

Manitoba Book Publishing Tax Credit (2017 and later tax years)

Schedule 389

Code 1701

Protected B when completed

Corporation's name	Business number	<table border="1" style="width:100%"> <tr> <td style="width:10%">Year</td> <td style="width:10%">Tax year-end</td> <td style="width:10%">Month</td> <td style="width:10%">Day</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>	Year	Tax year-end	Month	Day				
Year	Tax year-end	Month	Day							

- Use this schedule to claim the Manitoba book publishing tax credit under section 10.4 of the Manitoba *Income Tax Act*. You must apply no later than 18 months after the end of the tax year for which you are claiming the credit.
- You are eligible to claim this tax credit if you are a book publisher with a permanent establishment in Manitoba, you paid at least 25% of the wages and salaries to Manitoba residents, and you answered **yes** to all the questions in Part 1 of this schedule.
- The Manitoba book publishing tax credit is a refundable credit that is equal to 40% of eligible book publishing labour costs and non-refundable monetary advances made to authors, to a maximum of \$100,000. An additional 15% credit is available for eligible printing costs incurred and paid after April 12, 2011.
- Book publishing labour costs** include reasonable salaries and wages paid in the tax year and before 2019 to employees resident in Manitoba on December 31 of that tax year, and 65% of contracted Manitoba labour costs paid in the tax year and before 2019. These costs are related to publishing hardcover, paperback or electronic books, but not to the marketing or promotion of books.
- Eligible printing costs** are the costs paid in the tax year for printing, assembling and binding eligible books that are printed on at least 30% post-consumer recycled paper and published in the tax year or in the immediately following year. The costs must be incurred before 2020, and they must be reasonable in the circumstances.
- An **eligible book** is a first edition, non-periodical publication that meets **all** the criteria outlined in subsection 10.4(3) of the Manitoba *Income Tax Act*.
- Include a completed copy of this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Eligible publisher

1. Does the corporation primarily carry on the business of book publishing?	110	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>
2. Does the corporation have a permanent establishment in Manitoba in the tax year?	115	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>
3. Has the corporation published at least two eligible books within the two-year period ending at the end of the tax year?	120	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>

Proportion of Manitoba labour costs to total labour costs:

Salaries and wages paid to **Manitoba resident** employees in the tax year (keep a list of names, addresses and social insurance numbers, as you may have to provide this information at a future date) **140** _____ A

Total salaries and wages the corporation paid to employees in the tax year **130** _____ B

Proportion of the total salaries and wages paid to Manitoba resident employees in the tax year (amount A **divided by** amount B). _____ % C

If you answered **No** to any of questions 1 to 3, or if the percentage calculated at line C is less than 25%, you are **not** eligible for the Manitoba book publishing tax credit.

Part 2 – Eligible books (attach additional schedules if more space is required)

	A Title of eligible book 200	B Author(s) 210
1.		
2.		
3.		
4.		
5.		

	C International standard book number ISBN 220	D Date of publication yyyy/mm/dd 230	E Number of pages 240	F Number of books in print run 250	G Format* 260	H Classification** 270
1.						
2.						
3.						
4.						
5.						
Total						

* Enter the number corresponding to the format of the eligible book: 1. Hardcover 2. Paperback 3. Electronic

** Enter the number corresponding to the classification of the eligible book: 1. Fiction 2. Non-fiction 3. Poetry 4. Drama 5. Biography 6. Children

Part 3 – Calculation of the Manitoba book publishing tax credit**Book publishing labour costs*** (exclude marketing, promotion, legal and accounting costs):Salaries and wages paid to **Manitoba resident** employees (amount A) DContracted Manitoba labour costs paid in the tax year **. **400** × 65% = **405** ESubtotal (amount D **plus** amount E) FTotal number of pages attributable to eligible books published in the tax year ***
(total from column E in table in Part 2) aTotal number of pages attributable to books published in the tax year *** **410** bProportion of labour related to the production of eligible books
(amount a **divided by** amount b) % c**Total book publishing labour costs** (amount F **multiplied by** amount c) **415** GTotal non-refundable monetary advances made to authors of eligible books in the tax year **420** H**Total costs** (amount G **plus** amount H) **430** I**Manitoba book publishing tax credit** (amount I **multiplied by** 40%). This amount cannot exceed \$100,000 **440** J**Eligible printing costs bonus:**Eligible printing costs paid in the tax year for eligible books printed on paper with at least 30% recycled content
comprising post-consumer waste paper.**Eligible printing costs incurred** **455** d**Eligible printing costs bonus** (amount d **multiplied by** 15%) **460** K**Total Manitoba book publishing tax credit** (amount J **plus** amount K) L

Enter amount L on line 615 of Schedule 5.

* Any part of a salary, wage or fee that comes from profits or revenues is considered not to be related to the publication of books.

** Contracted Manitoba labour costs are amounts the publisher paid in the tax year and before 2019 to an individual, resident in Manitoba, who is not an employee of the publisher, or to a corporation with a permanent establishment in Manitoba. These labour costs are related to publishing hardcover, paperback or electronic books, but are not related to the marketing or promoting books.

*** The number of pages that make up an electronic book is considered to have the number of pages as its most recent printed edition.