



## INVESTMENT TAX CREDIT – CORPORATIONS (2010 and later tax years)

### General information

- For use by a corporation that during a tax year:
  - earned an investment tax credit (ITC);
  - is claiming a deduction against its Part I tax payable;
  - is claiming a refund of credit earned during the current tax year;
  - is claiming a carryforward of credit from previous tax years;
  - is transferring a credit following an amalgamation or wind-up of a subsidiary, as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*;
  - is requesting a credit carryback; or
  - is subject to a recapture of ITC.
- References to parts, sections, and subsections on this schedule are from the federal *Income Tax Act* and the federal *Income Tax Regulations*. References to interpretation bulletins and information circulars are to the latest versions.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- Investments or expenditures, as defined in subsection 127(9) and Part XLVI of the federal *Income Tax Regulations*, that earn the ITC are:
  - qualified property (Parts 4 to 7);
  - expenditures that are part of the SR&ED qualified expenditure pool (Parts 8 to 17). Complete and file Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*;
  - pre-production mining expenditures (Parts 18 to 20);
  - apprenticeship job creation expenditures (Parts 21 to 23); and
  - child care spaces expenditures (Parts 24 to 28).
- Attach a completed copy of this schedule with the *T2 Corporation Income Tax Return*.
- For more information on ITCs, see the section called "Investment Tax Credit" in the *T2 Corporation – Income Tax Guide*, Information Circular IC 78-4, *Investment Tax Credit Rates*, and its related Special Release. Also, see Interpretation Bulletin IT-151, *Scientific Research and Experimental Development Expenditures*.
- For information on SR&ED, see Interpretation Bulletin IT-151 (**consolidated**), *Scientific Research and Experimental Development Expenditures*; Information Circular 86-4, *Scientific Research and Experimental Development*; Brochure RC4472, *Overview of the Scientific Research and Experimental Development Program (SR&ED) Tax Incentive Program*; Brochure RC4467, *Support for your R&D in Canada* and T4088, *Guide to Form T661 Scientific Research and Experimental Development (SR&ED) Expenditures Claim*.

### Detailed information

- For the purpose of this schedule, "**investment**" means:  
The capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
- An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces the capital cost of that property in the next tax year. It also reduces the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be "available for use" before a claim for an ITC can be made.
- Expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which the expenditures or capital costs were incurred.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITC's is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 of the Act is not applicable for the agreement to share any income or loss. Special rules apply to specified and limited partners. For more information, see Guide T4068-1, 2010 Supplement to the 2006 T4068, Guide for the T5013 Partnership Information Return.
- For SR&ED expenditures, the expression "in Canada" includes the "exclusive economic zone" (as defined in the *Oceans Act* to generally consist of an area that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil for that zone.

**Part 1 – Investments, expenditures and percentages**

Investments	Specified percentage
Qualified property acquired primarily for use in Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, the Gaspé Peninsula, or a prescribed offshore region .....	10%
<b>Expenditures</b>	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10 on page 5) .....	35%
<b>Note:</b> If your current year's qualified expenditures are more than the corporation's expenditure limit (see Part 10 on page 5), the excess is eligible for an ITC calculated at the 20% rate.	
If you are a corporation that is not a CCPC that incurred qualified expenditures for SR&ED in any area in Canada .....	20%
If you are a taxable Canadian corporation that incurred pre-production mining expenditures .....	10%
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment .....	10%
If you incurred eligible expenditures after March 18, 2007, for the creation of licensed child care spaces for the children of your employees and, potentially, for other children .....	25%

**Part 2 – Determination of a qualifying corporation**

Is the corporation a qualifying corporation? ..... **101** 1 Yes  2 No

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and the taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

**Note:** A CCPC calculating a refundable ITC, is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10 on page 5. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

- a) one or more persons exempt from Part I tax under section 149;
- b) Her Majesty in right of a province, a Canadian municipality, or any other public authority; or
- c) any combination of persons referred to in a) or b) above.

**Part 3 – Corporations in the farming industry**

Complete this area if the corporation is making SR&ED contributions

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? ..... **102** 1 Yes  2 No

Contributions to agricultural organizations for SR&ED ..... **103** \_\_\_\_\_

If **yes**, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in. For more information on Schedule 125, see the *Guide to the General Index of Financial Information (GIFI) for Corporations*. Enter contributions on line 350 of Part 8.

# QUALIFIED PROPERTY

## Part 4 – Eligible investments for qualified property from the current tax year

CCA* class number <b>105</b>	Description of investment <b>110</b>	Date available for use <b>115</b>	Location used (province or territory) <b>120</b>	Amount of investment <b>125</b>
1.				
2.				
3.				
4.				
5.				
<b>Total investment</b> – enter in formula on line 240 in Part 5				

\* CCA: capital cost allowance

## Part 5 – Calculation of current-year credit and account balances – ITC from investments in qualified property

ITC at the end of the previous tax year ..... \_\_\_\_\_

**Deduct:**

Credit deemed as a remittance of co-op corporations ..... **210** \_\_\_\_\_

Credit expired ..... **215** \_\_\_\_\_

Subtotal ..... **220** \_\_\_\_\_

ITC at the beginning of the tax year ..... \_\_\_\_\_

**Add:**

Credit transferred on amalgamation or wind-up of subsidiary ..... **230** \_\_\_\_\_

ITC from repayment of assistance ..... **235** \_\_\_\_\_

Total current-year credit: total of column 125 ..... **240** \_\_\_\_\_ × 10% = ..... **250** \_\_\_\_\_

Credit allocated from a partnership ..... \_\_\_\_\_

Subtotal ..... \_\_\_\_\_

Total credit available ..... \_\_\_\_\_

**Deduct:**

Credit deducted from Part I tax (enter on line B1 in Part 30) ..... **260** \_\_\_\_\_

Credit carried back to the previous year(s) (from Part 6) ..... \_\_\_\_\_ A

Credit transferred to offset Part VII tax liability ..... **280** \_\_\_\_\_

Subtotal ..... \_\_\_\_\_

Credit balance before refund ..... \_\_\_\_\_ B

**Deduct:**

Refund of credit claimed on investments from qualified property (from Part 7) ..... **310** \_\_\_\_\_

**ITC closing balance of investments from qualified property** ..... **320** \_\_\_\_\_

## Part 6 – Request for carryback of credit from investments in qualified property

	<table border="1" style="border-collapse: collapse;"> <tr> <th style="width: 20%;">Year</th> <th style="width: 20%;">Month</th> <th style="width: 20%;">Day</th> </tr> <tr> <td> </td><td> </td><td> </td></tr> <tr> <td> </td><td> </td><td> </td></tr> <tr> <td> </td><td> </td><td> </td></tr> </table>	Year	Month	Day												
Year	Month	Day														
1st previous tax year		..... Credit to be applied	<b>901</b>	_____												
2nd previous tax year		..... Credit to be applied	<b>902</b>	_____												
3rd previous tax year		..... Credit to be applied	<b>903</b>	_____												
<b>Total</b> (enter on line A in Part 5)				_____												

## Part 7 – Calculation of refund for qualifying corporations on investments from qualified property

Current-year ITCs (total of lines 240 and 250 in Part 5) ..... \_\_\_\_\_ C

Credit balance before refund (amount B from Part 5) ..... \_\_\_\_\_ D

**Refund** (40% of amount C or D, whichever is less) ..... \_\_\_\_\_ E

Enter amount E or a lesser amount on line 310 in Part 5 (also enter it on line 780 of the T2 return if the corporation does not claim an SR&ED ITC refund).

## SR&ED

### Part 8 – Qualified SR&ED expenditures

Current expenditures (including contributions to agricultural organizations for SR&ED at line 103 in Part 3)* (from line 557 on Form T661)	<b>350</b>	
Capital expenditures (from line 558 on Form T661)	<b>360</b>	
Repayments made in the year (from line 560 on Form T661)	<b>370</b>	
<b>Total</b> (this must equal the amount from line 570 on Form T661)*	<b>380</b>	

\* Do not file form T661 if you are only claiming contributions made to agricultural organizations for SR&ED.

### Part 9 – Components of the SR&ED expenditure limit calculation

**Part 9 only applies if the corporation is a CCPC.**

**Note:** A CCPC that calculates SR&ED expenditure limit is considered to be associated with another corporation if it meets any of the conditions in subsection 256(1), except where:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? . . . **385** 1 Yes  2 No

Complete lines 390 and 398, if you answered **no** to the question at line 385 above or if the corporation is not associated with any other corporations (the amounts for associated corporations will be determined on Schedule 49).

Enter your taxable income for the previous tax year\* (prior to any loss carry-backs applied) . . . . . **390** \_\_\_\_\_

Enter your taxable capital employed in Canada for the previous tax year minus \$10 million.  
If this amount is nil or negative, enter "0". If this amount is over \$40 million, enter \$40 million . . . . . **398** \_\_\_\_\_

\* If either of the tax years referred to at line 390 is less than 51 weeks, multiply the taxable income by the following result: 365 divided by the number of days in these tax years.

**Part 10 – Calculation of SR&ED expenditure limit for a CCPC**

**For stand-alone corporations:**

**Calculation 1:** Tax year starts after December 31, 2009.

$$[(\$8,000,000 \text{ minus } (10 \times (\text{line 390 from Part 9 or } \$500,000, \text{ whichever is more}))) \times ((\$40,000,000 \text{ minus line 398 from Part 9) divided by } \$40,000,000)] \dots\dots\dots$$

**Calculation 2:** Tax year straddles January 1, 2010.

$$EE + [(FF \text{ minus } EE) \times (GG \text{ divided by } HH)] \text{ where, } \dots\dots\dots$$

$$EE = [(\$7,000,000 \text{ minus } (10A)) \times ((\$40,000,000 \text{ minus } B) \text{ divided by } \$40,000,000)];$$

$$FF = [(\$8,000,000 \text{ minus } (10 \times (\text{line 390 from Part 9 or } \$500,000, \text{ whichever is more}))) \times ((\$40,000,000 \text{ minus line 398 from Part 9) divided by } \$40,000,000)];$$

**GG** = number of days in the tax year after December 31, 2009;

**HH** = number of days in the tax year.

Amount A **408** \_\_\_\_\_ Amount B **409** \_\_\_\_\_

**A** = the greater of:

- \$400,000; and
- your taxable income for the last tax year\* ending in the previous calendar year (tax years ending in 2008) (prior to any loss carry-backs applied).

**B** = the taxable capital employed in Canada for the last tax year ending in the previous calendar year (tax years ending in 2008) minus \$10 million. If this amount is nil or negative, enter "0". If this amount is over \$40 million, enter \$40 million.

\* If any of the tax years referred to in **A** above are less than 51 weeks, gross up the taxable incomes for those tax years by the ratio that 365 is of the number of days in those tax years. Use these grossed up amounts when calculating the expenditure limit.

Enter the amount from Calculation 1 or 2, whichever is applicable \_\_\_\_\_ **G\***

**For associated corporations:**

If associated, the allocation of the SR&ED expenditure limit as provided on Schedule 49 ..... **400** \_\_\_\_\_ **H\***

**Where the tax year of the corporation is less than 51 weeks, calculate the amount of the expenditure limit as follows:**

$$\text{Line G or H} \times \frac{\text{Number of days in the tax year}}{365} = \dots\dots\dots \text{_____} \text{ **I**}$$

**Your SR&ED expenditure limit for the year** (enter the amount from line G, H, or I, whichever applies) ..... **410** \_\_\_\_\_

\* Amount G or H cannot be more than \$3,000,000.

**Part 11 – Calculation of investment tax credits on SR&ED expenditures**

Enter whichever is less: current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10)\* ..... **420** \_\_\_\_\_ × 35% = \_\_\_\_\_ J  
 Line 350 minus line 410 (if negative, enter "0") ..... **430** \_\_\_\_\_ × 20% = \_\_\_\_\_ K  
 Line 410 minus line 350 (if negative, enter "0") ..... \_\_\_\_\_ L  
 Enter whichever is less: capital expenditures (line 360 from Part 8) or line L above\* ... **440** \_\_\_\_\_ × 35% = \_\_\_\_\_ M  
 Line 360 minus line L (if negative, enter "0") ..... **450** \_\_\_\_\_ × 20% = \_\_\_\_\_ N

**Repayments** (amount from line 370 in Part 8) ..... \_\_\_\_\_

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit at the rate that would have applied to the repaid amount. Enter the amount of the repayment on the line that corresponds to the appropriate rate.

**460** \_\_\_\_\_ × 35% = \_\_\_\_\_  
**480** \_\_\_\_\_ × 20% = \_\_\_\_\_  
 Total \_\_\_\_\_ ▶ \_\_\_\_\_ O

**Current-year SR&ED ITC** (total of lines J, K, M, N, and O; enter on line 540 in Part 12) ..... \_\_\_\_\_

\* For corporations that are not CCPCs, enter "0" on lines J and M.

**Part 12 – Calculation of current-year credit and account balances – ITC from SR&ED expenditures**

ITC at the end of the previous tax year ..... \_\_\_\_\_

**Deduct:**  
 Credit deemed as a remittance of co-op corporations ..... **510** \_\_\_\_\_  
 Credit expired ..... **515** \_\_\_\_\_  
 Subtotal \_\_\_\_\_ ▶ \_\_\_\_\_

ITC at the beginning of the tax year ..... **520** \_\_\_\_\_

**Add:**  
 Credit transferred on amalgamation or wind-up of subsidiary ..... **530** \_\_\_\_\_  
 Total current-year credit ..... **540** \_\_\_\_\_  
 Credit allocated from a partnership ..... **550** \_\_\_\_\_  
 Subtotal \_\_\_\_\_ ▶ \_\_\_\_\_

Total credit available ..... \_\_\_\_\_

**Deduct:**  
 Credit deducted from Part I tax (enter on line B2 in Part 30) ..... **560** \_\_\_\_\_  
 Credit carried back to the previous year(s) (from Part 13) ..... \_\_\_\_\_ P  
 Credit transferred to offset Part VII tax liability ..... **580** \_\_\_\_\_  
 Subtotal \_\_\_\_\_ ▶ \_\_\_\_\_

Credit balance before refund ..... \_\_\_\_\_ Q

**Deduct:**  
 Refund of credit claimed on expenditures of SR&ED (from Part 14 or 15, whichever applies) ..... **610** \_\_\_\_\_  
**ITC closing balance on SR&ED** ..... **620** \_\_\_\_\_

**Part 13 – Request for carryback of credit from SR&ED expenditures**

Year	Month	Day

1st previous tax year ..... Credit to be applied **911** \_\_\_\_\_  
 2nd previous tax year ..... Credit to be applied **912** \_\_\_\_\_  
 3rd previous tax year ..... Credit to be applied **913** \_\_\_\_\_  
**Total** (enter on line P in Part 12) \_\_\_\_\_

**Part 14 – Calculation of refund of ITC for qualifying corporations – SR&ED**

Complete this part only if you are a qualifying corporation as determined at line 101 on page 2.

Is the corporation an excluded corporation as defined under subsection 127.1(2)? ..... **650** 1 Yes  2 No

Credit balance before refund (amount Q from Part 12) ..... \_\_\_\_\_ R

Current-year ITC (lines 540 plus 550 from Part 12 **minus** line O from Part 11) ..... \_\_\_\_\_ S

Refundable credits (amount R or S, whichever is less)\* ..... \_\_\_\_\_ T

Amount J from Part 11 ..... \_\_\_\_\_ U

**Subtract:** Amount T or U, whichever is less ..... \_\_\_\_\_ V

Net amount (if negative, enter "0") ..... \_\_\_\_\_ W

Amount W \_\_\_\_\_ × 40% ..... \_\_\_\_\_ X

**Add:** Amount V ..... \_\_\_\_\_ Y

**Refund of ITC** (amounts X **plus** Y – enter this, or a lesser amount, on line 610 in Part 12) ..... \_\_\_\_\_ Z

Enter the total of lines 310 from Part 5 and 610 from Part 12 on line 780 of the T2 return.

\* If you are also an excluded corporation [as defined in subsection 127.1(2)], this amount must be multiplied by 40%.  
Claim this, or a lesser amount, as your refund of ITC on line Z.

**Part 15 – Calculation of refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED**

Complete this box only if you are a CCPC that is not a qualifying or excluded corporation as determined in Part 2 on page 2.

Credit balance before refund (amount Q from Part 12) ..... \_\_\_\_\_ AA

Amount J from Part 11 ..... \_\_\_\_\_ BB

**Subtract:** Amount AA or BB, whichever is less ..... \_\_\_\_\_ CC

Net amount (if negative, enter "0") ..... \_\_\_\_\_ DD

Amount M from Part 11 ..... \_\_\_\_\_ EE

Amount DD or EE, whichever is less \_\_\_\_\_ × 40% ..... \_\_\_\_\_ FF

**Add:** Amount CC above ..... \_\_\_\_\_ GG

**Refund of ITC** (amounts FF **plus** GG) ..... \_\_\_\_\_ HH

Enter HH, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

# RECAPTURE – SR&ED

## Part 16 – Calculating the recapture of ITC for corporations and corporate partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, if the credit was earned in a tax year ending after 1997 and did not expire before 2008;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to.

**Note:**

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

**Calculation 1 –** If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the note above  <b>700</b>	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case)  <b>710</b>	Amount from column 700 or 710, whichever is less
1.		
2.		
3.		
4.		
5.		
<b>Subtotal</b> (enter this amount on line LL in Part 17)		

II

**Calculation 2 –** Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil at line JJ in Part 16 on page 9.

<b>A</b> Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement  <b>720</b>	<b>B</b> Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition  <b>730</b>	<b>C</b> Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.)  <b>740</b>
1.		
2.		
3.		
4.		
5.		

**Calculation 2 is continued on page 9.**

**Part 16 – Calculating the recapture of ITC for corporations and corporate partnerships – SR&ED (continued)**

**Calculation 2 (continued)** – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil on line JJ below.

D	E	F
Amount determined by the formula (A × B) – C (using the columns on page 8)	ITC earned by the transferee for the qualified expenditures that were transferred	Amount from column D or E, whichever is less
	<b>750</b>	
1.		
2.		
3.		
4.		
5.		
<b>Subtotal</b> (enter this amount on line MM in Part 17)		JJ

**Calculation 3**

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12 on page 6. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line KK below.

Corporate partner's share of the excess of SR&ED ITC (amount to be reported on line NN in Part 17) **760** KK

**Part 17 – Total recapture of SR&ED investment tax credit**

Recaptured ITC for calculation 1 from line II in Part 16 on page 8		LL
Recaptured ITC for calculation 2 from line JJ in Part 16 above		MM
Recaptured ITC for calculation 3 from line KK in Part 16 above		NN
<b>Total recapture of SR&amp;ED investment tax credit</b> – Add lines LL, MM and NN		<b>OO</b>

Enter amount OO at line A1 in Part 29.

# PRE-PRODUCTION MINING

## Part 18 – Pre-production mining expenditures

### Exploration information

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the tax year. Attach additional schedules if more space is needed.

	List of minerals 800
1.	
2.	
3.	
4.	

For each of the minerals reported in column 800 above, identify each project, mineral title, and mining division where title is registered. If there is no mineral title, identify the project and mining division only. Attach additional schedules if more space is required.

	Project name 805	Mineral title 806	Mining division 807
1.			
2.			
3.			
4.			

### Pre-production mining expenditures\*

Pre-production mining expenditures that the corporation incurred in the tax year for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

Prospecting .....	810		PP
Geological, geophysical, or geochemical surveys .....	811		QQ
Drilling by rotary, diamond, percussion, or other methods .....	812		RR
Trenching, digging test pits, and preliminary sampling .....	813		SS

Pre-production mining expenditures incurred in the tax year for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

Clearing, removing overburden, and stripping .....	820		TT
Sinking a mine shaft, constructing an adit, or other underground entry .....	821		UU

Other pre-production mining expenditures incurred in the tax year (attach additional schedules if more space is required):

	Description 825	Amount 826	
1.			
2.			
3.			
4.			
Add amounts at column 826			VV
Total pre-production mining expenditures (add amounts PP to VV)		830	

**Deduct:** Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to at line 830 above ..... 832 \_\_\_\_\_

Excess (line 830 minus line 832) (if negative, enter "0") \_\_\_\_\_ WW

**Add:** Repayments of government and non-government assistance ..... 835 \_\_\_\_\_ XX

**Pre-production mining expenditures** (amount WW plus amount XX) ..... YY

\* A pre-production mining expenditure is defined under subsection 127(9).

**Part 19 – Calculation of current-year credit and account balances – ITC from pre-production mining expenditures**

ITC at the end of the previous tax year ..... \_\_\_\_\_

**Deduct:**

Credit deemed as a remittance of co-op corporations ..... **841** \_\_\_\_\_

Credit expired ..... **845** \_\_\_\_\_

Subtotal = \_\_\_\_\_ ▶ \_\_\_\_\_

ITC at the beginning of the tax year ..... **850** \_\_\_\_\_

**Add:**

Credit transferred on amalgamation or wind-up of subsidiary ..... **860** \_\_\_\_\_

Expenditures from line YY in Part 18: **870** \_\_\_\_\_ × 10% = ..... **880** \_\_\_\_\_

Total credit available ..... \_\_\_\_\_

**Deduct:**

Credit deducted from Part I tax (enter on line B3 in Part 30) ..... **885** \_\_\_\_\_

Credit carried back to the previous year(s) (from Part 20) ..... \_\_\_\_\_ CCC

Subtotal = \_\_\_\_\_ ▶ \_\_\_\_\_

**ITC closing balance from pre-production mining expenditures** ..... **890** \_\_\_\_\_

**Part 20 – Request for carryback of credit from pre-production mining expenditures**

	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="padding: 2px;">Year</th> <th style="padding: 2px;">Month</th> <th style="padding: 2px;">Day</th> </tr> <tr> <td style="padding: 2px;">     </td> <td style="padding: 2px;">   </td> <td style="padding: 2px;">   </td> </tr> <tr> <td style="padding: 2px;">     </td> <td style="padding: 2px;">   </td> <td style="padding: 2px;">   </td> </tr> <tr> <td style="padding: 2px;">     </td> <td style="padding: 2px;">   </td> <td style="padding: 2px;">   </td> </tr> </table>	Year	Month	Day											
Year	Month	Day													
1st previous tax year		.....	Credit to be applied <b>921</b> _____												
2nd previous tax year		.....	Credit to be applied <b>922</b> _____												
3rd previous tax year		.....	Credit to be applied <b>923</b> _____												
<b>Total</b> (enter on line CCC in Part 19)			_____												

## APPRENTICESHIP JOB CREATION

### Part 21 – Calculation of total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number or name) appears below? (If not, you cannot claim the tax credit.)

611 1 Yes  2 No

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the social insurance number (SIN) or the name of the eligible apprentice. Attach additional schedules if more space is needed.

	A Contract number (SIN or name of apprentice) <b>601</b>	B Name of eligible trade <b>602</b>	C Eligible salary and wages* <b>603</b>	D Column C x 10% <b>604</b>	E Lesser of column D or \$2000 <b>605</b>
1.					
2.					
3.					
4.					
Total current-year credit (enter at line 640)					

\* Net of any other government or non-government assistance received or to be received.

### Part 22 – Calculation of current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year \_\_\_\_\_

**Deduct:**  
 Credit deemed as a remittance of co-op corporations **612** \_\_\_\_\_  
 Credit expired after 20 tax years **615** \_\_\_\_\_  
 Subtotal \_\_\_\_\_ ▶

ITC at the beginning of the tax year \_\_\_\_\_ **625**

**Add:**  
 Credit transferred on amalgamation or wind-up of subsidiary **630** \_\_\_\_\_  
 ITC from repayment of assistance **635** \_\_\_\_\_  
 Total current-year credit (total of column 605) **640** \_\_\_\_\_  
 Credit allocated from a partnership **655** \_\_\_\_\_  
 Subtotal \_\_\_\_\_ ▶

Total credit available \_\_\_\_\_

**Deduct:**  
 Credit deducted from Part I tax (enter on line B4 in Part 30) **660** \_\_\_\_\_  
 Credit carried back to the previous year(s) (from Part 23) \_\_\_\_\_ DDD  
 Subtotal \_\_\_\_\_ ▶

**ITC closing balance from apprenticeship job creation expenditures** \_\_\_\_\_ **690**

### Part 23 – Request for carryback of credit from apprenticeship job creation expenditures

	Year	Month	Day	
1st previous tax year				..... Credit to be applied <b>931</b> _____
2nd previous tax year				..... Credit to be applied <b>932</b> _____
3rd previous tax year				..... Credit to be applied <b>933</b> _____
<b>Total</b> (enter on line DDD in Part 22)				_____

## CHILD CARE SPACES

### Part 24 – Eligible child care spaces expenditures

Enter the eligible expenditures that the corporation incurred to create licensed child care spaces for the children of the employees and, potentially, for other children. The corporation cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property); and
  - the specified child care start-up expenditures;
- acquired or incurred only to create new child care spaces at a licensed child care facility.

Attach additional schedules if more space is needed.

#### Cost of depreciable property from the current tax year

	CCA* class number	Description of investment	Date available for use	Amount of investment	
	<b>665</b>	<b>675</b>	<b>685</b>	<b>695</b>	
1.					
2.					
3.					
4.					
5.					
Total cost of depreciable property from the current tax year				<b>715</b>	EEE

**Add:** Specified child care start-up expenditures from the current tax year ..... **705** \_\_\_\_\_ FFF

Total gross eligible expenditures for child care spaces (line 715 plus line 705) ..... \_\_\_\_\_ GGG

**Deduct:** Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to at line GGG) ..... **725** \_\_\_\_\_ HHH

Excess (amount GGG minus amount HHH) (if negative, enter "0") \_\_\_\_\_ III

**Add:** Repayments of government and non-government assistance ..... **735** \_\_\_\_\_ JJJ

**Total eligible expenditures for child care spaces** (amount III plus amount JJJ) ..... **745** \_\_\_\_\_

\* CCA: capital cost allowance

**Part 25 – Calculation of current-year credit – ITC from child care spaces expenditures**

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of \$10,000 per child care space created in a licensed child care facility.

Eligible expenditures (line 745) ..... × 25% = \_\_\_\_\_ KKK

Number of child care spaces ..... **755** ..... × \$10,000 = \_\_\_\_\_ LLL

**ITC from child care spaces expenditures** (amount KKK or LLL, whichever is less) .....                      MMM

**Part 26 – Calculation of current-year credit and account balances – ITC from child care spaces expenditures**

ITC at the end of the previous tax year ..... \_\_\_\_\_

**Deduct:**

Credit deemed as a remittance of co-op corporations ..... **765** \_\_\_\_\_

Credit expired after 20 tax years ..... **770** \_\_\_\_\_

Subtotal                      ▶ \_\_\_\_\_

ITC at the beginning of the tax year ..... **775** \_\_\_\_\_

**Add:**

Credit transferred on amalgamation or wind-up of subsidiary ..... **777** \_\_\_\_\_

Total current-year credit (amount MMM above) ..... **780** \_\_\_\_\_

Credit allocated from a partnership ..... **782** \_\_\_\_\_

Subtotal                      ▶ \_\_\_\_\_

Total credit available ..... \_\_\_\_\_

**Deduct:**

Credit deducted from Part I tax (enter on line B5 in Part 30) ..... **785** \_\_\_\_\_

Credit carried back to the previous year(s) (from Part 27) ..... \_\_\_\_\_ NNN

Subtotal                      ▶ \_\_\_\_\_

**ITC closing balance from child care spaces expenditures** ..... **790**                     

**Part 27 – Request for carryback of credit from child care space expenditures**

Year	Month	Day

1st previous tax year ..... Credit to be applied **941** \_\_\_\_\_

2nd previous tax year ..... Credit to be applied **942** \_\_\_\_\_

3rd previous tax year ..... Credit to be applied **943** \_\_\_\_\_

**Total** (enter on line NNN in Part 26)

## RECAPTURE – CHILD CARE SPACES

### Part 28 – Calculating the recapture of ITC for corporations and corporate partnerships – Child care spaces

The ITC will be recovered against the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property:

- the new child care space is no longer available; or
- property that was an eligible expenditure for the child care space is:
  - disposed of or leased to a lessee; or
  - converted to another use.

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a)) ..... **792** \_\_\_\_\_ ZZZ

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC . . . **795** \_\_\_\_\_

25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property ..... **797** \_\_\_\_\_

Amount from line 795 or line 797, whichever is less ..... \_\_\_\_\_ OOO

#### Corporate partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 26 on page 14. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line PPP below.

Corporate partner's share of the excess of ITC **799** \_\_\_\_\_ PPP

**Total recapture of child care spaces investment tax credit** – Add lines ZZZ, OOO, and PPP ..... \_\_\_\_\_ QQQ  
Enter amount QQQ on line A2 in Part 29.

### Part 29 – Total recapture of investment tax credit

Recaptured SR&ED ITC from line OO in Part 17 on page 9 ..... \_\_\_\_\_ A1

Recaptured child care spaces ITC from line QQQ in Part 28 above ..... \_\_\_\_\_ A2

**Total recapture of investment tax credit** – Add lines A1 and A2 ..... \_\_\_\_\_ A3  
Enter amount A3 on line 602 on page 7 of the T2 return.

### Part 30 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (from line 260 in Part 5) ..... \_\_\_\_\_ B1

ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12) ..... \_\_\_\_\_ B2

ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 19) ..... \_\_\_\_\_ B3

ITC from apprenticeship job creation expenditures deducted from Part I tax (from line 660 in Part 22) ..... \_\_\_\_\_ B4

ITC from child care space expenditures deducted from Part I tax (from line 785 in Part 26) ..... \_\_\_\_\_ B5

**Total ITC deducted from Part I tax** (add lines B1, B2, B3, B4, and B5) ..... \_\_\_\_\_ B6  
Enter amount B6 at line 652 on page 7 of the T2 return.