

DOING BUSINESS IN QUEBEC

AN ANALYSIS OF INVESTMENT TAX CREDITS

SR&ED

REFUNDABLE RATES ON QUALIFYING EXPENDITURES



CCPC ^{a,b}



SALARIES
~ 74%



SUB-CONTRACTORS
~ 38%



MATERIALS
~ 35%

NON - CCPC



SALARIES
~ 14%



SUB-CONTRACTORS
~ 7%



MATERIALS
0%

a - Eligible expenses >\$50K (i.e., first \$50k in eligible Quebec expenses receive no Quebec R&D tax credit) and total assets <\$50M*

b - Federal taxable income <\$500K* and prior year's capital <\$25M* and expenditures <\$5M

NON-REFUNDABLE RATES FOR NON-CCPCs ON QUALIFYING EXPENDITURES



Unused non-refundable SR&ED tax credits can be carried back three years or carried forward twenty years.



SALARIES
~ 21%



SUB-CONTRACTORS
~ 11%



MATERIALS
~ 15%

SR&ED EXAMPLE

Comparing SR&ED between a CCPC and a non-CCPC*

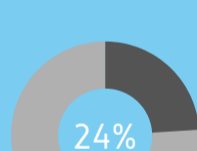
*This is based on a best case scenario analysis, rates may decrease with additional information.

	CCPC	Non-CCPC
Average Tech Worker Wage	\$ 73,000	\$ 73,000
Number of Employees	10	10
Total Salaries	\$ 730,000	\$ 730,000
Refundable Tax Credits	\$ (528,625)	\$ (95,200)
Non-Refundable Tax Credits	\$ 0	\$ (155,445)
Cost	\$ 201,375	\$ 634,800
[before non-ref. tax credits]		
Net Cost	\$ 201,375	\$ 479,355

E-BUSINESS

CCPCs and non-CCPCs are both eligible and this program covers routine software development, as well as R&D activity.

REFUNDABLE RATES ON QUALIFYING EXPENDITURES



SALARIES
\$20,000 per employee

This is based on an annual salary limit of \$83,333.

NON- REFUNDABLE RATES ON QUALIFYING EXPENDITURES



SALARIES
\$5,000 per employee

This is based on an annual salary limit of \$83,333.

NEXT STEPS

Speak to an expert and recover your R&D costs.



For over 15 years, we have successfully claimed over \$200 million in R&D tax credits and other government funding for our clients. Our client list proudly includes startups, leading high-growth firms, and some of the most recognizable global technology firms. We have some of the most sought-after team members, an impressive track record, a proven approach, and numerous awards recognizing our work.

Our team is adept at dealing with the technical R&D admissibility issues as well as navigating the complex R&D taxation rules across multiple jurisdictions. We work with clients from the start to systematically claim government funding, but we have also been very successful in taking over previously rejected claims.

Our team of professional engineers, scientists, and tax professionals strive to maximize government funding and simplify your life.

For more information, book a free funding assessment with our experts.

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