ONTARIO RESEARCH AND DEVELOPMENT TAX CREDIT (2009 and later tax years)

Corporation's name	Business Number			Тах у	ear-end	
			Year		Month	Day
		$\perp \perp$				

- Use this schedule to:
 - calculate an Ontario research and development tax credit (ORDTC);
 - claim an ORDTC earned in the tax year or carried forward from any of the 20 previous tax years that are a tax year ending after
 December 31, 2008, to reduce Ontario corporate income tax payable in the current tax year;
 - carry back an ORDTC to reduce Ontario corporate income tax payable in any of the three previous tax years, but not to a tax year that ends before January 1, 2009;
 - add an ORDTC that was allocated to the corporation by a partnership of which it was a member;
 - transfer an ORDTC after an amalgamation or windup; or

Part 1 – Ontario SR&ED expenditure pool

- calculate a recapture of the ORDTC.
- The ORDTC is a 4.5% non-refundable tax credit on eligible expenditures incurred by a corporation in a tax year that ends after December 31, 2008.
- An eligible expenditure is an expenditure for a permanent establishment in Ontario of a corporation, that is a qualified expenditure for the purposes of section 127 of the federal *Income Tax Act* for scientific research and experimental development (SR&ED) carried on in Ontario.
- Only corporations that are not exempt from Ontario corporate income tax and none of whose income is exempt income can claim the ORDTC.
- Attach a completed copy of this schedule to the T2 Corporation Income Tax Return.

Total eligible expenditures incurred by the corporation in Ontario in the tax year	A
Deduct : Government assistance, non-government assistance, or a contract payment for eligible expenditures	В
Net eligible expenditures for the tax year (amount A minus amount B) (if negative, enter "0")	c
Add: Eligible expenditures transferred to the corporation by another corporation	D
Subtotal (amount C plus amount D)	
Deduct : Eligible expenditures the corporation transferred to another corporation	F
Ontario SR&ED expenditure pool (amount E minus amount F) (if negative, enter "0")	G
Part 2 – Calculation of the current part of the ORDTC	
Ontario SR&ED expenditure pool (amount G in Part 1)	× 4.5% = 200 H
ORDTC allocated to a corporation by a partnership of which it is a member (other than a specified me for a fiscal period that ends in the corporation's tax year *	
* If there is a disposal or change of use of eligible property, see Part 6 on page 3.	
Repayment made in the tax year of government or non-government assistance or a	
contract payment that reduced an eligible expenditure other than for first term or second term shared-use equipment	× 4.5% = 215 J
Repayment made in the tax year of government or non-government assistance or a contract payment	
that reduced an eligible expenditure for first term or second term shared-use equipment	× 4.5% = 225 K
	_
Current part of the ORDTC (total of amounts H to K)	L

Part 3 – Calculation of	of ORDTC avai	lable fo	r deduc	tion and ORDTC balance	· ———		
ORDTC balance at the end of						M	
Deduct: ORDTC expired afte	r 20 tax years				300	N	
ORDTC at the beginning of th	ne tax year (amou	ınt M mi r	nus amou	nt N)	305	_ 0	
Add:							
ORDTC transferred on amalg	amation or windu	aı			310	P	
Current part of ORDTC (amou							
Are you waiving all or part of to current part of the ORDTC?	the 315 Yes 1	No.	2				
If you answered yes at line 3 ⁻¹ the tax credit waived on line 3		ount of					
If you answered no at line 315	5, enter "0" on lin	e 320.					
Deduct: Waiver of the curren	nt part of the ORI	DTC	3	20 R			
	Subtotal (amount	Q minus	s amount	R)►		_ s	
ORDTC available for deduction	on (total of amou	nts O, P a	and S)			▶	Т
Deduct:	`		,				
ORDTC claimed * (Enter amo Supplementary – Corporation	ount U on line 416	on page	5 of Sch	edule 5, Tax Calculation		U	
Cappiomemary Corporation	0,					<u> </u>	
ORDTC carried back to a pre-	vious tax year (fr	om Part 4	ł)			v	
			5	Subtotal (amount U plus amo	ount V)	_	W
ORDTC balance at the end of	of the tax year (a	amount T	minus a	mount W)		325	x
* This amount cannot be mor - ORDTC available for dedi - Ontario corporate income	uction (amount T); or		nounts: d the Ontario corporate minin	num tax credit (amount fro	m line E6 on page 5 of	Schedule 5).
Part 4 – Request for o	carryback of ta	ax credi	t —				
	Year	Month	Day				
	Teal	IVIOTILIT	Бау				
1st previous tax year					Credit to be app	olied 901	
2nd previous tax year					Credit to be app	olied 902	
3rd previous tax year					Credit to be app	olied 903	
				То	tal (enter amount on line	V in Part 3)	

Part 5 – Analysis of tax credit available for carryforward by tax year of origin –

You can complete this part to show all the credits from preceding tax years available for carryforward, by year of origin. This will help you determine the amount of credit that could expire in following years.

Tax year of origin (earliest tax year first)

Year	Month	Day	Credit available
1 1 1			
	i	ı	
	i	i	
	i	i	
	i	i	
	i		
	i		
	i		
	i		

Tax year of origin (earliest tax year first)

Year	Month	Day	Credit available
		i	
		i	
		i	
		i	
		i	
		i	
		i	
		i	

Current tax year

Total (equals line 325 in Part 3)

The amount available from the 20th preceding tax year will expire after this year. When you file your return for the next year, you will enter the expired amount on line 300 of Schedule 508 for that year.

Part 6 – Calculation of a recapture of ORDTC –

You will have a recapture of ORDTC in a tax year when you meet all of the following conditions:

- you acquired a particular property in the current year or in any of the 20 previous tax years if the ORDTC was earned in a tax year ending after 2008;
- you claimed the cost of the property as an eligible expenditure for the ORDTC;
- the cost of the property was included in computing your ORDTC or was subject to an agreement made under subsection 127(13) of the federal Act to transfer qualified expenditures and section 42 of the *Taxation Act*, 2007 (Ontario) applied; and
- you disposed of the property or converted it to commercial use in a tax year ending after December 31, 2008. You also meet this condition if you disposed of or converted to commercial use a property which 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 in Ontario. 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 federal investment tax credit (ITC) rate * of the original user in Calculation 1 below.

You have to report the recapture on Schedule 5 for the year in which you disposed of the property or converted it to commercial use. If the corporation is a member of a partnership, report its share of the recapture.

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.

* Federal ITC in calculations 1 and 2 should be determined without reference to paragraph (e) of the definition **investment tax credit** in subsection 127(9) of the federal Act.

Calculation 1 - If you meet all of the above conditions

	Υ	Z	AA
	Amount of federal ITC you originally calculated for the property you acquired, or the original user's federal ITC where you acquired the property from a non-arm's length party, as described in the note above	Amount calculated using the federal 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)	Amount from column 700 or 710, whichever is less
1			
2			
3			
4			
5			

Subtotal (enter amount BB, on line KK in Part 7 on page 4) ______BB

The rate percentage that the transferee used to determine its federal ITC for a qualified expenditure that was transferred under an agreement under subsection 127(13) of the federal Act	DD The proceeds of disposition of the property if you dispose of it to a person at arm's length; or, in any other case, the fair market value of the property at conversion or disposition	The 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 for an agreement under subsection 127(13) of the federal Act)
720	730	740
FF	GG	НН
Amount determined by the formula (CC × DD) – EE (using the columns above)	The federal ITC earned by the transferee for the qualified expenditure that was transferred	Amount from column FF or GG, whichever is less
	750	
	Subtotal (enter amount II on line LL below)	
	Cabletai (cittor amount ii cir iiilo 22 beleti)	
	custotal (chtor amount ii chi iiio 22 ssion)	
Calculation 3		
As a member of a partnership, you will report recapture. If this is a positive amount, you will	our share of the ORDTC of the partnership after the report it on line 205 in Part 2. However, if the partne	e ORDTC has been reduced by the amount of the ership does not have enough ORDTC otherwise availal e excess) will be determined and reported on line JJ.
As a member of a partnership, you will report recapture. If this is a positive amount, you will to offset the recapture, then the amount by wh	your share of the ORDTC of the partnership after the report it on line 205 in Part 2. However, if the partne ich reductions to the ORDTC exceeds additions (the	ership does not have enough ORDTC otherwise availal excess) will be determined and reported on line JJ.
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As a member of a partnership, you will report recapture. If this is a positive amount, you will to offset the recapture, then the amount by where the recapture of the excess of OF and the excess of OF and the excess of OF are appropriately partner's share of the e	your share of the ORDTC of the partnership after the report it on line 205 in Part 2. However, if the partne ich reductions to the ORDTC exceeds additions (the DTC (enter amount JJ at line NN below)	excess) will be determined and reported on line JJ. 760 KK LL × 23.56% =
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