

Diskette and Paper Filing of the Corporations Tax Return

References: subsection 75(8), 75(13) and 75(20)

Application

This bulletin replaces Information Bulletin 4003 originally published October 2002.

The bulletin provides information on diskette and paper return methods for filing the Corporations Tax Return (CT23).

The bulletin is published under the authority of subsection 75(20) of the Corporations Tax Act (Ontario) (CTA) which allows the Minister of Finance to communicate the requirements for the content and method of delivery of the CT23. The Minister is authorized to implement the electronic filing of the CT23 and to designate which corporations must electronically file their return under subsections 75(8) and 75(13) of the CTA. References to legislation are to the provisions of the CTA and its Regulations, unless otherwise noted.

Introduction

Methods for Filing a CT23

- There are two methods for a corporation to file its CT23 Corporations Tax and Annual Return:
 - Diskette filing, also called D-File, or
 - Filing a paper return.

Table of Contents

- This bulletin describes these filing methods and when each may be used by a corporation. The bulletin discusses the following topics:

Topic	See Paragraph
Introduction	
• Methods for Filing a CT23	1
• Table of Contents	2
Diskette Filing (D-File)	
• What is D-File	3
• Who Can Use D-File	4 - 5
• How to File Using D-File	6
• Specifications and Labeling for the Diskette	7 - 9
• Documents to Enclose with the Diskette	10 - 11
• Registration as a D-File Transmitter	12 - 13
• Certified Software	14

Table of Contents
(continued)

Topic	See Paragraph
Paper Filing <ul style="list-style-type: none"> • The Available Paper Filing Options • Who Can File a Paper Return • How to File a CT23 on a Paper Return 	<p>15 - 16</p> <p>17 - 20</p> <p>21 - 24</p>
Special Corporations and Filing Ontario Election Forms <ul style="list-style-type: none"> • Corporations Subject to Corporate Minimum Tax • Insurance Corporations • Filing Ontario Election Forms 	<p>25</p> <p>26</p> <p>27</p>
Further Information <ul style="list-style-type: none"> • Other Publications • Enquiries 	<p>28</p> <p>29</p>

Diskette Filing (D-File)

What is D-File

3. D-File, which was implemented by the Ministry in June 1995, is the original method of filing the CT23 return in an electronic format. With D-File, the CT23 return is stored on a diskette and submitted to the Ministry.

Who can use D-File

4. All corporations, except insurance corporations that file an Ontario CT8 return, may file their CT23 or EFF declaration for taxation years ending on or after December 1, 1994 by using D-File. The CT23 return or EFF declaration may be filed alone or in combination with the MCBS Annual Return. Note that the MCBS Annual Return may not be filed on its own with D-File. The following combined documents may be filed using D-File:
 - The CT23 Corporations Tax and Annual Return;
 - The CT23 Short-Form Corporations Tax and Annual Return; and
 - The Annual Return and EFF Declaration.
5. Any organization that wants to file by using D-File, whether it is a corporation filing for itself or a third-party transmitter, must be registered as a transmitter with the Ministry. See paragraphs 12 and 13 for details.

How to File Using D-File

6. Corporations registered to use D-File must:
 - Use commercially available, certified software to generate a CT23 return in an electronic format;
 - Generate the CT23 return on a diskette, following the software vendor's instructions;
 - **Not** encrypt the data on the diskette;
 - Label the diskette as described in paragraphs 8 and 9;
 - Enclose the hard copy documents described in paragraph 22; and

How to File Using D-File (cont'd)

- Send the complete package to:
Returns Processing Centre
Corporations Tax
Ministry of Revenue
PO Box 642, 33 King Street West
Oshawa ON L1H 8T1

Specifications and Labeling for the Diskette

7. The Ministry accepts diskettes in high-density format, generated from DOS, Windows or an Apple operating system.
8. When filed by the corporation itself, each diskette should be labeled with the following information:
 - The corporation's name and Ontario corporations tax account number;
 - The corporation's telephone and fax numbers; and
 - A disk reference number, when more than one disk is submitted. The disk reference number is assigned by the corporation by numbering each disk in sequence and marking the number on the top right hand corner of the label. The Ministry will use the number to identify the disk where problems or questions arise. It would be worthwhile for the corporation to record in its records the disk reference number and the information contained on each disk.
9. When filed by a third-party transmitter, each diskette should be labeled with the following information:
 - That transmitter's name;
 - The transmitter's assigned number;
 - The transmitter's phone and fax numbers; and
 - The disk reference number, as in paragraph 8.

Documents to Enclose with the Diskette

10. Corporations must enclose with the D-File diskette the following hard copy documents:
 - Financial statements of the corporation (see paragraph 11);
 - Financial statements of partnerships or joint ventures of which the corporation is a member;
 - The Ontario Electronic Filing Certification Form signed by an authorized officer;
 - Any applicable Ontario schedules not included on the diskette, and
 - For taxation years ending before 2001, a copy of the federal T2 return and schedules. A T2 in T2 Return and Schedule Information format (T2 RSI) will not be accepted. For taxation years ending after 2000, the T2 return and schedules are not required as long as they have been filed with the CCRA.
11. As explained in Information Bulletin 4002R1, the Ministry prefers corporations that D-file their tax return, to file the financial statements prepared for the shareholders of the corporation. However, if a corporation files a hard copy of the GIFI in lieu of financial statements, the Ministry will accept the GIFI if the GIFI provides sufficient information to validate any taxes payable. As there can be a wide range in the quality of the information provided in the GIFI, the Ministry reserves the right to request the financial statements in the form specified by the legislation (see paragraphs 2 and 3 of Information Bulletin 4002R1).

Registration as a D-File Transmitter

12. Any organization that wants to file returns using D-File, including corporations filing their own CT23 returns and third-party transmitters such as accounting firms filing for clients, must be registered as a transmitter with the Ministry.
13. Registration with the Ministry is done by telephone, and no registration form is used. The organization can provide all the necessary information over the phone and Ministry staff can provide an Ontario D-File transmitter number immediately. Contact the Electronic Filing Service Desk toll free at 1 800 262-0784 ext. 4440 or in Oshawa at 905-436-4440.

Certified Software

14. D-File software must be certified by the Ministry. Visit the Ministry's web site at www.fin.gov.on.ca for an up-to-date list of vendors of certified D-File software.

Paper Filing

The Available Paper Filing Options

15. There are two options for filing a CT23 return in a paper format:
 - Paper returns generated by commercially available tax preparation software; and
 - Pre-printed ministry CT23 forms.
16. Pre-printed ministry CT23 forms are the tax returns produced by the Ministry. They can be obtained in paper format by mail from the Ministry or can be downloaded in portable document format (PDF) from the Ministry's web site at www.fin.gov.on.ca

Who can File a Paper Return

17. **All** corporations can file their CT23 return using pre-printed ministry CT23 forms. Corporations that are **not** subject to Corporate Minimum Tax may file using software generated paper returns.
18. Corporations subject to Corporate Minimum Tax (CMT) are required to file electronically using D-File. Electronic filing of tax returns benefits both the Ministry and the corporation by reducing costs associated with data entry, enhancing the accuracy of tax data and improving taxpayer service.
19. Where a corporation subject to CMT is unable to file electronically, the Ministry will only accept a paper return filed on the pre-printed ministry CT23 form. In order to encourage electronic filing by corporations that have access to computer technology, computer generated paper returns (i.e., paper returns on other than the Ministry's pre-printed CT23 form) will not be accepted.
20. If a paper return is filed which does not meet the above criteria, the corporation will be requested to file electronically or to file using a pre-printed ministry CT23 form.

How to File a CT23 on a Paper Return

21. Corporations filing a CT23 return on paper will generate a hard copy of the CT23 return, if using tax preparation software, or will complete the pre-printed ministry CT23 form.

How to File a CT23 on a Paper Return (cont'd)

22. The following hard copy documents should be enclosed with the CT23 return:
- Financial statements of the corporation (see paragraph 23);
 - Financial statements of partnerships or joint ventures of which the corporation is a member;
 - Any applicable Ontario schedules; and
 - For taxation years ending before 2001, a copy of the federal T2 return and schedules. A T2 in T2 RSI format will not be accepted. For taxation years ending after 2000, the T2 is not required, as long as it has been filed with CCRA.
23. As explained in Information Bulletin 4002R1, the Ministry prefers corporations to file with the paper tax return, the financial statements prepared for the shareholders of the corporation. If the corporation files a hard copy of the GIF1 in lieu of financial statements, the Ministry will accept the GIF1, if it provides sufficient information to verify any taxes payable. As there is a wide range in the quality of the information provided in the GIF1, the Ministry reserves the right to request the financial statements in the form specified in the legislation (see paragraphs 2 and 3 of Information Bulletin 4002R1).
24. The complete package is sent to:
- Returns Processing Centre Corporations Tax
Ministry of Revenue
PO Box 620, 33 King Street West
Oshawa ON L1H 8E9

Special Corporations and Filing Ontario Election

Corporation Subject to CMT

25. A corporation that is subject to CMT or that belongs to an associated group which is subject to CMT must file its CT23 return in electronic format using D-File, or must complete a pre-printed ministry CT23 form. See paragraphs 18 and 19.

Insurance Corporations

26. Insurance corporations which file a CT8 return must file using a computer generated CT8 return or the pre-printed ministry CT8 form. The CT8 return can be obtained in paper format by mail from the Ministry or can be downloaded in PDF format from the Ministry's web site at **www.fin.gov.on.ca**

Filing Ontario Election Forms

27. No matter which method a corporation uses to file its CT23 or CT8 return, it must file with the Ministry, on paper, the Ontario elections made by it under sections 29.1 and 31.1 of the CTA. These elections are the Ontario counterparts to federal elections made for "rollovers" under subsections 85(1), 85(2) and 97(2) of the federal *Income Tax Act*. Both the transferor and transferee corporations in the rollover are required to file Ontario elections. More information on filing Ontario elections is in the "Guide to the 2002 CT23 Corporations Tax and Annual Return" which can be downloaded or viewed at the Ministry's web site at **www.fin.gov.on.ca**

Further Information

Other Publications

28. Corporations may also wish to consult the following ministry Information Bulletins on related topics:

- Information Bulletin 4001R1 **Combined Return, Short-Form Return and the Exempt From Filing Policy for Corporations**, and
- Information Bulletin 4002R1 **Financial Statement Requirements**.

These can be downloaded from the Ministry's web site at www.fin.gov.on.ca or obtained by calling the Ministry's Information Centre.

Enquiries

29. To enquire about any of the filing options for the CT23 return - D-File or paper - or to obtain copies of publications, call the Information Centre of the Ministry, between 8:15 AM and 5:00 PM, toll-free from anywhere in Ontario:

- English language enquiries, call 1 800 263-7965;
- French language enquiries, call 1-800-668-5821; and
- Teletypewriter: 1-800-263-7776
- Ministry of Revenue web site: www.fin.gov.on.ca

For further information, please contact Returns Processing Centre

D-FILE

- Toronto (416) 920-9048, ext. 4440
- Oshawa (905) 436-4440
- Toll free 1 800 262-0784, ext. 4440
- Fax (905) 433-5287

PAPER

- Toronto (416) 920-9048, ext. 6700
- Oshawa (905) 433-6700
- Toll free 1 800 262-0784, ext. 6700
- Fax (905) 433-5287

Hours of Service: 8:30 am to 5:00 pm or visit our Web site at www.fin.gov.on.ca

Ce guide est disponible en français sous le nom « Transmission électronique (ted des sociétés), transmission sur disquette et sur papier de la déclaration d'impôt des corporations (CT23), n° 4003FR1 ».
Vous pouvez en obtenir un exemplaire en appelant le 1 800 668-5821.