



Ontario Sound Recording Tax Credit (2015 and later tax years)

Corporation's name	Business number	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;">Tax year end</td> </tr> <tr> <td style="text-align: center; border-bottom: 1px solid black;">Year Month Day</td> </tr> <tr> <td style="text-align: center;"> </td> </tr> </table>	Tax year end	Year Month Day	
Tax year end					
Year Month Day					

- Use this schedule to claim an Ontario sound recording tax credit (OSRTC) under section 94 of the *Taxation Act, 2007* (Ontario). Complete a separate Schedule 562 for each eligible Canadian sound recording.
- For purposes of section 94 of the *Taxation Act, 2007* (Ontario), subsection 36(4) of *Ontario Regulation 37/09* states the conditions for a corporation to be an eligible sound recording company: The corporation needs to be a Canadian-controlled corporation that carries on a sound recording business as its primary activity at a permanent establishment in Ontario during the year and throughout the 12-month period ending immediately before the tax year. Subsection 36(1) defines a sound recording business to mean a business in which the principal activities are managing musicians or vocalists or both, publishing music, producing sound recordings, marketing and distributing sound recordings or a combination of those activities, carried out under contract with musicians, vocalists or copyright holders.
- The OSRTC is a refundable tax credit that is equal to 20% of the qualifying expenditures incurred during a tax year by an eligible sound recording company (ESRC). The qualifying expenditures must be incurred by the ESRC no later than 24 months from the date that the first qualifying expenditure was incurred for the eligible Canadian sound recording. An expenditure on account of touring costs incurred in connection with a concert or live performance is not a qualifying expenditure.
- The OSRTC is eliminated for expenditures incurred after April 23, 2015. As a transitional measure, expenditures incurred after April 23, 2015 will only qualify for the credit if the eligible sound recording was started before April 23, 2015, the expenditure was incurred before May 1, 2016, and the corporation did not receive an amount from the Ontario Music Fund in respect of the expenditure.
- The criteria for a corporation to be eligible for the OSRTC include the eligibility requirements in Part 3 of this schedule.
- Before claiming an OSRTC, the ESRC must first complete and sign the Ontario Media Development Corporation (OMDC) application for an OSRTC, and send it to the OMDC along with a copy of the sound recording for which the request for the tax credit is being made. If the sound recording is eligible, the OMDC will issue a certificate certifying that the sound recording is an eligible Canadian sound recording. Enter the certificate information for this sound recording in Part 2 of this schedule.
- To claim the OSRTC, include the following with the *T2 Corporation Income Tax Return* for the tax year:
 - a completed copy of this schedule for each sound recording; and
 - the original or certified copy of the certificate of eligibility issued by the OMDC for each sound recording.

Part 1 – Contact information

100 Corporation's name (from certificate of eligibility, if different from above)	
110 Name of person to contact for more information	120 Telephone number
Is the claim filed for an OSRTC earned through a partnership? *	
	150 1 Yes <input type="checkbox"/> 2 No <input type="checkbox"/>
If you answered yes to the question at line 150, what is the name of the partnership?	
160 _____	
Enter the percentage of the partnership's OSRTC allocated to the corporation	
	170 _____

* When a corporate member of a partnership is claiming an amount for qualifying expenditures incurred by a partnership, complete a Schedule 562 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 562 to claim the partner's share of the partnership's OSRTC. The allocated amounts can never exceed the amount of the partnership's OSRTC.

Part 2 – Identifying the eligible Canadian sound recording

200 Certificate of eligibility number			
210 Title of sound recording			
220 Name(s) of artist(s)			
230 Name(s) of video(s)			
240 Date of first qualifying expenditure incurred for this sound recording	Year Month Day	250 Date of last qualifying expenditure included in this claim	Year Month Day

Part 3 – Eligibility

1. Was the corporation a Canadian-controlled corporation throughout the tax year under sections 26 to 28 of the *Investment Canada Act*? **300** 1 Yes 2 No
2. Was less than 50% of the corporation's taxable income for the previous tax year earned outside Ontario? **310** 1 Yes 2 No
3. Did the corporation, for the tax year, carry on primarily a sound recording business primarily through a permanent establishment in Ontario? **320** 1 Yes 2 No
4. Was the corporation exempt from tax for the tax year under Part III of the *Taxation Act, 2007* (Ontario)? **330** 1 Yes 2 No

If you answered **no** to questions 1, 2, or 3, or **yes** to question 4, then you are **not eligible** for the OSRTC.

Part 4 – Qualifying expenditures incurred before May 1, 2016

Expenditures incurred in the production of the recording:	Incurred primarily in Ontario	Incurred outside Ontario
Artists' royalties	400 _____	
Musician session fees	410 _____	
Graphics (includes artwork, photography, digital scanning, layout, and colour separations) ...	420 _____	
Producers' fees	430 _____	
Software	440 _____	
Studio costs and supplies	450 _____	
Digital scanning	460 _____	
Programming and testing	470 _____	
Engineers' and technicians' fees	480 _____	
Beta testing	490 _____	
Subtotal (total of lines 400 to 490)	===== A	
Expenditures incurred in the production of the qualifying music video(s) for the recording	500 ===== B	510 ===== C
Expenditures incurred for the direct marketing of the recording:		
Salaries and wages for employees whose primary function is public relations or marketing ...	590 _____	595 _____
Consultants' fees	600 _____	605 _____
Advertising and promotional costs	610 _____	615 _____
Launch costs:	620 _____	625 _____
– rental cost for sound and light equipment and the facility expenses	630 _____	635 _____
– food, beverage, and entertainment expenses (in accordance with section 67.1 of the federal <i>Income Tax Act</i>)	640 _____	645 _____
– event planning services	650 _____	655 _____
– design, printing, and mailing of invitations	660 _____	665 _____
– security	670 _____	675 _____
– business location permits and licences	680 _____	685 _____
– photography	690 _____	695 _____
– promotional gifts and souvenirs	690 _____	695 _____
Subtotal (total of lines 590 to 690)	===== D	
Subtotal (total of lines 595 to 695)		===== E

Part 4 – Qualifying expenditures incurred before May 1, 2016 (continued)

Total qualifying expenditures incurred primarily in Ontario (total of amounts A, B, and D)	700	_____	F
Total expenditures incurred outside Ontario (amount C plus amount E)	705	_____	G
Total qualifying expenditures outside Ontario:			
Amount G _____ × 50% =	710	_____	H
Repayment of government assistance, to the extent that the government assistance reduced the OSRTC in a previous tax year	715	_____	I
Subtotal (amount H plus amount I) _____ ▶		_____	J
Total qualifying expenditures (amount F plus amount J)	720	_____ ▶	K
Deduct:			
Government assistance attributed to qualifying expenditures in amount K (includes amounts received, entitled to be received, or reasonably expected to be received)	730	_____	L
Qualifying expenditures on line 720 that were included in determining the available credit in a previous tax year	740	_____	M
Subtotal (amount L plus amount M) _____ ▶		_____	N
Total qualifying expenditures eligible for the OSRTC (amount K minus amount N)	760	_____	O

Part 5 – Tax credit calculation

Ontario sound recording tax credit:

Total qualifying expenditures eligible for the OSRTC (amount O in Part 4) _____ × 20% =	800	_____	P
Or, if the corporation answered yes at line 150 (in Part 1), determine the partner's share of amount P:			
Amount P _____ × percentage on line 170 in Part 1 _____ =		_____	Q

Enter amount P or Q (as applicable) on line 464 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 562, add the amounts from lines P or Q (as applicable) on all of the schedules and enter the total amount on line 464 of Schedule 5.

See the privacy notice on your return.