



**ONTARIO COMPUTER ANIMATION AND SPECIAL EFFECTS TAX CREDIT
(2009 and later tax years)**

Name of corporation	Business Number	Year	Tax year-end Month	Day
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- Use this schedule to claim an Ontario computer animation and special effects (OCASE) tax credit under section 90 of the *Taxation Act, 2007* (Ontario). Complete a separate Schedule 554 for each eligible production.
- The OCASE tax credit is a refundable tax credit that is equal to 20% of the qualifying labour expenditures, incurred by a qualifying corporation in a tax year, that are directly attributable to eligible computer animation and special effects activities (ECASEA) for an eligible production.
- The criteria for a corporation to be eligible for the OCASE tax credit include the eligibility requirements in Part 3 of this schedule; also, it must be a Canadian corporation.
- Before claiming an OCASE tax credit, a qualifying corporation must first complete and sign the Ontario Media Development Corporation (OMDC) application for an OCASE tax credit, and send it and a videotape copy of the animation or visual effect (AVE) for which the request is being made to the OMDC. If the AVE is eligible, the OMDC will issue a certificate certifying the estimated amount of the corporation's OCASE tax credit for the tax year. Only one certificate of eligibility is issued for all of the eligible productions of the qualifying corporation for the tax year for the OCASE tax credit. Enter the certificate information for this production in Part 2 of this schedule.
- To claim the OCASE tax credit, include the following with the *T2 Corporation Income Tax Return* for the tax year:
 - a completed copy of this schedule for each production; and
 - a copy of the certificate of eligibility issued by the OMDC.

Part 1 – Contact information (please print)

110 Name of person to contact for more information	120 Telephone number including area code - -
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Part 2 – Identifying the eligible production

200 Certificate of eligibility number
210 Production title
220 Estimated OCASE tax credit for this production

Part 3 – Eligibility

1. Did the corporation, for the tax year, perform ECASEA for the eligible production at a permanent establishment in Ontario? **300** 1 Yes 2 No
2. Was the corporation exempt from tax for the tax year under Part III of the *Taxation Act, 2007* (Ontario)? **310** 1 Yes 2 No
3. Was the corporation, at any time in the tax year, controlled directly or indirectly, in any manner, by one or more corporations, all or part of whose taxable income is exempt from tax under section 57 of the *Corporations Tax Act* (Ontario) or Part III of the *Taxation Act, 2007* (Ontario)? **320** 1 Yes 2 No
4. Was the corporation, at any time in the tax year, a prescribed labour-sponsored venture capital corporation? **330** 1 Yes 2 No

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

Part 4 – Ontario labour expenditures

Qualifying wage amount incurred for salaries and wages paid to employees of the corporation and directly attributable to ECASEA performed in Ontario **400** _____ A

Add:

Qualifying remuneration directly attributable to ECASEA performed in Ontario paid to:	Before March 27, 2009	After March 26, 2009
– other taxable, arm's length Canadian corporations solely owned by an individual *	411 _____	412 _____
– individuals 410 _____ 1	412 _____	422 _____
– eligible partnerships 420 _____ 2	422 _____	
Total qualifying remuneration incurred before March 27, 2009 (amount 1 plus amount 2)	_____ × 50% =	430 _____
Amounts paid to a parent corporation for Ontario labour expenditures incurred by it in respect of the subsidiary wholly-owned corporation's ECASEA under a reimbursement agreement, effective for a production, if principal photography commenced after March 22, 2007 **	440 _____	
Subtotal (total of amounts A to F) _____ ▶		

Complete lines 450 and 460 if there is an entry on line 440:

Name of parent corporation **450** _____

Business Number of parent corporation **460** _____

Deduct: Ontario labour expenditures that the corporation (parent) transferred under a reimbursement agreement to a subsidiary wholly-owned corporation ** **470** _____ H

Total Ontario labour expenditures (amount G minus amount H) (if negative, enter "0") **480** _____ I

* These other corporations must meet the requirements of paragraph 4 of subsection 25(4) of Regulation 37/09 of the *Taxation Act, 2007* (Ontario), subject to the restrictions stated in subsection 25(2.1).

** 100% of the qualifying wage amount, plus 50% of the qualifying remuneration amount incurred before March 27, 2009 and 100% of the qualifying remuneration amount incurred after March 26, 2009.

Part 5 – Assistance

Assistance related to expenditures incurred for the eligible production (other than excluded government assistance) that the qualifying corporation, or other person, or partnership has received, is entitled to receive, or may reasonably expect to receive:

Amount of assistance directly attributable to amount I in Part 4 **500** _____ J

Amount of assistance not directly attributable to amount I in Part 4 **510** _____ K

Prescribed cost, as defined in subsection 24 (1) of Regulation 37/09 of the *Taxation Act, 2007* (Ontario) **520** _____ L

Amount K _____ × $\frac{\text{amount I in Part 4}}{\text{amount L}}$ = **530** _____ M

Total assistance (amount J plus amount M) **540** _____ N

Part 6 – Tax credit calculation

Qualifying labour expenditures (amount I in Part 4 minus amount N in Part 5) (if negative, enter "0") **600** _____ O

Ontario computer animation and special effects tax credit (amount O multiplied by 20%) **610** _____ P

Enter amount P on line 456 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 554, add the amounts from line P on all the schedules and enter the total amount on line 456 of Schedule 5.