2008.

Ontario companies of all sizes will benefit from **one tax return, one set of rules, one audit, one appeals process and one point of contact.**

CRA administration of Ontario corporate taxes

Starting in the 2009 taxation year, the CRA will administer the following corporate taxes on behalf of Ontario:

- Corporate income tax;
- Corporate minimum tax;
- Capital tax; and
- Special additional tax on life insurers.

Ontario will continue to administer:

- Mining tax;
- Insurance premiums tax; and
- *Electricity Act* payments-in-lieu of federal and Ontario corporate taxes.

Corporate taxpayers will start:

- making combined federal and provincial corporations tax instalment payments to the CRA as early as **February 2008**; and
- filing a single T2 *Corporation Income Tax Return* (including the Ontario *Corporations Information Act Annual Return*) with the CRA for taxation years ending **after December 31, 2008.**

Integrated services

To allow taxpayers to benefit before a single administration in 2009, the CRA will assume responsibilities for some services for taxation years ending on or before December 31, 2008. These integrated services **will begin** April 3, 2008, when the CRA will start:

- **Conducting integrated audits.** This means that:
 - CRA auditors will examine both the T2 and CT23 returns during the same audit visit;
 - the CRA will administer Ontario tax credits; and
 - the CRA will assume audits that are in progress with the Ontario Ministry of Revenue.
- **Processing objections and appeals** related to CT23 returns. This means that:
 - the CRA will administer most of the objections and appeals filed from Ontario corporate tax assessments;
 - the CRA will assume objections that are in progress with the Ontario Ministry of Revenue;
 - the CRA will handle all appeals arising from objections processed by the CRA; and
 - Ontario will retain responsibility for appeals in progress, and appeals arising from objections processed by the Ontario Ministry of Revenue before April 3, 2008.
- **Providing rulings and interpretations** to corporations on CT23 matters. This means that:
 - the CRA will provide rulings and interpretations in respect of both federal and provincial legislation;

- the CRA will assume Ontario rulings and interpretations in progress; and
 - taxpayers will continue to pay the Ontario rate for rulings in respect of provincial legislation, though the rulings will be provided by the CRA.
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Taxpayer enquiries

The CRA and the Ontario Ministry of Revenue are committed to making the transition to a single administration as smooth as possible for taxpayers.

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.

The Ontario Ministry of Revenue will continue to be the point of contact for **all** enquiries regarding taxes it continues to administer.

The CRA and the Ontario Ministry of Revenue are developing processes to ensure service is not delayed or disrupted for taxpayers who contact the CRA or the Ontario Ministry of Revenue during the transition to single administration.

For more information on single administration of Ontario corporate taxes, visit the CRA Web site at cra.gc.ca

What you need to remember

FEBRUARY 2008

Taxpayers will start sending their combined federal and provincial corporations tax instalment payments to the CRA for the 2009 taxation year.

APRIL 3, 2008

The CRA will begin providing integrated services:

- audits
- objections
- appeals
- rulings

JANUARY 1, 2009

The CRA will begin providing fully harmonized services to Ontario's corporate taxpayers.

- Taxpayers will file one T2 tax return including the Ontario *Corporations Information Act Annual Return*.
- The CRA will be your point of contact for all enquiries relating to federal or Ontario corporate taxes, except enquires regarding taxes the Ontario Ministry of Revenue continues to administer.