Investment Tax Credit – Corporations
(2012 and later tax years)

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year;
  - to claim a deduction against Part I tax payable;
  - to claim a refund of credit earned during the current tax year;
  - to claim a carryforward of credit from previous tax years;
  - to transfer 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*;
  - to request a credit carryback to one or more previous years; or
  - if you are subject to a recapture of ITC.
- 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.
- All legislative references are to the federal *Income Tax Act* and *Income Tax Regulations*.
- Investments or expenditures, described in subsection 127(9) of the Act and Part XLVI of the Regulations, that earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule);
  - expenditures that are part of the SR&ED qualified expenditure pool (Parts 8 to 17). 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).
- Include a completed copy of this schedule with the *T2 Corporation Income Tax Return*. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, *T2 Corporation – Income Tax Guide*, Information Circular IC 78-4, *Investment Tax Credit Rates*, and its related Special Release.
- For more information on SR&ED, see 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*. Also see the *Eligibility of Work for SR&ED Investment Tax Credits Policy* at **www.cra.gc.ca/txcrdt/sred-rsde/clmng/lgbltywrkfrsrdnvstmnttxcrdts-eng.html**.

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 of the Act), 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. See subsections 127(11.2) and 248(19) for more information.
- 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 it incurred the expenditures or capital costs.
- 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 ITCs 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 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, *Guide for the 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.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).
- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and if acquired by the taxpayer **after** March 28, 2012, new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) of the Act for more information.
- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) of the Act for more information.

Detailed information (continued)

- For the purpose of this schedule, **pre-production mining exploration expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to determine the existence, location, extent, or quality of certain mineral resources in Canada, excluding expenses incurred in the exploration of an oil or gas well. See subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining development expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to bring a new mineral resource mine in Canada into production, excluding expenses in the development of a bituminous sands deposit or an oil shale deposit. See subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

	Specified percentage
Investments	
Qualified property acquired primarily for use in Atlantic Canada	10%
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014	10%
– after 2013 and before 2016	5%
– after 2015*	0%
Expenditures	
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%
Note: 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 and have incurred qualified expenditures for SR&ED in any area in Canada:	
– before 2014**	20%
– after 2013**	15%
If you are a taxable Canadian corporation that incurred pre-production mining expenditures before March 29, 2012	10%
If you are a taxable Canadian corporation that incurred pre-production mining exploration expenditures***:	
– after March 28, 2012, and before 2013	10%
– in 2013	5%
– after 2013***	0%
If you are a taxable Canadian corporation that incurred pre-production mining development expenditures****:	
– after March 28, 2012, and before 2014****	10%
– in 2014	7%
– in 2015	4%
– after 2015****	0%
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%

* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a **phase** of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of **specified percentage** in subsection 127(9) for more information.

** The reduction of the rate from 20% to 15% applies to 2014 and later tax years, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.

*** Pre-production mining exploration expenditures are described in subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9).

**** A transitional relief rate of 10% may apply to expenditures incurred after 2013 and before 2016, if the expenditure is incurred under a written agreement entered into before March 29, 2012, or the expenditure is incurred as part of the development of a new mine where the construction or the engineering and design work for the construction of the new mine started before March 29, 2012. See subparagraph (k)(ii) of the definition of **specified percentage** in subsection 127(9) for more information. Pre-production mining development expenditures are described in subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9).

Corporation's name	Business number	Tax year-end Year Month Day

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 its 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.

* Capital expenditures incurred after December 31, 2013, including lease payments for property that would have been a capital expenditure if purchased directly, are **not** qualified SR&ED expenditures and are **not** eligible for an ITC on SR&ED expenditures.

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 Guide RC4088, *General Index of Financial Information (GIFI)*. Enter contributions on line 350 of Part 8.

* Enter only contributions not already included on Form T661. Include all of the contributions made before 2013 and 80% of the contributions made after 2012.

Qualified Property and Qualified Resource Property

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

	CCA* class number **105**	Description of investment **110**	Date available for use **115**	Location used (province or territory) **120**	Amount of investment **125**
1.					
2.					
3.					
4.					
				Total of investments for qualified property and qualified resource property	A

* CCA: capital cost allowance

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year					B
Deduct:					
Credit deemed as a remittance of co-op corporations	210				
Credit expired	215				
Subtotal (line 210 **plus** line 215)			►		C
ITC at the beginning of the tax year (amount B **minus** amount C)			220		
Add:					
Credit transferred on amalgamation or wind-up of subsidiary	230				
ITC from repayment of assistance	235				
Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part of amount A from Part 4) ________ × 10% =	240				
Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part of amount A from Part 4) ________ × 5% =	242				
Credit allocated from a partnership	250				
Subtotal (total of lines 230 to 250)			►		D
Total credit available (line 220 **plus** amount D)					E
Deduct:					
Credit deducted from Part I tax (enter at amount D in Part 30)	260				
Credit carried back to the previous year(s) (amount H from Part 6)			a		
Credit transferred to offset Part VII tax liability	280				
Subtotal (total of line 260, amount a, and line 280)			►		F
Credit balance before refund (amount E **minus** amount F)					G
Deduct:					
Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7)			310		
ITC closing balance of investments from qualified property and qualified resource property (amount G **minus** line 310)			320		

* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

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

	Year	Month	Day			
1st previous tax year				Credit to be applied	901	
2nd previous tax year				Credit to be applied	902	
3rd previous tax year				Credit to be applied	903	
				Total (enter at amount a in Part 5)		H

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property and qualified resource property

Current-year ITCs (total of lines 240, 242, and 250 from Part 5)		I
Credit balance before refund (amount G from Part 5)		J
Refund (40% of amount I or J, whichever is less)		K

Enter amount K 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).

Corporation's name	Business number	Tax year-end Year Month Day

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures (line 557 on Form T661 **plus** line 103 from Part 3)*	350	
Capital expenditures incurred **before** 2014 (from line 558 on Form T661)**	360	
Repayments made in the year (from line 560 on Form T661)	370	
Qualified SR&ED expenditures (total of lines 350 to 370)	380	

* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

** Capital expenditures incurred after December 31, 2013, are not qualified SR&ED expenditures.

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 an 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 – SR&ED expenditure limit for a CCPC

For a stand-alone corporation:		**$8,000,000**	
Deduct: Taxable income for the previous tax year (line 390 from Part 9) or $500,000, whichever is more	____ × 10 =		A
Excess ($8,000,000 **minus** amount A; if negative, enter "0")			B
$40,000,000 **minus** line 398 from Part 9	____ a		
Amount a **divided** by $40,000,000			C
Expenditure limit for the stand-alone corporation (amount B **multiplied** by amount C)			D*
For an associated corporation:			
If associated, the allocation of the SR&ED expenditure limit as provided on Schedule 49	400		E*

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

Amount D or E ________ × $\frac{\text{Number of days in the tax year}}{365}$ ________ = ________ F

Your SR&ED expenditure limit for the year (enter the amount from line D, E, or F, whichever applies) 410 ________

* Amount D or E cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Current expenditures (line 350 from Part 8) or the expenditure limit (line 410 from Part 10), whichever is less*	420		× 35%	=		G
Line 350 **minus** line 410 (if negative, enter "0")**	430		× 20%	=		H
Line 410 **minus** line 350 (if negative, enter "0")			b			
Capital expenditures (line 360 from Part 8) or amount b above, whichever is less*	440		× 35%	=		I
Line 360 **minus** amount b above (if negative, enter "0")**	450		× 20%	=		J

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%	=		c	
480		× 20%	=		d	
	Subtotal (amount c **plus** amount d)				►	K

Current-year SR&ED ITC (total of amounts G to K; enter on line 540 in Part 12) . . . . . . ______ L

* For corporations that are not CCPCs, enter "0" for amounts G and I.

** For tax years that end after 2013, the general SR&ED rate is reduced from 20% to 15%, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the previous tax year					M
Deduct:					
Credit deemed as a remittance of co-op corporations	510				
Credit expired	515				
Subtotal (line 510 **plus** line 515)			►		N
ITC at the beginning of the tax year (amount M **minus** amount N)			520		
Add:					
Credit transferred on amalgamation or wind-up of subsidiary	530				
Total current-year credit (from amount L in Part 11)	540				
Credit allocated from a partnership	550				
Subtotal (total of lines 530 to 550)			►		O
Total credit available (line 520 **plus** amount O)					P
Deduct:					
Credit deducted from Part I tax (enter at amount E in Part 30)	560				
Credit carried back to the previous year(s) (amount S from Part 13)			e		
Credit transferred to offset Part VII tax liability	580				
Subtotal (total of line 560, amount e, and line 580)			►		Q
Credit balance before refund (amount P **minus** amount Q)					R
Deduct:					
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)			610		
ITC closing balance on SR&ED (amount R **minus** line 610)			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 at amount e in Part 12) ______ S

Part 14 – Refund of ITC for qualifying corporations – SR&ED

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

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

Current-year ITC (lines 540 **plus** 550 from Part 12 **minus** amount K from Part 11) . . . . ______ f

Refundable credits (amount f above or amount R from Part 12, whichever is less)* . . . . ______ T

Deduct:

Amount T or amount G from Part 11, whichever is less . . . . ______ U

Net amount (amount T **minus** amount U; if negative, enter "0") . . . . ______ V

Amount V **multiplied** by 40% . . . . ______ W

Add:

Amount U . . . . ______ X

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

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 for amount Y.

Part 15 – 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 at line 101 in Part 2.

Credit balance before refund (amount R from Part 12) . . . . ______ Z

Deduct:

Amount Z or amount G from Part 11, whichever is less . . . . ______ AA

Net amount (amount Z **minus** amount AA; if negative, enter "0") . . . . ______ BB

Amount BB or amount I from Part 11, whichever is less . . . . ______ CC

Amount CC **multiplied** by 40% . . . . ______ DD

Add:

Amount AA . . . . ______ EE

Refund of ITC (amount DD **plus** amount EE) . . . . ______ FF

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

Corporation's name	Business number	Tax year-end Year Month Day

Recapture – SR&ED

Part 16 – 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 **700**	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) **710**	Amount from column 700 or 710, whichever is less
1.			
2.			
3.			
4.			
		Subtotal (enter this amount at amount C in Part 17)	A

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 in amount B in Part 16 on page 9.

	A Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement **720**	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 **730**	C 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.) **740**
1.			
2.			
3.			
4.			

Calculation 2 is continued on page 9.

Part 16 – 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 in amount B below.

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

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 760 below.

Corporate partner's share of the excess of SR&ED ITC (amount to be reported at amount E in Part 17) **760** ____________

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

Recaptured ITC for calculation 1 from amount A in Part 16 . . . . ____________ C

Recaptured ITC for calculation 2 from amount B in Part 16 . . . . ____________ D

Recaptured ITC for calculation 3 from line 760 in Part 16 . . . . ____________ E

Total recapture of SR&ED investment tax credit – total of amounts C to E . . . . ____________ F

Enter amount F at amount A in Part 29.

Corporation's name	Business number	Tax year-end Year Month Day

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.

For each of the minerals reported in column 800, identify each project (in column 805), mineral title (in column 806), and mining division (in column 807) where title is registered. If there is no mineral title, identify only the project and mining division.

	List of minerals 800	Project name 805
1.		
2.		
3.		

	Mineral title 806	Mining division 807
1.		
2.		
3.		

Pre-production mining expenditures*

Exploration:

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	
Geological, geophysical, or geochemical surveys	811	
Drilling by rotary, diamond, percussion, or other methods	812	
Trenching, digging test pits, and preliminary sampling	813	

Development:

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	
Sinking a mine shaft, constructing an adit, or other underground entry	821	

Other pre-production mining expenditures incurred in the tax year:

	Description 825	Amount 826
1.		
2.		
3.		
	Add amounts in column 826	► A

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

Part 18 – Pre-production mining expenditures (continued)

Total pre-production mining expenditures (total of lines 810 to 821 and amount A)	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")			B
Add:			
Repayments of government and non-government assistance	835		
Pre-production mining expenditures (amount B **plus** line 835)			C

Part 19 – Current-year credit and account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year							D
Deduct:							
Credit deemed as a remittance of co-op corporations				841			
Credit expired				845			
				Subtotal (line 841 **plus** line 845)		►	E
ITC at the beginning of the tax year (amount D **minus** amount E)						850	
Add:							
Credit transferred on amalgamation or wind-up of subsidiary						860	
Pre-production mining expenditures* incurred before January 1, 2013 (applicable part of amount C from Part 18)	870		× 10% =		a		
Pre-production mining exploration expenditures incurred in 2013 (applicable part of amount C from Part 18)	872		× 5% =		b		
Pre-production mining development expenditures incurred in 2014 (applicable part of amount C from Part 18)	874		× 7% =		c		
Pre-production mining development expenditures incurred in 2015 (applicable part of amount C from Part 18)	876		× 4% =		d		
				Current year credit (total of amounts a to d) 880		►	F
Total credit available (total of lines 850, 860, and amount F)							G
Deduct:							
Credit deducted from Part I tax (enter at amount F in Part 30)				885			
Credit carried back to the previous year(s) (amount I from Part 20)					e		
				Subtotal (line 885 **plus** amount e)		►	H
ITC closing balance from pre-production mining expenditures (amount G **minus** amount H)						890	

* Also include pre-production mining development expenditures incurred before 2014 and pre-production mining development expenditures incurred after 2013 and before 2016 that are eligible for transitional relief.

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

	Year	Month	Day			
1st previous tax year				Credit to be applied	921	
2nd previous tax year				Credit to be applied	922	
3rd previous tax year				Credit to be applied	923	
				Total (enter at amount e in Part 19)		I

Corporation's name	Business number	Tax year-end Year Month Day

Apprenticeship Job Creation

Part 21 – 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.

	A Contract number (SIN or name of apprentice) 601	B Name of eligible trade 602	C Eligible salary and wages* 603	D Column C x 10% 604	E Lesser of column D or $2000 605
1.					
2.					
3.					
4.					

Total current-year credit (enter at line 640 in Part 22) ______ A

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

Part 22 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year . . . . . ______ B

Deduct:

Credit deemed as a remittance of co-op corporations . . . . . 612 ______

Credit expired after 20 tax years . . . . . 615 ______

Subtotal (line 612 **plus** line 615) ______ ► ______ C

ITC at the beginning of the tax year (amount B **minus** amount C) . . . . . 625 ______

Add:

Credit transferred on amalgamation or wind-up of subsidiary . . . . . 630 ______

ITC from repayment of assistance . . . . . 635 ______

Total current-year credit (amount A from Part 21) . . . . . 640 ______

Credit allocated from a partnership . . . . . 655 ______

Subtotal (total of lines 630 to 655) ______ ► ______ D

Total credit available (line 625 **plus** amount D) . . . . . ______ E

Deduct:

Credit deducted from Part I tax (enter at amount G in Part 30) . . . . . 660 ______

Credit carried back to the previous year(s) (amount G from Part 23) . . . . . ______ a

Subtotal (line 660 **plus** amount a) ______ ► ______ F

ITC closing balance from apprenticeship job creation expenditures (amount E **minus** amount F) . . . . . 690 ______

Corporation's name	Business number	Tax year-end Year Month Day

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

	Year	Month	Day			
1st previous tax year				Credit to be applied	931	
2nd previous tax year				Credit to be applied	932	
3rd previous tax year				Credit to be applied	933	

Total (enter at amount a in Part 22) ______ G

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.

Cost of depreciable property from the current tax year

	CCA* class number 665	Description of investment 675	Date available for use 685	Amount of investment 695
1.				
2.				
3.				
4.				
5.				

Total cost of depreciable property from the current tax year 715 ______

Add:

Specified child care start-up expenditures from the current tax year . . . . . 705 ______

Total gross eligible expenditures for child care spaces (line 715 **plus** line 705) . . . . . ______ A

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 A . . . . . 725 ______

Excess (amount A **minus** line 725) (if negative, enter "0") . . . . . ______ B

Add:

Repayments by the corporation of government and non-government assistance . . . . . 735 ______

Total eligible expenditures for child care spaces (amount B **plus** line 735) . . . . . 745 ______

* CCA: capital cost allowance

Part 25 – 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 (from line 745)		______	× 25% =	______	C
Number of child care spaces	755	______	× $10,000 =	______	D
ITC from child care spaces expenditures (amount C or D, whichever is less)				______	E

Part 26 – Current-year credit and account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year			______	F
Deduct:				
Credit deemed as a remittance of co-op corporations	765	______		
Credit expired after 20 tax years	770	______		
Subtotal (line 765 **plus** line 770)		______	► ______	G
ITC at the beginning of the tax year (amount F **minus** amount G)		775	______	
Add:				
Credit transferred on amalgamation or wind-up of subsidiary	777	______		
Total current-year credit (amount E from Part 25)	780	______		
Credit allocated from a partnership	782	______		
Subtotal (total of lines 777 to 782)		______	► ______	H
Total credit available (line 775 **plus** amount H)			______	I
Deduct:				
Credit deducted from Part I tax (enter at amount H in Part 30)	785	______		
Credit carried back to the previous year(s) (amount K from Part 27)		______ a		
Subtotal (line 785 **plus** amount a)		______	► ______	J
ITC closing balance from child care spaces expenditures (amount I **minus** amount J)		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 at amount a in Part 26)		______	K

Corporation's name	Business number	Tax year-end Year Month Day

Recapture – Child Care Spaces

Part 28 – 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** ________

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 . . . . ________ A

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 799 below.

Corporate partner's share of the excess of ITC **799** ________

Total recapture of child care spaces investment tax credit (total of line 792, amount A, and line 799) . . . . ________ B

Enter amount B at amount B in Part 29.

Summary of Investment Tax Credits

Part 29 – Total recapture of investment tax credit

Recaptured SR&ED ITC (from amount F in Part 17) . . . . ________ A

Recaptured child care spaces ITC (from amount B in Part 28) . . . . ________ B

Total recapture of investment tax credit (amount A **plus** amount B) . . . . ________ C

Enter amount C 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) . . . . ________ D

ITC from SR&ED expenditures deducted from Part I tax (from line 560 in Part 12) . . . . ________ E

ITC from pre-production mining expenditures deducted from Part I tax (from line 885 in Part 19) . . . . ________ F

ITC from apprenticeship job creation expenditures deducted from Part I tax (from line 660 in Part 22) . . . . ________ G

ITC from child care space expenditures deducted from Part I tax (from line 785 in Part 26) . . . . ________ H

Total ITC deducted from Part I tax (total of amounts D to H) . . . . ________ I

Enter amount I at line 652 on page 7 of the T2 return.