

Corporation's name Corporations Name	Business number Corporation BN	Tax year-end Year Month Day 2 0 1 7 X X X X
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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 considered associated with another corporation under subsection 256(1) will be considered **not** associated for the calculation of a refundable ITC if:

- 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:

- one or more persons exempt from Part I tax under section 149;
- Her Majesty in right of a province, a Canadian municipality, or any other public authority; or
- 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

If **yes**, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in.

Contributions to agricultural organizations for SR&ED* **103** 968 **

Enter on line 350 of Part 8.

** \$2,500 check-off x 48.42% x 80%

* Enter only contributions not already included on Form T661.

Include 80% of the contributions made **after** 2012. For contributions made **before** 2013, include all of the contributions.

Qualified Property and Qualified Resource Property

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

Capital cost allowance class number 105	Description of investment 110	Date available for use 115	Location used in Atlantic Canada (province) 120	Amount of investment 125
1.				
2.				
3.				
4.				

Total of investments for qualified property and qualified resource property A1

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 B1

Credit deemed as a remittance of co-op corporations **210** _____

Credit expired **215** _____

Subtotal (line 210 plus line 215) **▶** _____ C1

ITC at the beginning of the tax year (amount B1 minus amount C1) **220** _____

Credit transferred on an amalgamation or the wind-up of a 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 from amount A1 in Part 4) × 10% = **240** _____

Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part from amount A1 in Part 4) × 5% = **242** _____

Credit allocated from a partnership **250** _____

Subtotal (total of lines 230 to 250) **▶** _____ D1

Total credit available (line 220 plus amount D1) E1

Credit deducted from Part I tax **260** _____

Credit carried back to previous years (amount H1 in Part 6) a _____

Credit transferred to offset Part VII tax liability **280** _____

Subtotal (total of line 260, amount a, and line 280) **▶** _____ F1

Credit balance before refund (amount E1 minus amount F1) G1

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 G1 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 of lines 901 to 903 H1

Enter at amount a in Part 5. _____

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 in Part 5) I1

Credit balance before refund (from amount G1 in Part 5) J1

Refund (40% of amount I1 or J1, whichever is less) K1

Enter amount K1 or a lesser amount on line 310 in Part 5 (also enter on line 780 of the T2 return if you do not claim an SR&ED ITC refund).

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SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures (line 557 on Form T661 plus line 103 in Part 3)*	350	968
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	968

* 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. Capital cost allowance can be claimed for depreciable property acquired for use in SR&ED after 2013.

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

Part 9 only applies if you are a CCPC.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered not associated for the calculation of an SR&ED expenditure limit if:

- 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

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete lines 390 and 398.
 If you answered **yes**, the amounts for associated corporations will be determined on Schedule 49.

Enter your taxable income for the previous tax year* (prior to any loss carrybacks 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 the tax year referred to on line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in that tax year.

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation: **\$8,000,000**

Taxable income for the previous tax year (line 390 in Part 9) or \$500,000, whichever is more _____ × 10 = _____ A2

Excess (\$8,000,000 **minus** amount A2; if negative, enter "0") _____ B2

\$40,000,000 **minus** line 398 in Part 9 _____ b

Amount b **divided** by \$40,000,000 _____ C2

Expenditure limit for the stand-alone corporation (amount B2 **multiplied** by amount C2)* _____ D2

For an associated corporation:

If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49* **400** _____ E2

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

Amount D2 or E2 _____ × $\frac{\text{Number of days in the tax year}}{365}$ = _____ F2

Your SR&ED expenditure limit for the year (enter amount D2, E2, or F2, whichever applies) **410** _____

* Amount D2 or E2 cannot be more than \$3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Current expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less* 420 968 × 35% = 339 G2

Line 350 minus line 410 (if negative, enter "0") 430

Amount from line 430 $\times \frac{\text{Number of days in the tax year before 2014}}{\text{Number of days in the tax year}} \times 20\% =$ c

Amount from line 430** $\times \frac{\text{Number of days in the tax year after 2013}}{\text{Number of days in the tax year}} \times 15\% =$ d

Subtotal (amount c plus amount d) ▶ H2

Line 410 minus line 350 (if negative, enter "0") e

Capital expenditures (line 360 in Part 8) or amount e, whichever is less* 440 × 35% = I2

Line 360 minus amount e (if negative, enter "0") 450

Amount from line 450 $\times \frac{\text{Number of days in the tax year before 2014}}{\text{Number of days in the tax year}} \times 20\% =$ f

Amount from line 450** $\times \frac{\text{Number of days in the tax year after 2013}}{\text{Number of days in the tax year}} \times 15\% =$ g

Subtotal (amount f plus amount g) ▶ J2

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.

Repayments (amount from line 370 in Part 8) _____

Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayment of assistance that reduced a qualifying expenditure for a CCPC*** 460 × 35% = h

Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred before 2015 480 × 20% = i

Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred after 2014 490 × 15% = j

Subtotal (add amounts h to j) ▶ K2

Current-year SR&ED ITC (total of amounts G2 to K2; enter on line 540 in Part 12) 339 L2

* For corporations that are not CCPCs, enter "0" for amounts G2 and I2.

** For tax years that end after 2013, the general SR&ED ITC 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. For tax years that have a start date after 2013, multiply the amount by 15%.

*** If you were a Canadian-controlled private corporation (CCPC), this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), additions to investment tax credit. See subsection 127(10.1) for details about exceptions. For expenditures not eligible for this rate use line 480 or 490 as appropriate.

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

ITC at the end of the previous tax year		M2
Credit deemed as a remittance of co-op corporations 510		
Credit expired 515		
Subtotal (line 510 plus line 515)	▶	N2
ITC at the beginning of the tax year (amount M2 minus amount N2)	520	
Credit transferred on an amalgamation or the wind-up of a subsidiary 530		
Total current-year credit (from amount L2 in Part 11)	540 339	
Credit allocated from a partnership 550		
Subtotal (total of lines 530 to 550)	339 ▶	339 O2
Total credit available (line 520 plus amount O2)	339	P2
Credit deducted from Part I tax 560		339
Credit carried back to previous years (amount S2 in Part 13)		k
Credit transferred to offset Part VII tax liability 580		
Subtotal (total of line 560, amount k, and line 580)	339 ▶	339 Q2
Credit balance before refund (amount P2 minus amount Q2)		R2
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)	610	
ITC closing balance on SR&ED (amount R2 minus line 610)	620	

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

	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr> <th style="width: 33%;">Year</th> <th style="width: 33%;">Month</th> <th style="width: 33%;">Day</th> </tr> <tr> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> </tr> </table>	Year	Month	Day						
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 of lines 911 to 913				S2						
Enter at amount k in Part 12.										

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

Complete this part only if you are a qualifying corporation as determined on 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 in Part 12 **minus** amount K2 in Part 11) **339**

Refundable credits (amount K or amount R2 in Part 12, whichever is less)* T2

Amount T2 or amount G2 in Part 11, whichever is less U2

Net amount (amount T2 **minus** amount U2; if negative, enter "0") V2

Amount V2 **multiplied** by 40% W2

Amount U2 X2

Refund of ITC (amount W2 **plus** amount X2 – enter this, or a lesser amount, on line 610 in Part 12) Y2

Enter the total of line 310 in Part 5 and line 610 in 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 Y2.

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

Complete this part only if you are a CCPC that is not a qualifying or excluded corporation as determined on line 101 in Part 2.

Credit balance before refund (amount R2 in Part 12) Z2

Amount Z2 or amount G2 in Part 11, whichever is less AA2

Net amount (amount Z2 **minus** amount AA2; if negative, enter "0") BB2

Amount BB2 or amount I2 in Part 11, whichever is less CC2

Amount CC2 **multiplied** by 40% DD2

Amount AA2 EE2

Refund of ITC (amount DD2 **plus** amount EE2) FF2

Enter FF2, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.