

FOCUS ON CANADA- SR&ED TAX INCENTIVES



- SR&ED stands for **Scientific Research and Experimental Development**
- One of 18 **OECD** countries that have an R&D Tax Credit Regime
- **CAN \$3.523 million** was provided in R&D tax relief in 2018 to **20,900 claimants***

- A **15% federal tax credit** is available on eligible activities and expenditures.
- An **enhanced credit rate of 35%** is available for small Canadian-controlled private corporations (**CCPCs**) on the first CAD 3 million of expenditures per year.
- Deadline to claim SR&ED = **18 Months** past Fiscal year end



*Source: <https://www.oecd.org/sti/rd-tax-stats-canada.pdf>



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- Ontario had the largest R&D expenditures in 2018, representing **44.3% (\$16.6 billion)** of GERD expenditures in Canada (StatCan, 2021)
- The CRA states that they audit 25% of all claims filed each year
- The best way to prepare for an audit is to record R&D in real-time, as the work is happening!

WHAT CAN BE CLAIMED FOR?

Technological Advancement



The project advances the current understanding of underlying technologies and furthers technical knowledge.

Technical Content



The work was performed in a systematic or iterative process with documentation.

Technological Uncertainty



A qualified person working to overcome technical challenges that could not predict the outcome with their existing knowledge.

EXAMPLES OF APPLICABLE INDUSTRIES:



Construction



Manufacturing



Agriculture



Software



Food & Bev

"CANADA IS THE MOST ATTRACTIVE COUNTRY IN THE WORLD FOR ENTREPRENEURS" - OECD, 2019

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