

# Tax memo

Canadian tax updates



## 2012 Annual tax filing and remittance deadlines for corporations

Some corporate compliance requirements you should consider now.

January 24, 2012

Some of the compliance requirements discussed in this *Tax memo* also apply to individuals, trusts and partnerships. Key filing deadlines for corporations, as well as for individuals, trusts and partnerships, are summarized in *Tax facts and figures*, available at [www.pwc.com/ca/taxfacts](http://www.pwc.com/ca/taxfacts) (page 40). Deadlines falling on holidays or weekends may be extended to the next business day.

In addition to filing annual income and capital tax returns (due six months<sup>1</sup> following each taxation year end), Canadian corporations may be required to meet several other Canadian annual filing and remittance deadlines. Some of the more common compliance requirements to be considered at this time of year are outlined below. Other filing requirements (e.g., T4A information return to report certain benefits to shareholders) also may apply.

Failure to meet these requirements may result in the assessment of penalties and/or interest for non-compliance, late filing or late remittance. A waiver may be obtained in certain circumstances.

### *Calendar-year deadlines*

**T4<sup>2</sup> – Statement of Remuneration Paid** – Employers are required to file a T4 information return (T4 Summary and T4 Slips) to report remuneration paid. The 2011 return must be filed on or before **February 29, 2012**.

**T5<sup>2</sup> – Return of Investment Income** – The T5 return (T5 Summary and T5 Slips) reports various types of investment income (e.g., dividends and interest) paid to residents of Canada, including corporations. The 2011 return is due for filing on or before **February 29, 2012**.

**NR4 – Statement of Amounts Paid or Credited to Non-Residents of Canada** – The NR4 return (NR4 Summary and NR4 Slips) reports amounts paid or credited to non-residents that are subject to Canadian withholding tax (e.g., royalties, dividends, interest, management fees). Certain amounts paid or credited to non-residents must be reported in the NR4 return even if they are exempt from non-resident withholding tax (e.g., certain royalty payments may be exempt pursuant to a tax treaty). The filing due date for the 2011 return is **March 31, 2012**.

## ***Taxation-year deadlines***

### **Final payments of income and capital taxes –**

Final payments of corporate income and capital taxes (both federal and provincial<sup>1</sup>) are required within two months of each taxation year end (a Canadian-Controlled Private Corporation may qualify for a three-month final payment due date). For a corporation that does not qualify for the three-month due date and that has a December 31, 2011 year end, the final payment due date is

**February 29, 2012.**

### **T1134 – Foreign Affiliate Reporting –**

Canadian corporations with foreign affiliates must file Form T1134-A or Form T1134-B for each foreign affiliate (except for foreign affiliates that meet certain exemption criteria) for each taxation year end. The forms are due 15 months following a corporation's taxation year end. For a December 31, 2010 year end, the forms must be filed by

**March 31, 2012.**

### **T661 – Scientific Research and Experimental Development (SR&ED) Claim –**

SR&ED tax credits are claimed on a taxation-year basis; a corporation has 18 months from the end of a taxation year to file its claim for that particular year. Extensions are not allowed, and if a corporation is late in filing or submits an incomplete filing close to the deadline, the claim for SR&ED tax credits will be denied. Therefore, taxpayers should file well before the 18-month deadline to allow time to provide the Canada Revenue Agency with any requested additional information before this deadline.

Corporations with a December 31, 2010 year end

have until **June 30, 2012**, to file an SR&ED claim for that year.

### **T106 – Information Return of Non-Arm's Length Transactions with Non-Residents –**

Canadian corporations must file a T106 Information Return annually to report transactions with non-arm's length non-residents. The T106 Return must be filed by **June 30, 2012**, for a corporation's December 31, 2011 year end.

### **T1135 – Foreign Income Verification**

**Statement** – Form T1135 must be filed for each taxation year during which a Canadian taxpayer held "specified foreign property" of more than \$100,000 at any time in the year. Specified foreign property may include foreign bank accounts and investments, indebtedness receivable from non-residents and other property held outside Canada. The form must be filed within six months of a corporation's taxation year end: **June 30, 2012**, for a December 31, 2011 year end.

## ***For more help***

If you have any questions on your corporation's filing and remittance requirements, please contact your PricewaterhouseCoopers LLP adviser or the individuals at **[www.pwc.com/ca/taxcontacts](http://www.pwc.com/ca/taxcontacts)**.

### **2012 budgets are coming!**

PwC will keep you up-to-date on tax changes in Canada's federal and provincial budgets.

Go to **[www.pwc.com/ca/budget](http://www.pwc.com/ca/budget)**.

1. However, the financial institutions capital tax filing and payment deadline for Saskatchewan is the last day of the 6th month after the year end (e.g., June 30, 2012, for a December 15, 2011 year end). The payment deadline for Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island financial institutions capital tax purposes is six months after the year end.  
2. Quebec's equivalent forms are relevé 1(T4) and relevé 3 (T5).