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Canada Revenue Agency / Agence du revenu du Canada

Schedule 31
Code 1902
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Investment Tax Credit – Corporations (2019 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 the wind-up of a subsidiary, as described under subsections 87(1) and 88(1)
  - to request a credit carryback to one or more previous years
  - if you are subject to a recapture of ITC
  - if you are claiming:
    - the **Ontario Research and Development Tax Credit**
    - the **Ontario Innovation Tax Credit**
- Unless otherwise stated, all legislative references are to the federal Income Tax Act and Income Tax Regulations.
- 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, described in subsection 127(9) and Regulation Part XLVI, that currently earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule)
  - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, Scientific Research and Experimental Development (SR&ED) Expenditures Claim
  - pre-production mining expenditures (Part 18)
    - You can no longer claim the ITC for the pre-production mining expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you made the investment.
  - apprenticeship job creation expenditures (Parts 19 to 21)
  - child care spaces expenditures (Parts 22 to 26)
    - Expenditures related to child care spaces incurred after March 21, 2017, no longer qualify for the ITC. However, if you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 remain eligible for the credit.
- File 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 and read Information Circular IC78-4, Investment Tax Credit Rates, and its related Special Release.
- For more information on SR&ED, see Guide T4088, Scientific Research and Experimental Development (SR&ED) Expenditures Claim – Guide to Form T661.

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 at the time it files the income tax return for the year in which the property was acquired.
- An ITC deducted in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces both the capital cost of that property and 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 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.
- Expenditures for apprenticeship or child care space for an ITC must be identified by the claimant on 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 members of a partnership and limited partners.
For more information, see Guide T4068, Guide for the Partnership Information Return (T5013 Forms).
- For tax purposes**,** Canada includes the **exclusive economic zone of Canada** as defined in the Oceans Act (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of 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).

Detailed information (continued)

- 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, unless transitional measures were granted*. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and 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) 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) for more information.

Part 1 – Investments, expenditures, and percentages

Investments	**Specified percentage**
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 your expenditure limit (see Part 10 on page 5), the excess is eligible for an ITC calculated at the 15% rate.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada	15%
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10%
If you incurred expenditures after March 18, 2007, and before March 22, 2017 (or before 2020 if you entered into a written agreement before March 22, 2017) 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.

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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** Yes ☐ 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 both of the following conditions are met:

- one corporation is associated with another corporation only because one or more persons own shares of the capital stock of both corporations
- 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 expenditures for SR&ED, up to the allocated expenditure limit.

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 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 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 of the following:

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

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** Yes ☐ 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* . . . . ________ × 80% = **103** ________

Enter on line 350 of Part 8.

* Enter only contributions not already included on Form T661.

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

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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
Enter at amount a in Part 5. H1

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

SR&ED

Part 8 – Qualified SR&ED expenditures

Qualified SR&ED expenditures (line 559 on Form T661 **plus** line 103 in Part 3)* . . . . **350** ______

Repayments made in the year (from line 560 on Form T661) . . . . **370** ______

Total qualified SR&ED expenditures (line 350 **plus** line 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.

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 both of the following apply:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation
- 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** Yes ☐ 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**, complete Schedule 49, Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Expenditure Limit, to determine the amounts for associated corporations.

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

For tax years ending before March 19, 2019

Amount B2 **multiplied** by amount C2 . . . . ______ D2

For tax years ending after March 18, 2019

$3,000,000 **multiplied** by amount C2 . . . . ______ E2

Expenditure limit for the stand-alone corporation (amount D2 or amount E2, whichever applies)* . . . . ______ F2

For an associated corporation:

If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49* . . . . **400** ______ G2

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

Amount F2 or G2 ______ × $\frac{\text{Number of days in the tax year}}{365}$ ______ = ... ______ H2

Your SR&ED expenditure limit for the year (enter amount F2, G2, or H2, whichever applies) . . . . **410** ______

* Amount F2 or G2 cannot be more than $3,000,000.

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Part 11 – Investment tax credits on SR&ED expenditures

Qualified SR&ED expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less*	420	______	× 35% =		______	I2
Line 350 **minus** line 410 (if negative, enter "0")	430	______	× 15% =		______	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% =	______	c
Repayment of assistance made after September 16, 2016, that reduced a qualifying expenditure incurred before 2015	480	______	× 20% =	______	d
Repayment of assistance made after September 16, 2016, that reduced a qualifying expenditure incurred after 2014	490	______	× 15% =	______	e

Subtotal (total of amounts c to e) ______ ► ______ K2

Current-year SR&ED ITC (total of amounts I2 to K2; enter on line 540 in Part 12) ______ L2

* For corporations that are not CCPCs, enter "0" for amount I2.

** 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.

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	______		
Credit allocated from a partnership	550	______		
Subtotal (total of lines 530 to 550)		______	► ______	O2

Total credit available (line 520 **plus** amount O2) ______ P2

Credit deducted from Part I tax	560	______		
Credit carried back to previous years (amount S2 in Part 13)		______	f	
Credit transferred to offset Part VII tax liability	580	______		
Subtotal (total of line 560, amount f, and line 580)		______	► ______	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 ______

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

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 of lines 911 to 913 ____ S2
Enter at amount f 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** Yes ☐ No ☐

Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount K2 in Part 11) . . . . ____ g

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

Amount T2 or amount I2 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

Refund of ITC (amount Z2 or amount I2 in Part 11, whichever is less) . . . . ____ AA2

Enter amount AA2, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

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Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and 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, and 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
- 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 ______ A3
Enter at amount C3 in Part 17.

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 amount B3.

	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	D Amount determined by the formula (A × B) – C	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 (total of column F) ______ B3
Enter at amount D3 in Part 17.

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.

Corporate partner's share of the excess of SR&ED ITC 760 ______
Enter at amount E3 in Part 17.

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

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

Recaptured ITC from calculation 1, amount A3 in Part 16 . . . . C3

Recaptured ITC from calculation 2, amount B3 in Part 16 . . . . D3

Recaptured ITC from calculation 3, line 760 in Part 16 . . . . E3

Total recapture of SR&ED investment tax credit (total of amounts C3 to E3) F3
Enter at amount A8 in Part 27.

Pre-Production Mining

Part 18 – Account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year A4

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

Credit expired **845**

Subtotal (line 841 **plus** line 845) ► B4

ITC at the beginning of the tax year (amount A4 **minus** amount B4) **850**

Credit transferred on an amalgamation or the wind-up of a subsidiary **860**

Total credit available (line 850 **plus** line 860) C4

Amount of unused credit carried forward from previous years and applied to reduce Part I tax payable in the current year **885**

ITC closing balance from pre-production mining expenditures (amount C4 **minus** line 885) **890**

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Apprenticeship Job Creation

Part 19 – 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 (SIN) or name) appears below? (If not, you cannot claim the tax credit.) . . . . . **611** Yes ☐ 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 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 × 10% **604**	E Lesser of column D or $2,000 **605**
1.					
2.					
3.					
4.					

Total current-year credit (total of column E) ______ A5
Enter on line 640 in Part 20.

* Other than qualified expenditure incurred, and net of any other government or non-government assistance received or to be received. **Eligible salary and wages**, and **qualified expenditures** are defined under subsection 127(9).

Part 20 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year . . . . . ______ B5

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

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

Subtotal (line 612 **plus** line 615) ______ ▶ ______ C5

ITC at the beginning of the tax year (amount B5 **minus** amount C5) . . . . . **625** ______

Credit transferred on an amalgamation or the wind-up of a subsidiary . . . . . **630** ______

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

Total current-year credit (amount A5 in Part 19) . . . . . **640** ______

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

Subtotal (total of lines 630 to 655) ______ ▶ ______ D5

Total credit available (line 625 **plus** amount D5) . . . . . ______ E5

Credit deducted from Part I tax . . . . . **660** ______

Credit carried back to previous years (amount G5 in Part 21) . . . . . ______ h

Subtotal (line 660 **plus** amount h) ______ ▶ ______ F5

ITC closing balance from apprenticeship job creation expenditures (amount E5 **minus** amount F5) . . . . . **690** ______

Part 21 – 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 of lines 931 to 933 ______ G5
Enter at amount h in Part 20.

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

Child Care Spaces

Part 22 – Eligible child care spaces expenditures

Enter the eligible expenditures that you incurred after March 18, 2007, and before March 22, 2017,* to create licensed child care spaces for the children of the employees and, potentially, for other children. You cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property)
- the specified child care start-up expenditures

Properties should be acquired and expenditures should be incurred only to create new child care spaces at a licensed child care facility.

Cost of depreciable property from the current tax year

	Capital cost allowance 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 (total of column 695) **715** ______

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) . . . . ______ A6

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 in amount A6 . . . . **725** ______

Excess (amount A6 **minus** line 725) (if negative, enter "0") . . . . ______ B6

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

Total eligible expenditures for child care spaces (amount B6 **plus** line 735) . . . . **745** ______

* If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.

Part 23 – 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 in Part 22) . . . . ______ × 25% = ______ C6

Number of child care spaces created in the year . . . . **755** ______ × $10,000 = ______ D6

ITC from child care spaces expenditures (amount C6 or D6, whichever is less) . . . . ______ E6

Clear Data

Part 24 – Current-year credit and account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year F6

Credit deemed as a remittance of co-op corporations 765

Credit expired after 20 tax years 770

Subtotal (line 765 **plus** line 770) ▶ G6

ITC at the beginning of the tax year (amount F6 **minus** amount G6) 775

Credit transferred on an amalgamation or the wind-up of a subsidiary 777

Total current-year credit (amount E6 in Part 23) 780

Credit allocated from a partnership 782

Subtotal (total of lines 777 to 782) ▶ H6

Total credit available (line 775 **plus** amount H6) I6

Credit deducted from Part I tax 785

Credit carried back to previous years (amount K6 in Part 25) i

Subtotal (line 785 **plus** amount i) ▶ J6

ITC closing balance from child care spaces expenditures (amount I6 **minus** amount J6) 790

Part 25 – 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 of lines 941 to 943
Enter at amount i in Part 24. K6

Clear Data

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

Recapture – Child Care Spaces

Part 26 – Recapture of ITC for corporations and partnerships – Child care spaces

The ITC will be added to 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, one of the following situations takes place:

- the new child care space is no longer available
- property that was an eligible expenditure for the child care space is
  - disposed of or leased to a lessee
  - 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 . . . . ________ A7

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 24 on page 12. 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 A7, and line 799) . . . . ________ B7

Enter at amount B8 in Part 27.

Summary of Investment Tax Credits

Part 27 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount F3 in Part 17) . . . . ________ A8

Recaptured child care spaces ITC (amount B7 in Part 26) . . . . ________ B8

Total recapture of investment tax credit (amount A8 **plus** amount B8) . . . . ________ C8

Enter on line 602 of the T2 return.

Part 28 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5) . . . . ________ D8

ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12) . . . . ________ E8

ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 18) . . . . ________ F8

ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 20) . . . . ________ G8

ITC from child care space expenditures deducted from Part I tax (line 785 in Part 24) . . . . ________ H8

Total ITC deducted from Part I tax (total of amounts D8 to H8) . . . . ________ I8

Enter on line 652 of the T2 return.