

Detailed information and definitions (continued)

Adjustments

The credit you claim or that we refund to you for 2022 reduces the capital cost of the property. Any 2022 credit you carry back to a previous year will also reduce the capital cost of the property. Make this adjustment in 2023. This adjustment reduces the capital cost allowance you can claim for the property. It also affects your capital gain when you dispose of the property. You might have claimed a credit or received a refund for 2022 for a property that you already disposed of. In addition, you might still have other property in the same class. If so, reduce the undepreciated capital cost of the class for 2023 by the amount of the credit you claimed or received as a refund. If, after the disposition, you do not have any property left in the same class, include in your 2023 income the amount of the credit you claimed or received as a refund.

Enter the amount as other income on line 9600 if you are filing any of the following forms:

- T2121, Statement of Fishing Activities
- T2042, Statement of Farming Activities
- T1163, Statement A – AgriStability and AgrilInvest Programs Information and Statement of Farming Activities for Individuals
- T1164, Statement B – AgriStability and AgrilInvest Programs Information and Statement of Farming Activities for Additional Farming Operations
- T1273, Statement A – Harmonized AgriStability and AgrilInvest Programs Information and Statement of Farming Activities for Individuals
- T1274, Statement B – Harmonized AgriStability and AgrilInvest Programs Information and Statement of Farming Activities for Additional Farming Operations

If you are filing Form T2125, Statement of Business or Professional Activities, enter the amount on line 8230.

An ITC deducted or refunded for SR&ED will reduce the pool of deductible SR&ED expenditures, the adjusted cost base (ACB) of an interest in a partnership, and the ACB of a capital interest in a trust in the next tax year.

For more information on ITCs and their recapture, visit canada.ca/revenue-agency, or see the SR&ED Investment Tax Credit Policy, and Interpretation Bulletin IT411R, Meaning of "Construction", Information Circular IC78-4R3, Investment Tax Credit Rates, and IC78-4R3SR, Special Release – Investment Tax Credit Rates.

Part A – Calculating the current-year refundable ITC

Scientific research and experimental development

ITC for qualified expenditures for SR&ED (amount from line 559 of Form T661 **plus applicable amount from box 41* of your T3 slip, minus** amounts from lines 67130 and 67135)

67120 _____ × 0.15 = _____ 1

80% of total contributions made to agricultural organizations for SR&ED

67130 _____ × 0.15 = _____ 2

ITC allocated from a partnership for SR&ED (see boxes 186, 187 and 189 of your T5013 slips)

67135 _____ 3

Qualified property

ITC for total investments in qualified property (**include applicable amount from box 41* of your T3 slip**)

67140 _____ × 0.10 = _____ 4

Total current-year refundable credits (add amounts 1 to 4)

Enter amount A in column 2 in Part F = _____ A

* Enter the amount from box 41 of your T3 slip as applicable, based on the code in box 43 in Guide T4013, T3 Trust Guide, and the instructions provided in the statement by the trust.

Part B – Calculating the current-year non-refundable ITC

Mineral exploration tax credit (METC)

Total of your flow-through mining expenditures related to mineral exploration tax credit (also referred to as renounced Canadian exploration expenses) from the appropriate line in Part IV of Form T1229, Statement of resource expenses and depletion allowance

67170 _____ × 0.15 = _____ B

For more information about METC, see page 2.

Critical mineral exploration tax credit (CMETC)

Total of your flow-through mining expenditures related to critical mineral exploration tax credit (also referred to as renounced Canadian exploration expenses) from the appropriate line in Part IV of Form T1229, Statement of resource expenses and depletion allowance

67175 _____ × 0.30 = _____ C

For more information about CMETC, see page 2.

Apprenticeship job creation tax credit (AJCTC)

If your apprentice works for you and also works for a related employer as defined under subsection 251(2) of the Act, all related employers have to agree in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number, social insurance number (SIN), or name appears below.

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory of Canada, under an apprenticeship program designed to certify or license individuals in the trade. If there is no contract number, enter the SIN or the name of the eligible apprentice. Then, enter the name of the eligible trade and the eligible salary and wages** payable in the year in respect of employment after May 1, 2006. The credit is 10% of the total of the amounts in Table 1, column 3. Attach a note if more space is required.

Table 1 – Calculation of total Apprenticeship job creation tax credit

1	2	3
Contract number (SIN or name of apprentice)	Name of eligible trade	The lesser of eligible salary and wages** payable in the year or \$20,000.
1		
2		
3		

Total apprenticeship job creation tax credit (Total of amounts in column 3 plus applicable amount from box 41*** of your T3 slip) 67180 _____ × 0.10 = _____ D

Total current-year non-refundable tax credits (add amounts B, C and D)
Enter amount E in column 3 in Part F = _____ E

** Net of any government or non-government assistance received or to be received in respect of eligible salary and wages.

*** Enter the amount from box 41 of your T3 slip as applicable, based on the code in box 43 in Guide T4013, T3 Trust Guide, and the instructions provided in the statement by the trust.

Part C – Recapture

Recapture – ITC on SR&ED expenditures

Amount of expenditure on which ITC earned at 15% (after 2013) is recaptured. Do **not** enter more than the amount of the original expenditure **67193** _____ × 0.15 = _____ 1

Amount of expenditure on which ITC earned at 20% (before 2014) is recaptured. Do **not** enter more than the amount of the original expenditure **67195** _____ × 0.20 = _____ 2

Total recapture of investment tax credit on SR&ED expenditures (add amounts 1 and 2) = _____ 3

Recapture – ITC for child care spaces

If, at any time within 60 months of the day that you create a new child care space, that space is no longer available, or if the property acquired for a child care space is leased for any purpose or converted to another use, we will recover the ITC for that space or property.

If **only** child care spaces are disposed of, enter the amount originally claimed for those spaces _____ 4

If property **other than** child care spaces is disposed of, the amount will be the **lesser** of:

The amount originally claimed for ITC for the property disposed of _____ 5

25% of the proceeds of disposition of the eligible property (or 25% of fair market value if disposed of to a non-arm's length party) _____ 6

Enter amount 5 or 6, whichever is **less** + _____ 7

Total recaptured investment tax credit for child care spaces (add amounts 4 and 7) **67197** = _____

Total recaptured credits (add amount 3 and the amount on line 67197)

Enter this amount on the Recapture of investment tax credit* line of your income tax and benefit return..... = _____ 8

* Line 128, for all provinces and territories, except Quebec and non-residents and deemed residents of Canada.
 Line 132, for the federal Quebec returns.
 Line 133, for the non-residents and deemed residents of Canada return.

For more information, go to the Federal Income Tax and Benefit Guide.

Part D – Calculating an allowable claim

Enter the total credit available from column 5 in Part F of this form.....	_____	F
Federal tax (amount from line 40600 of your income tax and benefit return)	_____ 1	
Federal political contribution tax credit (amount from line 41000 of your income tax and benefit return)	- _____ 2	
Subtotal (amount 1 minus amount 2).....	= _____ 3	
Labour-sponsored funds tax credit (amount from line 41400 of your income tax and benefit return)	- _____ 4	
Subtotal (amount 3 minus amount 4).....	= _____	▶ _____ G

Enter your claim on this line

You can claim an ITC amount up to, but not more than, the lesser of amount F **or** G _____ H

If you do not have to complete Form T691, Alternative Minimum Tax, or if the amount you calculate on line 98 of Form T691 is "0", enter amount H on line 41200 of your income tax and benefit return, or on line 26 of Schedule 11, Federal Income Tax (T3 for Trusts). If alternative minimum tax (AMT) does not apply, enter amount H in column 6 in Part F of this form.

Otherwise, complete the following section to determine your ITC claim and enter "0" in column 6 in Part F of this form.

Calculating an allowable claim if alternative minimum tax (AMT) applies

If you completed Form T691, Alternative Minimum Tax, **and** calculated an **amount greater than "0"** on line 98 of that form, you **must** complete this section.

Enter amount G	_____	5
Federal foreign tax credit (amount from line 40500 of your income tax and benefit return).....	+ _____	6
Subtotal (add amounts 5 and 6)	= _____	7
The minimum amount from line 61 of Form T691	- _____	8
Subtotal (amount 7 minus amount 8, if negative, enter "0")	= _____	▶ _____ I

Enter your claim on this line

You can claim an ITC amount up to, but not more than, the lesser of amount F **or** I _____ J

Enter amount J on line 41200 of your income tax and benefit return, or on line 26 of Schedule 11, Federal Income Tax (T3 for Trusts). **Also** enter amount J in column 7 in Part F of this form.

Part E – Calculating a carryback and refund of an ITC

ITC available for carryback

Complete this section to determine the balance of credit available for carryback to previous tax years.

Total current-year credit available (column 5 minus column 1 in Part F) 1

Current-year credit applicable*

The maximum amounts you could have claimed in column 6, plus column 7, minus column 1 in Part F (if negative, enter "0") - 2

Total credit available for carryback (amount 1 minus amount 2) = K

* To arrive at the amount for carryback, you first have to apply your credit to the fullest extent in the current year, whether you claimed all of it or not. Before determining the amount available to carry back, you first have to reduce your federal tax for the current year by the maximum amounts you could have claimed in columns 6 and 7 in Part F of this form, whether you claimed the maximum or not.

Calculating a carryback and refund of an ITC

Complete this section to request a carryback of the ITC you earned in the current tax year. The carryback provisions allow you to apply a current-year credit against the total of your federal tax for any of the three previous tax years. The credit you apply to a previous year cannot be more than the total of your federal tax for that year.

You have to deduct any amount of the refundable ITC designated as a carryback when you calculate your ITC refund and the balance to carry forward to tax years that follow.

To request a carryback, complete this section and attach this form to your current-year income tax and benefit return.

Note
We do not refund an amount you designate as a carryback in the current year. Do not enter the amount on your income tax and benefit return.

The part of amount K to carryback for one or more of the following:

Third previous year 67200 •

Second previous year 67210 + •

First previous year 67220 + •

Total credit designated for carryback (Add lines 67200, 67210, and 67220. The total cannot be more than amount K.) Enter the total of amounts L and N in column 8 in Part F. = L

Signature Date (YYYYMMDD)

67240

Continue Part E on the next page ►

Part E – Calculating a carryback and refund of an ITC (continued)

ITC available for refund

Complete this section to determine the balance of credit available for refund.

Total current-year refundable credit available (column 2 minus column 4 in Part F)	_____	3
Current-year credit claim (column 6, plus column 7, minus column 1 in Part F).....	_____	4
Amount L	+ _____	5
Subtotal (add amounts 4 and 5)	= _____	6
Amount from column 3 in Part F	- _____	7
Total (amount 6 minus amount 7, if negative, enter "0")	= _____	8
Total credit available for refund (amount 3 minus amount 8)	= _____	M

Calculating an ITC refund

Complete this section to calculate a refund of ITC that you earned in the current year. You must deduct any amounts you claim as a refund when you calculate the balance to carry forward to tax years that follow.

Amount you designate as a refund of ITC (cannot be more than amount M)	_____	9
The refundable rate	× _____	10
		0.40

Refund of ITC (multiply amount 9 by amount 10)

Enter the total of amounts L and N in column 8 in Part F (cannot be more than amount K)	= _____	N
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Enter amount N on line 45400 of your income tax and benefit return or on line 88 of a Form T3RET, T3 Trust Income Tax and Information Return.

Part F – Carryforward chart

1	2	3	4	5	6	7	8	9
Balance of credits carried forward from previous years	Current-year refundable credit (amount A in Part A)	Current-year non-refundable credit (amount E in Part B)	Adjustments*	Total credit available (column 1 plus column 2 plus column 3 minus column 4)	Current-year credit claim (amount H in Part D)	Current-year credit claim (AMT) (amount J in Part D)	Credit claim – other (amounts L plus N in Part E)	Balance carried forward (column 5 minus columns 6, 7, and 8)

* For a graduated rate estate, enter the amount of ITC allocated to beneficiaries from box 40 of your T3 slip.

Personal information (including the SIN) is collected to administer or enforce the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for the purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in paying interest or penalties, or in other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 005 on Information about Programs and Information Holdings at canada.ca/cra-information-about-programs.