

**ONTARIO SOUND RECORDING 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 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.
- 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 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 – Corporate information (please print)

100 Corporation's name (from certificate of eligibility, if different than above)		
110 Name of person to contact for more information	120 Telephone number including area code	
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 that is 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 question 1, 2, or 3 or **yes** to question 4, then you are **not eligible** for the OSRTC.

Part 4 – Qualifying expenditures

		Incurred primarily in Ontario		Incurred outside Ontario
Expenditures incurred in the production of the recording:				
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:				
– rental cost for sound and light equipment and the facility expenses	620	_____		625 _____
– food, beverage, and entertainment expenses (in accordance with section 67.1 of the federal <i>Income Tax Act</i>)	630	_____		635 _____
– event planning services	640	_____		645 _____
– design, printing, and mailing of invitations	650	_____		655 _____
– security	660	_____		665 _____
– business location permits and licences	670	_____		675 _____
– photography	680	_____		685 _____
– 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 (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 line P or Q (as applicable) on all the schedules and enter the total amount on line 464 of Schedule 5.