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NOTE ON
SELECTED THEMES IN TAXATION

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A number of ways could be chosen by CPA candidates studying taxation to organize their personal notes. Various taxation textbooks organize differently the topics. A suggestion is to separate the topics under three broad categories, such as Selected themes in taxation, Tax interrelationships between persons and Tax situations.

Selected themes in taxation (the present note) are:

In a separate note, Tax interrelationships between persons themes are:
Gifts and Transfers between Persons
Transactions - Shareholders and Corporations
Groupings, Reorganizations and Transfers of Asset / Business

In a separate note, Tax situations are:
Personal Financial Planning
International Issues
Death of a Taxpayer
Starting a Business / Project
Employment
Financial Difficulties

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Basic Concepts

- Canadian tax system and tax bases
    - Income Tax Act (ITA) and Excise Tax Act (ETA)
    - Interpretation
- Tax policy
- Canadian tax liability
- Residency
- Persons
    - Persons and taxpayers
    - Non-arm’s length and related persons
    - Associated corporations
    - Connected corporations
    - Affiliated persons
- Legal forms and structure for transactions
    - Individual and sole proprietorship
    - Corporation
        - Private corporation
        - Canadian-controlled private corporation (CCPC)
        - Public corporation
    - Trust
    - Partnership
    - Joint ventures
    - Nonprofits
    - Registered charities
    - Cooperatives

Net Income (NI), Taxable Income (TI), Tax Payable (TP)

- Net Income (NI) calculation
    - Net Income for Individuals
    - Net Income for Corporations
- Taxable Income (TI) calculations
    - Taxable income for Individuals
    - Taxable income for Corporations
    - Losses carryover
- Tax Payable (TP) calculations for Individuals
    - Tax rates (per tax table, average, marginal)
    - Part I
    - Tax credits
    - Part I.2 (Old Age Security Benefits)
    - Minimum tax
- Tax Payable (TP) calculations for Corporations
    - Tax rates (per type of corporation, type of income)
    - Types of income
        - Active business income (ABI)
        - Investment income
        - Personal service business (PSB)
        - Specified investment business (SIB)
    - Part I
        - Small business deduction (SBD)
        - General tax reduction
        - Manufacturing and processing profits deduction
    - Part IV
    - Refundable tax, dividend refund and refundable dividend tax on hand (RDTOH)
    - Tax credits
    - Nonprofits
    - Registered charities
- Partnership
    - Definition and types of partnerships
    - Computation of income at the partnership level or partner's level
    - Limited partnership - at-risk rule
- Trust
    - Definition and types of trusts
    - Distribution on beneficiaries
    - Calculations of net income, taxable income and tax payable of trusts
    - Taxation of beneficiaries

Income from an Office and Employment

- Calculation of Income from an Office and Employment
- Salary
- Taxable benefits
    - General rules
    - Employee stock options
    - Automobile benefits
    - Loans
    - Allowances
    - Other benefits
- Deductions
    - RPP - Registered Pension Plans
    - Automobile
    - Office expenses
    - Sales / Commission expenses
    - Other deductions

Income from a Business and Property

- General Rules on income from a business and property
    - Basic rules and principles
    - General rules on expenses (ITA 18(1)(a),(b),(h); 67)
- Income from a Business
    - Calculation of Income from a Business
    - Scientific Research and Experimental Development (SR&ED) incentives
    - Unpaid remuneration
    - Sales / Commission expenses
    - Exceptions
- Income from Property
    - Calculation of Income from Property
    - Interest
    - Dividends
    - Rental income
    - Royalties
- CCA (capital cost allowance) and CEC (cumulative eligible capital)
    - General principles and definitions
    - Calculation structure, rules and classes
        - Half-year rule
        - Short taxation year
    - Acquisition and disposition (recapture, terminal loss)
    - Special rules

Capital Gain / Capital Loss

- Calculation of Taxable Capital Gain / Allowable Capital Loss
  - General principles and definitions
  - Capital vs income nature
  - Acquisition and disposition
  - Calculation structure and rates
    - Proceeds of disposition (PD)
    - Adjusted cost base (ACB)
    - Capital Gain reserves
  - Types of property
    - Depreciable and non-depreciable property
    - Principal residence
    - Listed personal property (LPP)
    - Personal used property (PUP)
    - Identical property
  - Allowable business investment loss (ABIL)
  - Elections and special rules
- Capital gain exemption / deduction
  - Qualifying Small Business Corporation (QSBC)
  - Qualified farm and fishing property (QFFP)

Other Income

- Calculation of Other Income
- Pension income
  - Retiring allowance and termination payments
  - Transfer of retirement income and income splitting
- Indirect payments
- Spouse and child support payments
- Interest-free or low-interest loans
- Scholarships, bursaries and awards
- Employment insurance
- Worker’s compensation
- Social assistance

Other Deductions

- Calculation of Other Deductions
- Moving expenses
- Child Care expenses
- Spouse and child support payments
- Disability support deduction

Deferred Income Plans

- TFSA - Tax Free Savings Accounts
- RPP - Registered Pension Plans
- RRSP - Registered Retirement Savings Plans
- RESP - Registered Education Savings Plans
- RDSP - Registered Disability Savings Plans
- RRIF - Registered Retirement Income Funds
- Other plans
  - PRPP - Pooled Registered Pension Plans
  - DPSP - Deferred Profit Sharing Plans
  - EPSP - Employee Profit Sharing Plans
  - DPSP - Deferred Profit Sharing Plans
  - RCA - Retirement Compensation Arrangement
  - SDA - Salary Deferral Arrangement
  - EBP - Employee Benefit Plan
  - ET - Employee Trust
  - RSUBP - Registered Supplementary Unemployment Benefit Plan
- Transfers between plans

Administrative Rules

- Filing deadlines and requirements
- Assessments
- Payment of tax
- Interests and penalties
- Objections and appeal process
- GAAR (General Anti-Avoidance Rule) and specific anti-avoidance rules

GST / HST

- Liability for Tax
- Framework
- Concept and types of supplies
- Rates (per type of supplies)
- Place of supply
- Input tax credit
- Registration
- Collection and remittance
- Procedures and administration

Data Analytics and Information Systems

- Data analytics and information systems