



OPI Sign Off  
11/09/2017

**\*\*New\*\***

Minor changes to  
content  
Stakeholder 002

## Manitoba Research and Development Tax Credit (2017 and later tax years)

Corporation's name	Business number	Tax year-end Year Month Day
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- Use this schedule if you are a corporation with a permanent establishment in Manitoba that has made eligible expenditures for scientific research and experimental development carried out in the province under section 7.3 of the *Income Tax Act* (Manitoba), and you want to:
  - calculate a Manitoba research and development (R&D) tax credit for the current tax year;
  - calculate the refundable component of the Manitoba R&D tax credit;
  - claim the credit to reduce Manitoba income tax otherwise payable in the current tax year;
  - carry back the current-year credit to reduce Manitoba income tax otherwise payable in any of the three previous tax years;
  - carry forward the current-year credit to reduce Manitoba income tax otherwise payable in any of the 20 following tax years after 2005; or
  - renounce the current-year credit in whole or in part. If the renunciation is filed by the filing due date for the year, the corporation is deemed never to have received, been entitled to receive or had a reasonable expectation of receiving the amount. If the renunciation is filed within the 365-day period immediately following the filing-due date, the corporation is deemed never to have received, been entitled to receive or had a reasonable expectation of receiving the amount for all purposes **except** for paragraph 37(1)(d) and subsections 127(18) to (20) of the federal *Income Tax Act*,
  - to claim a credit transfer after an amalgamation or the windup of a subsidiary, as described in subsections 87(1) and 88(1) of the federal *Income Tax Act*;
  - to claim the share of a credit allocated to you as a member of a partnership or as the beneficiary of a trust.
- The Manitoba refundable research and development tax credit earned under subsection 7.3(2.3) of the *Income Tax Act* (Manitoba), is the least of:
  - the amount by which the R&D tax credit available at the end of the current tax year exceeds the total of Manitoba income tax otherwise payable in the current tax year and the amount renounced under subsection 7.3(7) for the year;
  - the total of the following amounts in the current tax year:
    - 15% of the corporation's eligible expenditures incurred in the current tax year after April 11, 2017 and under a R&D contract with a university, college, or other post-secondary educational institution in Manitoba or with a person approved for this purpose by the Minister of Growth, Enterprise and Trade. For a list of educational institutions potentially eligible to participate in the SR&ED refundable Manitoba R&D tax credit program, go to [gov.mb.ca/finance/business/pubs/eligible\\_institutions.pdf](http://gov.mb.ca/finance/business/pubs/eligible_institutions.pdf);
    - 7.5% of the eligible expenditures not under a R&D contract with a qualifying institution incurred after April 11, 2017;
    - 20% of expenditures under a R&D contract with a qualifying institution incurred before April 12, 2017;
    - 10% of eligible expenditures not under a R&D contract with a qualifying institution before April 12, 2017; and
    - the refundable credit allocated to the corporation that is a member of a partnership or a beneficiary under a trust.
  - the total credit earned in the current tax year.
- An eligible expenditure must meet the definition of a **qualified expenditure** in subsection 127(9), but without reference to paragraph (d) of the federal *Income Tax Act*. The capital cost of a qualified expenditure is determined without reference to subsection 13(7.1) of the Act. Only qualified expenditures incurred in Manitoba are eligible for the Manitoba R&D tax credit.
- This schedule must be filed no later than 12 months after the *T2 Corporation Income Tax Return* is due for the tax year that the expenditure was incurred in.
- File this schedule with your T2 return.

**\*\*New\*\***

Bullet 5 Removed  
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### Part 1 – Summary of total eligible expenditures incurred in the current tax year

Total eligible expenditures incurred in the current tax year before April 12, 2017	106	_____
Total eligible expenditures incurred in the current tax year after April 11, 2017	107	_____
Eligible expenditures under a R&D contract incurred in the current tax year before April 12, 2017	108	_____
Eligible expenditures not under a R&D contract incurred in the current tax year before April 12, 2017	116	_____
Eligible expenditures under a R&D contract incurred in the current tax year after April 11, 2017	109	_____
Eligible expenditures not under a R&D contract incurred in the current tax year after April 11, 2017	117	_____
<b>Summary of total eligible expenditures incurred in the current tax year</b> (add lines 108, 116, 109, and 117).		_____
Amount A cannot exceed the total of line 106 plus 107.		_____ A

**Part 2 – Total credit available and credit available for carryforward**

Credit at the end of the previous tax year . . . . .			B	
Credit expired* . . . . .	<b>104</b>			
Credit at the beginning of the tax year (amount B <b>minus</b> line 104) . . . . .	<b>105</b>		▶	
Credit transferred on an amalgamation or the windup of a subsidiary . . . . .	<b>110</b>			
Repayments** for assistance received before April 12, 2017 . . . . .	×	20% =		<b>123</b>
Repayments** for assistance received after April 11, 2017 . . . . .	×	15% =		<b>124</b>
<b>Credit earned in the current year:</b>				
Line 106 in Part 1 . . . . .	×	20% =		<b>121</b>
Line 107 in Part 1 . . . . .	×	15% =		<b>126</b>
Credit allocated to the corporation that is a member of a partnership . . . . .				<b>130</b>
Credit allocated to the corporation that is a beneficiary under a trust . . . . .				<b>140</b>
Subtotal ( <b>add</b> lines 121, 126, 130, and 140) . . . . .				C
Credit renounced . . . . .	<b>150</b>			
<b>Total credit earned in the current year</b> (amount C <b>minus</b> line 150) . . . . .			▶	D
Total credit available for the current year ( <b>add</b> lines 105, 110, 123, 124, and amount D) . . . . .				E
Non-refundable credit claimed in the current tax year (cannot exceed the lesser of amount E and Manitoba tax otherwise payable) . . . . .	<b>160</b>			
Enter on line 606 of Schedule 5, <i>Tax Calculation Supplementary – Corporations</i> .				
Refundable credit claimed in the current year (amount M from Part 5) . . . . .	<b>180</b>			
Enter on line 613 of Schedule 5.				
Credit carried back to the previous tax years (complete Part 3) . . . . .				F
Subtotal ( <b>add</b> lines 160, 180, and amount F) . . . . .			▶	G
<b>Closing balance – Total credit available for carryforward</b> (amount E <b>minus</b> amount G) . . . . .	<b>200</b>			

\* An unused credit expires after **20** tax years if it was earned in a tax year ending after 2005.

\*\* Repayments must relate to a repayment made by the corporation in the tax year and not in any other tax year. Repayments are the sum of the following:

- a repayment made in the tax year of government or non-government assistance or a contract payment that reduced an eligible expenditure other than for first term or second term shared-use equipment; and
- a repayment made in the tax year of government or non-government assistance or a contract payment that reduced an eligible expenditure for first term or second term shared-use equipment, **multiplied** by 1/4.

#### Part 4 – Analysis of credit available for carryforward by year of origin

## Part 5 – Refundable Manitoba R&D tax credit