

Tax Credit for the Development of E-Business

Qualified corporation

Form CO-1029.8.36.DA is to be completed by any corporation claiming the tax credit for the development of e-business with respect to salaries and wages it incurred in the taxation year for eligible employees. To qualify for this tax credit, the corporation must meet the following conditions:

- It must not be exempt from tax.
- It must not be a Crown corporation or a subsidiary wholly controlled by such a corporation.
- It must have an establishment in Québec where it carries on a business whose activities are part of the information technology sector.
- It must hold a qualification certificate issued by Investissement Québec for the taxation year, confirming that its activities are eligible for the tax credit.

Eligible employee

An employee of the corporation is an eligible employee where the following conditions are met:

- During the year, the employee reports for work at an establishment of the qualified corporation situated in Québec.¹
- The employee is not a specified shareholder² or a specified member.³
- Investissement Québec issued the corporation a qualification certificate with respect to the employee for the year.

Important

- You must complete parts 2 and 3 on a copy of form CO-1029.8.36.DA for each eligible employee for whom the corporation is claiming the tax credit. Complete parts 4 and 5 on the same copy of form CO-1029.8.36.DA for all eligible employees.
- You must enclose all copies of form CO-1029.8.36.DA with the *Déclaration de revenus des sociétés* (form CO-17), along with a copy of any valid qualification certificate that Investissement Québec issued to the corporation for the taxation year, including any certificate issued for an eligible employee. Send us the documents by the latest of the following dates:
 - the date that is 12 months after the deadline for filing form CO-17 for the taxation year covered by form CO-1029.8.36.DA;
 - the date that is three months after the date the certificate needed to obtain the tax credit was issued.⁴
- If the corporation was required to make instalment payments for the taxation year covered by form CO-1029.8.36.DA, the tax credit will be used to reduce the amount of the instalments.
- For more information, see sections 776.1.19 to 776.1.26 and 1029.8.36.0.3.79 to 1029.8.36.0.3.83 of the *Taxation Act*.

1 Information about the corporation

01a	[Redacted]	01b	IC 0001	
Name of corporation		[Redacted]		05
				End date of fiscal period
				Y Y Y Y M M D D

2 Qualified salary or wages

Complete part 2 on a separate copy of form CO-1029.8.36.DA for each employee with regard to whom the corporation is claiming the tax credit.

2.1 Identification of the employee

06	07
Employee name	Social insurance number

Date on which the qualification certificate was issued by Investissement Québec in respect of the employee	08
	Y Y Y Y M M D D

Period covered by the certificate: from 09	to 10	[Redacted]
		Y Y Y Y M M D D

- 11 Check box 11 if at least one of the following situations applies:
- The corporation has been able to claim another tax credit⁵ for a portion of the salary or wages that were incurred in the period covered by the corporation's qualification certificate and paid to the eligible employee (the amount on line 20).
 - A person or a member of a partnership other than the qualified corporation may be entitled to a tax credit⁶ for all or a portion of the salary or wages.

2.2 Qualified salary or wages

2.2.1 Qualified salary or wages before application of the annual limit

Qualified salary or wages incurred during the period covered by the corporation's qualification certificate and paid to the eligible employee		20	%
Percentage of qualified salary or wages that may give rise to more than one tax credit. If you checked box 11, complete part 3 of form CO-1029.8.36.DA to calculate the percentage to be entered on line 21c. Otherwise, enter 100%.	x	21c	
Multiply line 20 by line 21c.	=	21d	
Portion of the amount on line 21d that is attributable to eligible work carried out by the employee and whose ultimate beneficiary is a government entity ⁷	-	21e	
Subtract line 21e from line 21d.	=	21f	
Assistance, ⁸ benefit or advantage ⁹ with respect to the amount on line 21f	-	21g	
Subtract line 21g from line 21f.	=	22	Qualified salary or wages before application of the annual limit

2.2.2 Annual limit

Annual limit. Enter \$83,333.		30	%	
Number of days in the period covered by the corporation's qualification certificate during which the employee was an eligible employee	÷	31 32		365
Divide line 31 by line 32.	=	33		
Multiply line 30 by line 33.	=	33a		
Percentage from line 21c	x	33b	%	
Multiply line 33a by line 33b.	=	34		Annual limit

2.2.3 Qualified salary or wages

Enter the amount from line 22 or line 34, whichever is less.		35	Qualified salary or wages
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3 Percentage of qualified salary or wages that may give rise to more than one tax credit

Complete part 3 of form CO-1029.8.36.DA if you checked box 11. Enter the percentage from line 40 on line 21c. Complete part 3 on a separate copy of form CO-1029.8.36.DA for each employee with regard to whom the corporation is claiming the tax credit.

3.1 Salary or wages that gave or could give entitlement to another tax credit

Portion of the amount on line 20 for which the qualified corporation claimed another tax credit ¹⁰		36	%
All or a portion of the amount on line 20 that may give a person or a member of a partnership other than the qualified corporation entitlement to a tax credit ¹¹	+	37	
Add lines 36 and 37.	=	38	

3.2 Percentage of qualified salary or wages

<table border="0"> <tr> <td style="border: 1px solid black; padding: 2px;">38a</td> <td style="padding: 2px;">Amount from line 20</td> <td style="padding: 2px;">-</td> <td style="border: 1px solid black; padding: 2px;">38b</td> <td style="padding: 2px;">Amount from line 38</td> <td style="padding: 2px;">▶</td> <td style="border: 1px solid black; padding: 2px;">40</td> <td style="padding: 2px;">Percentage of qualified salary or wages</td> </tr> <tr> <td colspan="6" style="border-top: 1px solid black;"></td> <td style="border: 1px solid black; padding: 2px;"></td> <td style="padding: 2px;">%</td> </tr> <tr> <td colspan="6" style="border-top: 1px solid black;"></td> <td style="border: 1px solid black; padding: 2px;">38d</td> <td style="padding: 2px;">Amount from line 20</td> </tr> </table>	38a	Amount from line 20	-	38b	Amount from line 38	▶	40	Percentage of qualified salary or wages								%							38d	Amount from line 20
38a	Amount from line 20	-	38b	Amount from line 38	▶	40	Percentage of qualified salary or wages																	
							%																	
						38d	Amount from line 20																	

4 Total qualified salaries and wages

Complete parts 4 and 5 on the same copy of form CO-1029.8.36.DA for all eligible employees.

Enter in the table provided the name of each eligible employee and amount S calculated for each one. If the space provided is insufficient, attach an additional copy of form CO-1029.8.36.DA.

Employee name			Amount S
		50	
	+	51	
	+	52	
	+	53	
	+	54	
	+	55	
	+	56	
	+	57	
	+	58	
	+	59	
Add lines 50 through 59 of each copy of form CO-1029.8.36.DA that you completed.		Total qualified salaries and wages =	60 A

5 Tax credit for the development of e-business

Total qualified salaries and wages (amount A)

Tax credit rate. Enter 24%.

Multiply line 65 by line 68.

Tax credit respecting assistance, a benefit or an advantage that is related to salaries and wages paid in a previous taxation year and was repaid in the year¹²

Add lines 68a and 68b. Carry amount V to one of lines 440p through 440y of form CO-17, *Déclaration de revenus des sociétés*, and enter code 86 in the box provided for that purpose.

Total qualified salaries and wages (amount A)		65		
Tax credit rate. Enter 24%.	×	68		%
Multiply line 65 by line 68.	=	68a		
Tax credit respecting assistance, a benefit or an advantage that is related to salaries and wages paid in a previous taxation year and was repaid in the year ¹²	+	68b		
Add lines 68a and 68b. Carry amount V to one of lines 440p through 440y of form CO-17, <i>Déclaration de revenus des sociétés</i> , and enter code 86 in the box provided for that purpose.		Tax credit for the development of e-business =	69 V	

Special tax

If, in a future taxation year, you realize that the corporation should not have received all or a part of the tax credit, the corporation must, by means of a special tax, repay the excess amount received. When completing form CO-17 for the year in question, enter the excess amount and code 74 in the spaces provided on the form for that purpose. For more information, refer to sections 1129.4.3.26 to 1129.4.3.30 of the *Taxation Act*.

6 Deduction respecting the tax credit for the development of e-business (non-refundable portion of the tax credit)

6.1 Deduction respecting a previous year

Total income tax for the taxation year concerned ¹³	80			
Deduction respecting a previous year (amount from line 121 of the last CO-1029.8.36.DA form completed for a previous year)	91			
Deduction included in the amount on line 91 for which the carry-over period has expired ¹⁴	92	-		
Subtract line 92 from line 91.	93	=		
Enter the amount from line 80 or line 93, whichever is less . Carry this amount to one of lines 421b through 421f of form CO-17 and enter code 307 in the box provided for that purpose.				
Deduction respecting a previous year	96			

6.2 Deduction respecting the year concerned

Total qualified salaries and wages (amount A)	100			
Applicable rate	101	×		6%
Multiply line 100 by line 101.	102	=		
Deduction respecting assistance repaid in the year ¹⁵	102a	+		
Add lines 102 and 102a. Deduction respecting qualified salaries and wages for the taxation year concerned	102b	=		
Amount from line 80	103			
Amount from line 96	104	-		
Subtract line 104 from line 103. Balance of income tax	105	=		
Enter the amount from line 102b or line 105, whichever is less . Carry this amount to one of lines 421b through 421f of form CO-17 and enter code 306 in the box provided for that purpose.				
Deduction respecting the year concerned	108			

6.3 Deduction that may be carried to a previous or future year

Amount from line 102b	110			
Amount from line 105	111	-		
Subtract line 111 from line 110. If the result is negative, enter 0. Deduction that may be carried to a previous year	112	=		
Enter the end date of each of the three preceding taxation years to which the corporation wishes to carry all or a portion of the amount on line 112. ¹⁶ The amount on line 116 must not exceed the amount on line 112.				
	113	114	115	
3rd taxation year preceding the year concerned				
2nd taxation year preceding the year concerned				+
1st taxation year preceding the year concerned				+
Add lines 113 to 115 (column B).			=	116
Subtract line 116 from line 112. Deduction respecting the year concerned that may be carried to a future year			=	117

Amount from line 93	118			
Amount from line 96	119	-		
Subtract line 119 from line 118.				
Unused portion of the deduction respecting a previous year			+	120
Add lines 117 and 120. Deduction that may be carried to a future year ¹⁷			=	121






Each of the amounts on lines 113 to 115 (column B) will be carried to one of lines 421b through 421f of the corporation income tax return completed for the corresponding previous taxation year, and code 308 will be entered in the box provided for that purpose. Note that an amount carried back to a previous year may not exceed the amount of income tax for that previous year, minus the deduction already claimed for that previous year.

Special tax

If, in a future taxation year, you realize that the corporation should not have received all or a part of the deduction respecting the tax credit for the development of e-business, the corporation must, by means of a special tax, repay the excess amount received. When completing form CO-17 for the year in question, enter the excess amount and code 74 in the spaces provided on the form for that purpose.

7 Signature

I certify that all the information provided on this form is accurate and complete and corresponds to the information in the books and records of the corporation.

				
Name of authorized representative (please print)	Signature of authorized representative	Date	Area code	Telephone

DO NOT COMPLETE THIS FORM

Notes

1. If an employee reports for work at both an establishment of the qualified corporation situated in Québec and an establishment of that corporation situated outside Québec, the employee is deemed to report for work only at the establishment situated in Québec. However, if the employee reports for work mainly at the establishment situated outside Québec, the employee is deemed to report for work only at that establishment.

If, however, the employee is not required to report for work at an establishment of a qualified corporation and the employee's salary or wages are paid by such an establishment situated in Québec, the employee is deemed to report for work at that establishment, provided the tasks the employee carries out during that period are carried out mainly in Québec.
2. A "specified shareholder" of a corporation is a taxpayer that, at any time in the taxation year, directly or indirectly owns not less than 10% of the issued shares of any class of the capital stock of the corporation or of any other corporation that is related to the corporation.
3. A "specified member" of a cooperative is a member who, at any time in the taxation year, directly or indirectly obtained at least 10% of the votes at a meeting of the members of the cooperative.
4. Where the prescribed form is sent to us within the time allowed (12 or three months, as the case may be) and the certificate required to claim the tax credit has been duly obtained from Investissement Québec, the application for the tax credit will be accepted, even if the copy of the certificate is sent to us after the time allowed for filing the prescribed form. However, your application will not be processed until we receive a copy of the certificate. For more information, contact us.
5. This is the portion of the salary or wages paid to an eligible employee that, under section 1029.6.0.1.2.3 of the *Taxation Act*, is attributable to the period covered by the corporation's qualification certificate and is related to an eligible activity.
6. This is all or a portion of the salary or wages entered on line 20 that relate to an expense or fees paid to the qualified corporation by a person or partnership under a contract and that could give the person or a member of the partnership entitlement to a tax credit. For more information, see sections 1029.6.0.1 and 1029.6.0.1.2.1 to 1029.6.0.1.2.3 of the *Taxation Act*.
7. Enter on this line the portion of the eligible employee's salary or wages incurred by the qualified corporation under an agreement between the corporation and a government entity (or between the corporation and another person or partnership, where the ultimate beneficiary of the work is a government entity) that is attributable to the carrying out of work whose ultimate beneficiary is the government entity.

Do not include such salary or wages on this line if the initial agreement with the government entity was entered into before October 1, 2015.
8. "Assistance" refers to both government and non-government assistance that the corporation received, is entitled to receive or may reasonably expect to receive within six months after the end of the year covered by form CO-1029.8.36.DA. It does not refer to amounts received and repaid in the year concerned. The term is defined in section 1029.6.0.0.1 of the *Taxation Act*.
9. "Benefit" or "advantage" refers to any benefit or advantage that the corporation or a partnership obtained, is entitled to obtain or may reasonably expect to obtain within six months after the end of the year covered by form CO-1029.8.36.DA. Amounts received and repaid in the year covered by the form do not constitute benefits or advantages. A benefit or advantage may be a reimbursement, compensation or guarantee, or the proceeds of disposition of property that exceed the fair market value of the property disposed of. It may also be granted in any other form or manner.
10. See note 5.
11. See note 6. You do not have to subtract the portion of the salary or wages entered on line 20 that relates to the following:
 - the services the corporation supplied to another corporation under an eligible digital conversion contract that could entitle that other corporation to the tax credit to support the digital transformation of print media companies;
 - the supply of a qualified management software package to another corporation that could entitle that other corporation to the tax credit for investment and innovation.
12. To determine the amount to be entered on line 68b (if any), you must recalculate the tax credit for the previous year (amount V) as if the corporation had not received, during that previous year, the assistance repaid in the year concerned. You must therefore redo the tax credit calculations you did on the copy of form CO-1029.8.36.DA completed for the previous taxation year. The amount to be entered is the amount by which the recalculated tax credit exceeds the tax credit for the previous year.
13. This is the income tax before taking into account the other refundable tax credits the corporation may claim, including the deduction respecting the tax credit claimed on form CO-1029.8.36.DA.
14. You must enter the amount for which the carry-over period has expired on line 425aa or line 425bb of form CO-17 and code 74 on line 425ai or line 425bi. Note that the amounts on lines 425aa and 425bb may not be added together or added to an amount of special tax.
15. To determine the amount to be entered on line 102a (if any), you must recalculate the deduction for the previous year as if the corporation had not received, during that previous year, the assistance repaid in the year concerned. You must therefore redo the deduction calculations you did on the copy of form CO-1029.8.36.DA completed for the previous taxation year. The amount to be entered is the amount by which the recalculated deduction exceeds the deduction for the previous year.
16. The corporation may carry back all or a portion of the amount on line 112 only to previous years for which the corporation claimed the tax credit for the development of e-business.
17. This amount may be carried forward to the 20 subsequent taxation years. It may be carried forward only to a year for which the corporation can claim the tax credit for the development of e-business.

Note that the federal investment tax credit does not constitute government assistance for the purposes of the tax credit for the development of e-business.