



ESTIMATE OF SR&ED TAX CREDITS FOR CURRENT EXPENDITURES

NOTE

The fiscal information contained in the current document merely pertains to estimating exercises involving general research and development activities. Applying this information within a specific fiscal context may not yield the desired results.

COMPANY NAME: _____

DATE OF YEAR-END: _____

TOTAL SALARIES OF EMPLOYEES ENGAGED IN SR&ED

Portion of salaries paid in Quebec attributable to SR&ED activities

QUEBEC

\$ _____

FEDERAL

Portion of salaries paid in Canada attributable to SR&ED activities

\$ _____

TOTAL COST OF MATERIALS CONSUMED

Not applicable at the provincial level

+

N/A

Raw materials, parts, components consumed and other materials used for SR&ED

+

\$ _____

TOTAL SUBCONTRACTOR FEES

The admissible expenditure is limited to 50% of subcontractor labour fees in Quebec.

+

\$ _____

Including only the cost of labour

+

\$ _____

TOTAL LEASE COSTS OF EQUIPMENT

Not applicable at the provincial level

+

N/A

Lease costs of equipment used at 90% or more for SR&ED

+

\$ _____

TOTAL OVERHEAD EXPENDITURES

Not applicable at the provincial level

+

N/A

Can be calculated as representing 65% of the salaries of individuals directly engaged in SR&ED

+

\$ _____

TOTAL OF GOVERNMENT ASSISTANCE RECEIVED

Excluding SR&ED tax credits on both the federal level as well as in Quebec

-

\$ _____

Excluding SR&ED federal and Quebec tax credits

-

\$ _____

SR&ED EXPENDITURES allowable within Quebec

= _____ %

Rate of tax credits (37.5% or 17.5%)*

X

SR&ED EXPENDITURES allowable to the federal

= _____ %

Rate of tax credits (35% or 20%)**

X

QUEBEC SR&ED TAX CREDIT ESTIMATE

= _____

Copy into the federal report

FEDERAL SR&ED TAX CREDIT ESTIMATE

= _____

*37.5% refundable if you operate a company in Canada and if total asset is less than \$50 million, taking into account the assets of the associated companies. There is a progressive decrease of the rate from 37.5% to 17.5% when the asset varies between \$50 and \$75 million. Moreover, the increased rate applies only to the first \$3 million of admissible expenses. Otherwise, Quebec grants 17.5% in refundable credits.

**35% refundable for Canadian-controlled private corporations (CCPCs) on their first \$3 million of qualified expenditures. This expenditure limit is progressively reduced to nothing, according to the prior-year taxable income and the prior-year taxable capital. The phase-out range is applicable if the taxable income is between \$500,000 and \$800,000 and if the taxable capital is between \$10 million and \$40 million. All the associated corporations have to be taken into account in order to calculate taxable income and taxable capital. Otherwise, the Federal Government grants 20% credit applicable against taxes payable.