



**ONTARIO RESEARCH AND DEVELOPMENT TAX CREDIT
(2009 and later tax years)**

Corporation's name	Business Number	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black; width: 10%; text-align: center;">Year</td> <td style="border-bottom: 1px solid black; width: 10%; text-align: center;">Tax year-end</td> <td style="border-bottom: 1px solid black; width: 10%; text-align: center;">Month</td> <td style="border-bottom: 1px solid black; width: 10%; text-align: center;">Day</td> </tr> <tr> <td style="border: none;"> </td> <td style="border: none;"> </td> <td style="border: none;"> </td> <td style="border: none;"> </td> </tr> </table>	Year	Tax year-end	Month	Day				
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- Use this schedule to:
 - calculate an Ontario research and development tax credit (ORDTC);
 - claim an ORDTC earned in the tax year or carried forward from any of the 20 previous tax years that are a tax year ending after December 31, 2008, to reduce Ontario corporate income tax payable in the current tax year;
 - carry back an ORDTC to reduce Ontario corporate income tax payable in any of the three previous tax years, but not to a tax year that ends before January 1, 2009;
 - add an ORDTC that was allocated to the corporation by a partnership of which it was a member;
 - transfer an ORDTC after an amalgamation or windup; or
 - calculate a recapture of the ORDTC.
- The ORDTC is a 4.5% non-refundable tax credit on eligible expenditures incurred by a corporation in a tax year that ends after December 31, 2008.
- An eligible expenditure is an expenditure for a permanent establishment in Ontario of a corporation, that is a qualified expenditure for the purposes of section 127 of the federal *Income Tax Act* for scientific research and experimental development (SR&ED) carried on in Ontario.
- Only corporations that are not exempt from Ontario corporate income tax and none of whose income is exempt income can claim the ORDTC.
- Attach a completed copy of this schedule to the *T2 Corporation Income Tax Return*.

Part 1 – Ontario SR&ED expenditure pool

Total eligible expenditures incurred by the corporation in Ontario in the tax year	100	_____	A
Deduct: Government assistance, non-government assistance, or a contract payment for eligible expenditures	105	_____	B
Net eligible expenditures for the tax year (amount A minus amount B) (if negative, enter "0")		_____	C
Add: Eligible expenditures transferred to the corporation by another corporation	110	_____	D
Subtotal (amount C plus amount D) _____		_____	E
Deduct: Eligible expenditures the corporation transferred to another corporation	115	_____	F
Ontario SR&ED expenditure pool (amount E minus amount F) (if negative, enter "0")	120	_____	G

Part 2 – Calculation of the current part of the ORDTC

Ontario SR&ED expenditure pool (amount G in Part 1)		× 4.5% =	200	_____	H		
ORDTC allocated to a corporation by a partnership of which it is a member (other than a specified member) for a fiscal period that ends in the corporation's tax year *	205			_____	I		
* If there is a disposal or change of use of eligible property, see Part 6 on page 3.							
Repayment made in the tax year of government or non-government assistance or a contract payment that reduced an eligible expenditure other than for first term or second term shared-use equipment	210		× 4.5% =	215	_____	J	
Repayment made in the tax year of government or non-government assistance or a contract payment that reduced an eligible expenditure for first term or second term shared-use equipment	220		× 1/4 = _____	× 4.5% =	225	_____	K
Current part of the ORDTC (total of amounts H to K)				230	_____	L	

Part 3 – Calculation of ORDTC available for deduction and ORDTC balance

ORDTC balance at the end of the previous tax year _____ M

Deduct: ORDTC expired after 20 tax years **300** _____ N

ORDTC at the beginning of the tax year (amount M **minus** amount N) **305** _____ O

Add:

ORDTC transferred on amalgamation or windup **310** _____ P

Current part of ORDTC (amount L in Part 2) _____ Q

Are you waiving all or part of the current part of the ORDTC? **315** Yes 1 No 2

If you answered **yes** at line 315, enter the amount of the tax credit waived on line 320.

If you answered **no** at line 315, enter "0" on line 320.

Deduct: Waiver of the current part of the ORDTC **320** _____ R

Subtotal (amount Q **minus** amount R) = _____ ► _____ S

ORDTC available for deduction (total of amounts O, P and S) = _____ ► _____ T

Deduct:

ORDTC claimed * (Enter amount U on line 416 on page 5 of Schedule 5, *Tax Calculation Supplementary – Corporations*) _____ U

ORDTC carried back to a previous tax year (from Part 4) _____ V

Subtotal (amount U **plus** amount V) = _____ ► _____ W

ORDTC balance at the end of the tax year (amount T **minus** amount W) **325** = _____ X

* This amount cannot be more than the lesser of the following amounts:
 – ORDTC available for deduction (amount T); or
 – Ontario corporate income tax payable before the ORDTC and the Ontario corporate minimum tax credit (amount from line E6 on page 5 of Schedule 5).

Part 4 – Request for carryback of tax credit

	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 (enter amount on line V in Part 3)				=====

Calculation 2 – If the corporation is deemed by subsection 42(1) of the *Taxation Act, 2007* (Ontario) to have transferred all or part of the eligible expenditure to another corporation as a consequence of an agreement described in subsection 127(13) of the federal Act complete Calculation 2. Otherwise, enter nil on line II.

CC	DD	EE
The rate percentage that the transferee used to determine its federal ITC for a qualified expenditure that was transferred under an agreement under subsection 127(13) of the federal Act 720	The proceeds of disposition of the property if you dispose of it to a person at arm's length; or, in any other case, the fair market value of the property at conversion or disposition 730	The 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 for an agreement under subsection 127(13) of the federal Act) 740
1		
2		
3		
4		
5		

FF	GG	HH
Amount determined by the formula (CC × DD) – EE (using the columns above)	The federal ITC earned by the transferee for the qualified expenditure that was transferred 750	Amount from column FF or GG, whichever is less
1		
2		
3		
4		
5		

Subtotal (enter amount II on line LL below) _____ **II**

Calculation 3

As a member of a partnership, you will report your share of the ORDTC of the partnership after the ORDTC has been reduced by the amount of the recapture. If this is a positive amount, you will report it on line 205 in Part 2. However, if the partnership does not have enough ORDTC otherwise available to offset the recapture, then the amount by which reductions to the ORDTC exceeds additions (the excess) will be determined and reported on line JJ.

Corporate partner's share of the excess of ORDTC (enter amount JJ at line NN below) **760** _____ **JJ**

Part 7 – Total recapture of ORDTC

Recaptured federal ITC for Calculation 1 (amount from line BB on page 3) _____ **KK**

Recaptured federal ITC for Calculation 2 (amount from line II above) _____ **LL**

Amount **KK plus** amount **LL** _____ × 23.56% = _____ **MM**

Add: Corporate partner's share of the excess of ORDTC for Calculation 3 (amount from line JJ above) _____ **NN**

Recapture of ORDTC (amount **MM plus** amount **NN**) (enter amount **OO** on line 277 on page 5 of Schedule 5) _____ **OO**