



**British Columbia Shipbuilding and Ship Repair Industry Tax Credit
(2012 and later tax years)**

Protected B
when completed

Corporation's name	Business number	Year	Tax year-end Month	Day
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- Complete this schedule if your principal business is the construction, repair, or conversion of ships and if, at any time in the tax year after September 30, 2012, and before January 1, 2020:
 - you paid salary or wages to an employee enrolled in an eligible apprenticeship program administered through the British Columbia Industry Training Authority (ITA); and
 - your employee performed services related to the apprenticeship program at a permanent establishment in British Columbia.
- If your tax year includes October 1, 2012, you may also be eligible to claim the British Columbia training tax credit. Complete Schedule 428, *British Columbia Training Tax Credit*, if during the tax year:
 - you paid salary or wages to an employee who completed level 3 or higher of an eligible apprenticeship program before October 1, 2012; or
 - you paid salary or wages before October 1, 2012, to an employee registered in the first 24 months of an eligible non-Red Seal program.
 Complete Schedule 428 before you complete this schedule. The total amount of the basic tax credit claimed under the training tax credit and the shipbuilding and ship repair industry tax credit cannot be more than \$5,250 per employee (\$7,875 for the basic and enhanced tax credits), per completed level for the 2012 tax year. For more information, see Guide T4012, *T2 Corporation Income Tax Guide*.
- File a completed copy of this schedule with your *T2 Corporation Income Tax Return* no later than 36 months after the end of the tax year in which you paid the eligible salary and wages.
- There are three elements to the shipbuilding and ship repair industry tax credit program:
 1. basic credit for an eligible apprenticeship program (Red Seal and non-Red Seal) (see Part 1);
 2. completion credits for an eligible apprenticeship program (Red Seal and non-Red Seal) (see Part 2); and
 3. enhanced credits for First Nations individuals and persons with disabilities for an eligible apprenticeship program (Red Seal and non-Red Seal—see Part 3).
- Enter the identification number provided by the ITA. If there is no identification number, enter the social insurance number (SIN) or the name of the employee. Also enter the name of the Red Seal or non-Red Seal program and the salary and wages payable in the period. If you need more space, attach additional schedules.
- **Do not complete Part 1 or Part 2 for an employee enrolled in an eligible apprenticeship program if you are claiming the enhanced tax credit in Part 3 for that employee.**
- **Eligible apprenticeship programs and completion requirements** are described in the *Income Tax Act* (British Columbia) and by the *Training Tax Credits Regulation* and the *Industry Training Regulation*. **Ship** is defined in section 126.1 of the *Income Tax Act* (British Columbia).

Freedom of Information and Protection of Privacy Act (FOIPPA): The personal information on this form is collected for the purpose of administering the *Income Tax Act* (British Columbia) under the authority of both this Act and section 26 of the FOIPPA. Questions about the collection or use of this information can be directed to the Manager, Intergovernmental Relations, P.O. Box 9444 Stn Prov Govt, Victoria BC V8W 9W8. (Telephone: Victoria at 250-387-3332 or toll free at 1-877-387-3332 and ask to be re-directed). Email: ITBTaxQuestions@gov.bc

Part 1 – Basic tax credit (Red Seal and non-Red Seal apprenticeship programs)

The basic tax credit is available during an employee's first 24 months of an eligible apprenticeship program. An employee does not have to complete level 1 or 2 of an eligible apprenticeship program for an employer to make a claim. To claim this credit, enter on line 110 the salary and wages* payable during the tax year when the employee was still within the first 24 months of the program.

	A1 ITA identification number (or SIN or name of employee)	B1 Name of program	C1 Salary and wages payable after September 30, 2012*	D1 Column C1 × 20%	E1 British Columbia training tax credit** claimed in the tax year for the employee (from column E1 in Part 1 of Schedule 428)	F1 \$5,250 minus column E1***	G1 Lesser of column D1 and column F1
	100	105	110	115	120		125
1.							
2.							
3.							
4.							
						Total G1	

* Net of any other government and non-government assistance received, to be received, or that you are entitled to receive, other than the training tax credit, the shipbuilding and ship repair industry tax credit, and the federal investment tax credit on apprenticeship job creation.

** Use Schedule 428 to calculate the basic tax credit for non-Red Seal apprenticeship programs only and for the period before October 1, 2012 only.

*** The total amount of the basic tax credit claimed under the training tax credit and the shipbuilding and ship repair industry tax credit cannot be more than \$5,250 per employee for the 2012 tax year.

Part 2 – Completion tax credits (Red Seal and non-Red Seal apprenticeship programs)**Calculation for an employee who has completed level 3 of an eligible apprenticeship program after September 30, 2012**

To claim this credit, enter on line 210 the salary and wages* payable in the 12 months just before the completion of the level. If the employee's completion date is before October 1, 2012, claim the completion tax credit under the British Columbia training tax credit on Schedule 428.

	A2 ITA identification number (or SIN or name of employee) 200	B2 Name of program 205	C2 Salary and wages* 210	D2 Column C2 × 20% 215	E2 Lesser of column D2 or \$5,250 220
1.					
2.					
3.					
4.					
Total E2					

Calculation for an employee who has completed level 4 or higher of an eligible apprenticeship program after September 30, 2012

To claim this credit, enter on line 310 the salary and wages* payable in the 12 months just before the completion of the level. If the employee's completion date is before October 1, 2012, claim the completion tax credit under the British Columbia training tax credit on Schedule 428.

	A3 ITA identification number (or SIN or name of employee) 300	B3 Name of program 305	C3 Salary and wages* 310	D3 Column C3 × 20% 315	E3 Lesser of column D3 or \$5,250 320
1.					
2.					
3.					
4.					
Total E3					

* Net of any other government and non-government assistance received, to be received, or that you are entitled to receive, other than the training tax credit, the shipbuilding and ship repair industry tax credit, and the federal investment tax credit on apprenticeship job creation.

Part 3 – Enhanced tax credit (Red Seal and non-Red Seal apprenticeship programs)

The enhanced training tax credit applies only to the following employees:

- eligible First Nations individuals (defined as persons registered as Indians under the *Indian Act*); or
- persons with disabilities (defined as persons eligible, for themselves, for the federal disability amount on their income tax and benefit return).

Calculation for an employee's first 24 months of an eligible apprenticeship program

This calculation includes the basic and enhanced tax credits. To claim this credit, enter on line 410 the salary and wages* payable during the tax year when the employee was still within the first 24 months of an eligible apprenticeship program. An employee does not have to complete level 1 or 2 of an eligible apprenticeship program for an employer to make a claim.

	A4 ITA identification number (or SIN or name of employee) 400	B4 Name of program 405	C4 Salary and wages payable after September 30, 2012* 410	D4 Column C4 × 30% 415	E4 British Columbia enhanced training tax credit** claimed in the tax year for the employee (from column E4 or E5 in Part 3 of Schedule 428) 420	F4 \$7,875 minus column E4*** 425	G4 Lesser of column D4 and column F4
1.							
2.							
3.							
4.							
Total G4							

* Net of any other government and non-government assistance received, to be received, or that you are entitled to receive, other than the training tax credit, the shipbuilding and ship repair industry tax credit, and the federal investment tax credit on apprenticeship job creation.

** Use Schedule 428 to calculate the basic and enhanced tax credits for the period before October 1, 2012, only.

*** The total amount of the basic and enhanced tax credits claimed under the British Columbia training tax credit and the British Columbia shipbuilding and ship repair industry tax credit cannot be more than \$7,875 per employee for the 2012 tax year.

Part 3 – Enhanced tax credit (Red Seal and non-Red Seal apprenticeship programs) (continued)

Calculation for an employee who has completed level 3 of an eligible apprenticeship program after September 30, 2012

This calculation includes the completion and enhanced tax credits. To claim this credit for level 3, enter on line 510 the salary and wages* payable to the employee in the 12 months just before the completion of the level. If the employee's completion date is before October 1, 2012, claim the enhanced tax credit under the British Columbia training tax credit on Schedule 428.

	A5 ITA identification number (or SIN or name of employee) 500	B5 Name of program 505	C5 Salary and wages* 510	D5 Column C5 × 30% 515	E5 Lesser of column D5 or \$7,875 520
1.					
2.					
3.					
4.					
Total E5					

Calculation for an employee who has completed level 4 or higher of an eligible apprenticeship program after September 30, 2012

This calculation includes the completion and enhanced tax credits. To claim this credit for level 4 or higher, enter on line 610 the salary and wages* payable in the 12 months just before the completion of the level. If the employee's completion date is before October 1, 2012, claim the enhanced tax credit under the British Columbia training tax credit on Schedule 428.

	A6 ITA identification number (or SIN or name of employee) 600	B6 Name of program 605	C6 Salary and wages* 610	D6 Column C5 × 30% 615	E6 Lesser of column D6 or \$7,875 620
1.					
2.					
3.					
4.					
Total E6					

* Net of any other government and non-government assistance received, to be received, or that you are entitled to receive, other than the training tax credit, the shipbuilding and ship repair industry tax credit, and the federal investment tax credit on apprenticeship job creation.

Part 4 – British Columbia shipbuilding and ship repair industry tax credit

Basic tax credit (total G1 from Part 1)	800	_____	A
Completion tax credit			
Total E2 from Part 2		_____	B
Total E3 from Part 2		_____	C
Completion tax credit (line B plus line C)		805	D
Enhanced tax credit			
Total G4 from Part 3		_____	E
Total E5 from Part 3		_____	F
Total E6 from Part 3		_____	G
Enhanced tax credit (total of amounts E to G)		810	H
Credit allocated from a partnership*		815	I
British Columbia shipbuilding and ship repair industry tax credit (total of amounts A, D, H, and I)		_____	J

Enter the amount from line J on line 681 in Part 2 of Schedule 5, *Tax Calculation Supplementary – Corporations*.

* A corporation that is a member of a partnership, other than a specified member as defined in subsection 248(1) of the federal *Income Tax Act*, can claim its appropriate portion of the British Columbia shipbuilding and ship repair industry tax credit for the partnership for its tax year ending in the tax year of the corporation. That portion would be reasonably considered to be in proportion to any amount the partners have agreed to share as income or loss. A partnership is subject to the same rules as a corporation regarding salary and wages paid in a fiscal period that includes October 1, 2012.