

Part 2 – Project information (continued)

Section C – Additional project information			
Who prepared the responses for Section B?			
253 1 <input type="checkbox"/> Employee directly involved in the project	254 Name		
255 1 <input type="checkbox"/> Other employee of the company	256 Name		
257 1 <input type="checkbox"/> External consultant	258 Name	259 Firm	
List the key individuals directly involved in the project and indicate their qualifications/experience.			
260	Names	261	Qualifications/experience and position title
1			
2			
3			
265	Are you claiming any salary or wages for SR&ED performed outside Canada?	1 <input type="checkbox"/> Yes	2 <input type="checkbox"/> No
266	Are you claiming expenditures for SR&ED carried out on behalf of another party?	1 <input type="checkbox"/> Yes	2 <input type="checkbox"/> No
267	Are you claiming expenditures for SR&ED performed by people other than your employees?	1 <input type="checkbox"/> Yes	2 <input type="checkbox"/> No
If you answered yes to line 267, complete lines 268 and 269.			
268	Names of individuals or companies	269	BN
1			
2			
What evidence do you have to support your claim? (Check any that apply) You do not need to submit these items with the claim. However, you are required to retain them in the event of a review.			
270 1 <input type="checkbox"/>	Project planning documents	276 1 <input type="checkbox"/>	Progress reports, minutes of project meetings
271 1 <input type="checkbox"/>	Records of resources allocated to the project, time sheets	277 1 <input type="checkbox"/>	Test protocols, test data, analysis of test results, conclusions
272 1 <input type="checkbox"/>	Design of experiments	278 1 <input type="checkbox"/>	Photographs and videos
273 1 <input type="checkbox"/>	Project records, laboratory notebooks	279 1 <input type="checkbox"/>	Samples, prototypes, scrap or other artefacts
274 1 <input type="checkbox"/>	Design, system architecture and source code	280 1 <input type="checkbox"/>	Contracts
275 1 <input type="checkbox"/>	Records of trial runs	281 1 <input type="checkbox"/>	Others, specify 282 _____

Part 4 – Calculation of qualified SR&ED expenditures for investment tax credit (ITC) purposes

The resulting amount is used to calculate your refundable and/or non refundable ITC.

Enter the breakdown between current and capital expenditures (to the nearest dollar)		Current Expenditures	Capital Expenditures
Total expenditures for SR&ED (from lines 380 and 390)	492		496
Add			
• payment of prior years' unpaid amounts (other than salary or wages) (see note 5)	500	+	
• prescribed proxy amount (complete Part 5) (Enter "0" if you use the traditional method)	502	+	
• expenditures on shared-use equipment for property acquired before 2014			504 +
• qualified expenditures transferred to you (see note 3) (complete Form T1146**)	508	+	510 +
Subtotal (add lines 492 to 508, and add lines 496 to 510)	511	=	512 =
Deduct (see note 4)			
• provincial government assistance	513	-	514 -
• other government assistance	515	-	516 -
• non-government assistance and contract payments	517	-	518 -
• current expenditures (other than salary or wages) not paid within 180 days of the tax year end (see note 5)	520	-	
• amounts paid in respect of an SR&ED contract to a person or partnership that is not a taxable supplier	528	-	
• 20% of expenditures included on lines 340 and 370	529	-	
• prescribed expenditures not allowed by regulations (see guide)	530	-	532 -
• other deductions (see guide)	533	-	535 -
• non-arm's length transactions – assistance allocated to you (complete Form T1145*)	538	-	540 -
– expenditures for non-arm's length SR&ED contracts (from line 345)	541	-	
– adjustments to purchases (limited to costs) of goods and services from non-arm's length suppliers (see guide)	542	-	543 -
– qualified expenditures you transferred (complete Form T1146**)	544	-	546 -
Subtotal (line 511 minus lines 513 to 544 and line 512 minus lines 514 to 546)	557	=	558 =
Qualified SR&ED expenditures (add lines 557 and 558)			559 =
Add			
• repayments of assistance and contract payments made in the year			560 +
Total qualified SR&ED expenditures for ITC purposes (add lines 559 and 560)			570 =

* Form T1145, *Agreement to Allocate Assistance for SR&ED Between Persons Not Dealing at Arm's Length*

** Form T1146, *Agreement to Transfer Qualified Expenditures Incurred in Respect of SR&ED Contracts Between Persons Not Dealing at Arm's Length*

Note 3 – On line 510 (capital) – Only include expenditures made before 2014 by the transferor (performer). Complete the latest version of Form T1146.

Note 4 – On lines 514, 516, 518, 532, 535, 540, 543 and 546 – Only include amounts related to expenditures of a capital nature made before 2014.

Note 5 – For arm's length contracts, only include 80% of the contract amount.

Part 5 – Calculation of prescribed proxy amount (PPA)

Protected B when completed

A notional amount representing your overhead and other expenditures.

This part calculates the PPA to enter on line 502 in Part 4. Do not complete this part if you have chosen to use the traditional method in Part 3 (line 162). You can only claim a PPA if you elected to use the proxy method for the year in Part 3 (line 160).

Special rules apply for specified employees. Calculate your salary base in Section A and the PPA in Section B.

Section A – Salary base

Salary or wages of employees other than specified employees (from lines 300 and 307) **810** +

Deduct

Bonuses, remuneration based on profits, and taxable benefits that were included on line 810 **812** -

Subtotal (line 810 minus 812) **814** =

Salary or wages of specified employees

850	852	854	856	858	860
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Name of specified employee	Total salary or wages for the year (SR&ED and non-SR&ED) excluding bonuses, remuneration based on profits, and taxable benefits (to the nearest dollar)	% of time spent on SR&ED (maximum 75%)	Amount in column 2 multiplied by percentage in column 3	$2.5 \times A \times B/365$ A = Year's maximum pensionable earnings B = Number of days employed in tax year	Amount in column 4 or 5, whichever amount is less
1					
2					
3					
4					
5					
(Enter total of column 6 on line 816)					816 + <input type="text"/>
Salary base (total of lines 814 and 816).....					818 = <input type="text"/>

Section B – Prescribed proxy amount (PPA)

Enter 65% of the salary base (line 818) less 5% of the salary base for the number of 2013 calendar days in the tax year, and less 10% of the salary base for number of days after 2013 in the tax year (use the formula in the guide-line 820) **820** =

Enter the amount from line 820 on line 502 in Part 4 unless the overall cap on PPA applies to you. (See the guide for explanation and example of the overall cap on PPA)

Part 6 – Project costs

Information requested in this part must be provided for all SR&ED projects claimed in the year. Expenditures should be recorded and allocated on a project basis.

750	752	754	756
Project title or identification code	Salary or wages in the tax year (Total of lines 306 to 309)	Cost of materials in the tax year (Total of lines 320 and 325)	Contract expenditures for SR&ED performed on your behalf in the tax year (Total of lines 340 and 345)
1			
2			
3			
4			
5			
Total			

Part 9 – Claim preparer information

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Information requested in this part must be provided for each claim preparer that has accepted consideration to prepare or assist in the preparation of this SR&ED claim. Certification is required on lines 935, 970, and 975.

A \$1000 penalty may be assessed if the information requested below about the claim preparer(s) and billing arrangement(s), is missing, incomplete, or inaccurate. Where a claim preparer has prepared or assisted in the preparation of this SR&ED form, the claimant and the claim preparer will be jointly and severally, or solidarily, liable for the penalty.

935 Was a claim preparer engaged in any aspect of the preparation of this SR&ED claim?

- 1 Yes (complete the claim preparer information table and lines 970 and 975 below)
- 2 No (complete lines 970 and 975)

Claim preparer information table

940	945	950	955	960	965
Name of claim preparer (company or individual)	Business number	Billing arrangement code (see codes*)	Billing rate (percentage, hourly/daily rate or flat fee)	Other billing arrangement(s) (Maximum 10 words)	Total fee paid, payable or expected to pay
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
Total					

*** Billing arrangement codes**

Code	Type of billing arrangement
1	Contingency fee arrangement – where the fee is based on a percentage of the investment tax credit earned
2	Hourly rate
3	Daily rate
4	Flat fee arrangement (lump sum)
5	Other arrangements – describe the arrangement in box 960 in 10 words or less

970 I, _____ certify that the information provided in this part is complete and accurate.
 Name of authorized signing officer of the corporation, or individual (print)

 Signature

975 _____
 Year Month Day

I certify that I have examined the information provided on this form and on the attachments and it is true, correct, and complete.

165 _____ **170** _____
Name of authorized signing officer of the corporation, or individual Signature Date

175 _____
Name of person/firm who completed this form

Privacy Notice

Personal information is collected pursuant to subsections 37(1), 37(11), and 162(5.1) of the *Income Tax Act* (the Act) and is used for verification of compliance, administration and enforcement of the Scientific Research and Experimental Development (SR&ED) program requirements.

Information may also be used for the administration and enforcement of other provisions of the Act, including assessment, audit, enforcement, collections, and appeals, and may be disclosed under information-sharing agreements in accordance with the Act. Incomplete or inaccurate information may result in assessment of monetary penalties and delays in processing SR&ED claims.

The social insurance number is collected pursuant to section 237 of the Act and is used for identification purposes.

Information is described in personal information bank CRA PPU 441 "Scientific Research and Experimental Development" in the Canada Revenue Agency (CRA) chapter of *Info Source*. Personal information is protected under the *Privacy Act*, and individuals have a right of access to, correction, and protection of their personal information. Further details regarding requests for personal information at the CRA and our *Info Source* chapter can be found at www.cra.gc.ca/atip.