



ONTARIO BOOK PUBLISHING TAX CREDIT (2009 and later tax years)

Name of corporation, Business number, Tax year-end (Year, Month, Day)

- Use this schedule to claim an Ontario book publishing tax credit (OBPTC) under section 95 of the Taxation Act, 2007 (Ontario). Complete a separate Schedule 564 for each eligible literary work.
The OBPTC is a refundable tax credit that is equal to 30% of the qualifying expenditures incurred during a tax year by an Ontario book publishing company (OBPC) for an eligible literary work up to a maximum credit of \$30,000 per work.
The criteria for a corporation to be eligible for the OBPTC include the eligibility requirements in Part 3 of this schedule.
Before claiming an OBPTC, the OBPC must obtain a Certificate of Eligibility from the Ontario Media Development Corporation (OMDC) for each eligible literary work.
The OBPTC is considered government assistance under paragraph 12(1)(x) of the federal Income Tax Act and must be included as income in the tax year the credit is received.
To claim the OBPTC, include the following with the T2 Corporation Income Tax Return:
- a completed copy of this schedule for each literary work; and
- a certificate of eligibility (or copy) issued by the OMDC for each literary work.

Part 1 - Corporate information (please print)

100 Corporation name (from certificate of eligibility, if different from above)
110 Name of person to contact for more information
120 Telephone number including area code
150 Is the claim filed for an OBPTC earned through a partnership?
160 If you answered yes to the question at line 150, what is the name of the partnership?
170 Enter the percentage of the partnership's OBPTC allocated to the corporation

Part 2 - Identifying the eligible literary work

200 Certificate of eligibility number
210 Title of literary work
220 Name(s) of author(s) / illustrator(s)
230 Date of publication (Year, Month)
240 Date of certificate (Year, Month, Day)
250 Genre

Part 3 - Eligibility

1. Was the corporation a Canadian-controlled corporation throughout the tax year, as determined under sections 26 to 28 of the Investment Canada Act?
2. Did the corporation, for the tax year, carry on a book publishing business primarily through a permanent establishment in Ontario?
3. Was the corporation exempt from tax under Part III of the Taxation Act, 2007 (Ontario)?
4. Is the corporation controlled by the author of the literary work, or by a person not dealing at arm's length with the author?
If you answered no to question 1 or 2 or yes to question 3 or 4, then you are not eligible for the OBPTC.

**Part 4 – Qualifying expenditures**

**Pre-production costs: Advances to author**

Amount of non-refundable monetary advances made to the eligible Canadian author(s) ..... **400** \_\_\_\_\_ A

**Pre-production costs: Technical expenditures\***

Salaries and wages for editing, design, and project management ..... **410** \_\_\_\_\_

Freelance fees relating to editing, design, and research ..... **420** \_\_\_\_\_

Amounts for artwork, developing prototypes, set-up and typesetting ..... **430** \_\_\_\_\_

Salaries, wages, fees, and other amounts for scanning, editing, formatting, indexing, encryption, and establishing digital rights management or other technological protection measures (incurred after March 26, 2009) ..... **435** \_\_\_\_\_

Subtotal (total of lines 410 to 435) ..... **▶** \_\_\_\_\_ B

**Production costs: Printing, assembling, binding and electronic distribution expenditures\***

Expenditures ..... **440** \_\_\_\_\_ × 50% = ..... **450** \_\_\_\_\_ C

**Marketing expenditures** (include expenditures incurred within 12 months following the publication date of the book)\*\*

Expenditures for book promotional tours of eligible Canadian authors (excluding costs for meals and entertainment) ..... **460** \_\_\_\_\_

Expenditures for meals and entertainment of eligible Canadian authors on promotional tours ..... **465** \_\_\_\_\_ × 50% = ..... **470** \_\_\_\_\_

Salaries and wages of employees for the marketing of the book ..... **480** \_\_\_\_\_

Other amounts (not included above) incurred for promoting and marketing the book ..... **490** \_\_\_\_\_

Subtotal (total of lines 460 to 490) ..... **▶** \_\_\_\_\_ D

**Total qualifying expenditures** (total of amounts A to D) ..... **500** \_\_\_\_\_ E

**Deduct:**

Government assistance attributed to qualifying expenditures on line 500 (includes amounts received, entitled to be received, or reasonably expected to be received) ..... **510** \_\_\_\_\_

Qualifying expenditures included in the amount on line 500 that were included in determining the available credit in a previous tax year ..... **520** \_\_\_\_\_

Subtotal (line 510 plus line 520) ..... **▶** \_\_\_\_\_ F

**Total qualifying expenditures eligible for the OBPTC** (amount E minus amount F) ..... **530** \_\_\_\_\_ G

\* Include only the expenditures for activities carried out primarily in Ontario. After March 26, 2009, include expenditures incurred for preparing a literary work for publication in one or more digital or electronic formats.

\*\* For expenditures incurred after March 29, 2011, include expenditures incurred within the period that begins 12 months before and ends 12 months after the date of publication of the literary work.

**Part 5 – Tax credit calculation**

Total qualifying expenditures eligible for credit (amount G in Part 4) ..... × 30% = \_\_\_\_\_ H

**Credit available to be claimed in the tax year**

Maximum credit available ..... 30,000 \_\_\_\_\_

**Deduct:** Total credit claimed in a previous tax year\* ..... **540** \_\_\_\_\_

Unused credit available ..... **▶** \_\_\_\_\_ I

**Ontario book publishing tax credit** (lesser of amount H or amount I) ..... **550** \_\_\_\_\_ J

Or, if the corporation answered **yes** at line 150 (in Part 1), determine the partner's share of amount J:

Amount J \_\_\_\_\_ × percentage (line 170 in Part 1) \_\_\_\_\_ % = ..... \_\_\_\_\_ K

Enter amount J or K (as applicable) on line 466 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 564, add the amounts from line J or K (as applicable) on all the schedules and enter the total amount on line 466 of Schedule 5.

\* Include the total of all credits previously claimed for the particular literary work by the filing corporation (and, in the case of OBPTCs earned through a partnership, include all amounts that were claimed by corporate partners). When a corporate reorganization has occurred under section 87, subsection 88(1), or subsection 85(1) of the federal *Income Tax Act*, include the credits claimed for the particular literary work by the predecessor corporations, subsidiaries, and transferor corporations, respectively.