

Tax Credit for Fees and Dues Paid to a Research Consortium

Qualified taxpayer

This form must be filed by any taxpayer that wants to claim a tax credit for fees or dues it or the partnership of which it is a member paid to an eligible research consortium.¹

If the fees or dues were paid by the taxpayer, the taxpayer must:

- carry on a business in Canada; and
- not be a tax-exempt taxpayer.²

If the fees or dues were paid by a partnership of which the taxpayer is a member, **the taxpayer can claim the tax credit** as a member of the partnership based on the taxpayer's share of the fees or dues paid by the partnership for the partnership's fiscal period that ends in the taxpayer's taxation year, if the following conditions are met:

- The partnership carries on a business in Canada.
- The taxpayer is a member of the partnership at the end of that fiscal period.
- The taxpayer is not a specified member of the partnership in that fiscal period.
- The taxpayer is not a tax-exempt taxpayer.²

In that case, enter the taxpayer's information in Part 1 and the partnership's information in parts 2, 3, 4 and 6, then determine the taxpayer's share in Part 8.

Important information

- Complete parts 2 through 4 on a separate copy of this form for each research consortium of which the taxpayer or partnership is a member and in respect of which the tax credit is being claimed. Complete parts 5 through 9 on a single copy of the form for all the research consortia.
- If the qualified taxpayer is claiming the tax credit as a corporation or an individual and as a member of a partnership, complete a separate copy of this form for each claim.
- Enclose all completed copies of this form with the taxpayer's income tax return, along with a copy of the proof of payment of the fees or dues that was provided by the research consortium. If for any reason you are unable to enclose the required documents with the return, you must send them to us within 12 months after the filing deadline for the return for the taxation year concerned.
- If the taxpayer was required to make instalment payments for the taxation year covered by this form, this tax credit will be used to reduce the amount of those payments.
- For more information, refer to sections 1029.8.9.0.2 to 1029.8.9.0.4 and 1029.8.17 to 1029.8.21.3.1 of the *Taxation Act*.

1 Information about the taxpayer

01a Québec enterprise number (NEQ)	01b Identification number	IC 0001	01c File Social insurance number
02 Name of taxpayer			05 End date of fiscal period <small>Y Y Y Y M M D D</small>

2 Information about the consortium

Provide the following information based on the proof of payment of the fees or dues that was provided by the research consortium.

112a Name of consortium	112b Québec enterprise number (NEQ)	112c Identification number
112d Address	112e Postal code	112f End date of fiscal period <small>Y Y Y Y M M D D</small>

- 113 Check the box to the right if the taxpayer or partnership was a member of the consortium at the end of the consortium's fiscal period and that fiscal period ended:
- in the concerned taxation year of the taxpayer, if the taxpayer is claiming the tax credit as a corporation or an individual; or
 - in the partnership's fiscal period that ended in the concerned taxation year of the taxpayer, if the taxpayer is claiming the tax credit as a partnership.



3 Balance of the cumulative fees or dues paid to the research consortium

The consortium must provide the taxpayer with the information needed to complete this part. The expenditures on lines 116b, 116c, 116g and 116h must reduce the fees or dues paid to the consortium using the first in, first out method.

Balance of the cumulative fees or dues paid to the consortium by all its members in the consortium's previous fiscal periods and that can be carried to the fiscal period concerned

116a		
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Expenditures incurred by the consortium in the fiscal period concerned, that are attributable to fees or dues paid in a previous period and that meet one of the following conditions:

- They are not for R&D activities.
- They were not incurred in Québec.
- They are for R&D activities not related to a business of the taxpayer.

116b		
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Expenditures incurred by the consortium during the fiscal period concerned, that constitute expenditures for R&D activities related to a business of the taxpayer and that were incurred in Québec

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116c		
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Add lines 116b and 116c. The amount on line 116d must not exceed the amount on line 116a.

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116d		
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Subtract line 116d from line 116a.

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116e		
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Fees or dues paid to the consortium by all its members in the consortium's fiscal period that ended in the taxpayer's taxation year

116f		
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If the amount on line 116e is equal to 0, enter the expenditures incurred by the consortium in the fiscal period concerned, that are attributable to fees or dues paid in that period and that meet one of the following conditions:

- They are not for R&D activities.
- They were not incurred in Québec.
- They are for R&D activities that are not related to a business of the taxpayer.

Otherwise, enter 0.

116g		
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If the amount on line 116e is equal to 0, enter the expenditures incurred by the consortium in the fiscal period concerned, that are attributable to fees or dues paid in that period, that constitute expenditures for R&D activities related to a business of the taxpayer and that were incurred in Québec.

Otherwise, enter 0.

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116h		
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Add lines 116g and 116h. The amount on line 116i must not exceed the amount on line 116f.

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116i		
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Subtract line 116i from line 116f.

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116j		
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Add lines 116e and 116j.

Balance of cumulative fees or dues =

116k		
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4 Eligible fees or dues related to a research consortium

4.1 Eligible fees or dues related to previous taxation years

Complete this part only if you checked the box on line 113 and entered an amount on line 116c.

A taxpayer that became a member of the research consortium in the consortium's fiscal period that ended in the taxation year concerned cannot claim the tax credit in respect of the fees or dues carried forward from previous taxation years. In such a case, go to the next part of this form.

Follow the instructions below to complete the table on the next page.

- In column A, enter the end date for each of the taxpayer's previous taxation years in which the taxpayer paid fees or dues that were reduced by the eligible expenditures on line 116c.
- In column B, enter the part of the amount from line 116c that is attributable to each taxation year in column A.
- In column C, enter the taxpayer's percentage interest in the consortium (calculated using a copy of this form for each taxation year in column A).
- In column D, do the requested calculations.

If you need more space, enclose another copy of this form.



4.1 Eligible fees or dues related to previous taxation years (continued)

		A	B	C	D
		End date of previous taxation year	Part of the amount from line 116c attributable to the previous taxation year	Percentage interest for the taxation year	Eligible R&D expenditures (col. B × col. C)
		Y Y Y Y M M D D			
120	1				
	2				
	3				
	4				
	5				
121	Add the amounts in column D for all copies of this form.				
Eligible fees or dues related to previous taxation years					

4.2 Eligible fees or dues related to the taxation year concerned

Complete this section only if you entered an amount on line 116h.

4.2.1 Taxpayer's percentage interest in the consortium for the taxation year concerned

Fees or dues paid by the taxpayer in the consortium's fiscal period ending in the taxation year 133 <input style="width: 100px;" type="text"/>	▶	Taxpayer's percentage interest in the consortium for the year 135 <input style="width: 100px;" type="text"/> %
134 <input style="width: 100px;" type="text"/> Amount on line 116f		

4.2.2 Eligible fees or dues related to the taxation year concerned

A taxpayer that became a member of the research consortium in the consortium's fiscal period that ended in the taxation year concerned can claim the tax credit in respect of R&D expenditures that the consortium incurred in that period **only** if the other members of the consortium used the entire balance of fees and dues carried forward from previous taxation years (amount on line 116a) to claim the tax credit. Complete this section only if that condition has been met.

Amount from line 116h		136		
Percentage on line 135	×	137	%	
Multiply line 136 by line 137.		Eligible fees or dues related to the taxation year	=	138

4.3 Eligible fees or dues

Amount on line 138		138a		
Amount on line 121	+	138b		
Add lines 138a and 138b.		= 142		
Assistance, ³ benefit or advantage, ⁴ or contract payment ⁵ related to the amount on line 142	-	148		
Subtract line 148 from line 142.		Eligible fees or dues	=	151

5 Eligible fees or dues for all the research consortia

Complete this part and parts 6 through 9 for all the research consortia of which the taxpayer is a member. If the taxpayer is claiming the tax credit as a member of a qualified partnership, go to Part 6.

Eligible fees or dues (total of the amounts on line 151 of all copies of the form completed for the taxation year)		155		
Amount of reducible expenditures. If you have to complete Part 6, enter the amount on line 190. The amount entered must not exceed the amount on line 155. If you do not have to complete Part 6, enter 0.	-	156		
Subtract line 156 from line 155.		Eligible fees or dues for all the research consortia	=	158 H



7 Qualified expenditures giving entitlement to the increased rate of the tax credit

Complete Part 7 only if the taxpayer is a corporation that is not controlled, directly or indirectly in any manner whatever, by one or more persons not resident in Canada and whose assets (including those of any corporations associated with it) are less than \$75 million for the previous taxation year. In other cases, go to Part 9. A taxpayer claiming the tax credit as a member of a qualified partnership is not entitled to the increased rate of the tax credit. Go to Part 8.

The limit on qualified expenditures that give entitlement to the increased rate is \$3,000,000. Furthermore, if the corporation is associated with one or more other corporations, that limit must be allocated to one or more of the corporations. To do so, complete form RD-1029.7.8, *Entente concernant la limite de dépenses entre sociétés associées*. Then enter the amount allocated to each corporation on line 192 of its RD-1029.8.9.03 form. If the corporation is not associated with any other corporation, enter \$3,000,000 on line 192 of form RD-1029.8.9.03.

	Expenditure limit	×	Number of days in the taxation year ⁷		
192			193		195
			194	365 days	

Amount of reducible expenditures (amount on line 190). If you did not complete Part 6, enter 0.	-	196	
Subtract line 196 from line 195.	=	197	

Enter either amount H or the amount on line 197, whichever is less.

Qualified expenditures giving entitlement to the increased rate of the tax credit		198	
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8 Taxpayer that is a member of a partnership

Complete this part only if the taxpayer is a member of a qualified partnership.

8.1 Taxpayer's percentage interest in the qualified partnership

If the taxpayer is directly a member of the qualified partnership, enter the information about the partnership on line 206 and carry the taxpayer's percentage interest⁸ to line 207.

If the taxpayer is a member of an interposed partnership that is a member of the qualified partnership, provide the required information about both partnerships on lines 205 and 206, respectively. If there is more than one interposed partnership, you must provide the required information for all of them. If there are more than three interposed partnerships, provide the information for each additional interposed partnership on another copy of the form. (All copies of the form must be filed together.) Then complete line 207.⁹

	A Name of partnership	B Québec enterprise number (NEQ)	C Identification number	D End date of fiscal period <small>Y Y Y Y M M D D</small>	E Percentage interest
205	1. Interposed partnership				%
	2. Interposed partnership				%
	3. Interposed partnership				%
206	Qualified partnership				%

Multiply the percentages in column E (line 205). If you have completed more than one copy of the form, multiply the percentage interests in all the interposed partnerships from each copy completed. Then multiply the result by the percentage interest in the qualified partnership.

Taxpayer's percentage interest in the qualified partnership		207	
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8.2 Eligible fees or dues

Eligible fees or dues (total of the amounts on line 151 of all copies of the form completed for the taxation year)

Percentage on line 207	×	212a		212b	%
Multiply line 212a by line 212b.	=	212c			
Assistance ¹⁰ received by the member of the partnership that is related to the amount on line 212a	-	212d			
Subtract line 212d from line 212c.	=	212e			

Amount of reducible expenditures. If you completed Part 6, enter the amount on line 190. The amount entered must not exceed the amount on line 212a. If you did not complete Part 6, enter 0.

Percentage on line 207	×	212f		212g	%
Multiply line 212f by line 212g.	=	212h			
Subtract line 212h from line 212e.	=	214	I		

Eligible fees or dues

9 Tax credit for fees and dues paid to a research consortium

The tax credit is calculated differently according to the type of taxpayer. If the taxpayer is:

- a corporation, **complete section 9.1;**
- an individual, **complete section 9.2.**

If you find in a future taxation year that the taxpayer should not have received all or part of the tax credit, the taxpayer will have to repay the excess amount received by paying a **special tax**. When completing the taxpayer's income tax return for the year in question, enter the excess amount in the space provided on the return for that purpose. For more information, refer to sections 1129.0.1 to 1129.0.10.10 of the *Taxation Act*.

9.1 Tax credit for a corporation

9.1.1 Increased rate of the tax credit

Complete this section if an amount is entered on line 198. Otherwise, go to section 9.1.2.

Maximum increased rate		219	30%
Corporation's total assets ¹¹ for the previous taxation year	220		
Amount of total assets in excess of which the rate reduction applies	-	221	50,000,000
Subtract line 221 from line 220. If the result is negative, enter 0.	=	222	
Applicable rate	×	223	16%
Multiply line 222 by line 223.	=	224	
	÷	225	250,000
Divide line 224 by line 225.	=	226	%
Subtract line 226 from line 219.	=	227	%

Rate reduction

Increased rate of the tax credit

9.1.2 Tax credit

Complete all of this section if an amount is entered on line 198. Otherwise, enter the amount of the corporation's eligible fees or dues (amount H or amount I, as applicable) on line 233 and complete lines 234 through 237.

Qualified expenditures giving entitlement to the increased rate of the tax credit (amount on line 198)	228		
Increased rate of the tax credit (rate on line 227)	×	229	%
Multiply line 228 by line 229.	=	230	
Eligible fees or dues (amount H)	231		
Qualified expenditures giving entitlement to the increased rate of the tax credit (amount on line 228)	-	232	
Subtract line 232 from line 231. If the result is negative, enter 0.	=	233	
Applicable rate. Enter 14%.	×	234	%
Multiply line 233 by line 234.	=	235	
Tax credit in respect of assistance, a benefit or an advantage that was repaid in the taxation year concerned and that is related to expenditures incurred in a previous taxation year ¹²	+	236	
Add lines 230, 235 and 236. Carry amount V (or the total of amounts V) to one of lines 440p through 440y of form CO-17, <i>Déclaration de revenus des sociétés</i> , and enter code 16 in the appropriate box.	=	237	V

Tax credit



9.2 Tax credit for an individual

Amount H or amount I, as applicable		241		
Tax credit rate. Enter 14%.	×	250		%
Multiply line 241 by line 250.	=	250a		
Tax credit in respect of assistance, a benefit or an advantage that was repaid in the taxation year concerned and that is related to expenditures incurred in a previous taxation year ¹²	+	250b		
Add lines 250a and 250b. Carry amount V (or the total of amounts V) to line 462 of the personal income tax return and enter code 15 in box 461.	Tax credit =	251	V	

Notes

- An eligible research consortium is a body to which the Minister of Economy and Innovation has issued a certificate.
- The term "tax-exempt taxpayer" refers to:
 - a corporation exempt from income tax;
 - a Crown corporation or a subsidiary wholly-owned corporation of such a corporation;
 - a controlled corporation, that is, a corporation that is controlled, directly or indirectly in any manner whatsoever, by one of the following entities:
 - an eligible university entity,
 - an eligible public research centre,
 - an eligible research consortium,
 - a corporation that operates a personal services business;
 - a corporation related to a controlled corporation.

The terms "eligible university entity" and "eligible public research centre" are defined in section 1029.8.1 of the *Taxation Act*. The term "personal services business" is defined in section 1 of the Act. The term "eligible research consortium" is defined in note 1.
- The term "assistance" refers to any government assistance and any non-government assistance that the taxpayer received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the taxation year covered by this form. The term does not include any amount received and repaid in the taxation year in respect of which the tax credit is claimed. "Government assistance" and "non-government assistance" are defined in section 1029.6.0.0.1 of the *Taxation Act*.
- The phrase "benefit or advantage" refers to any benefit or advantage that the taxpayer obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the taxation year covered by this form. The phrase does not refer to any amount received and repaid in the taxation year in respect of which the tax credit is claimed. A benefit or advantage may be a reimbursement, compensation, guarantee or proceeds of disposition of property that exceed the fair market value of the property, or may be granted in any other form or manner.
- The term "contract payment" means:
 - an amount that the taxpayer received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the taxation year covered by this form, for R&D work that the taxpayer undertook on behalf of a person resident in Canada or on behalf of a person not resident in Canada that carries on a business in Canada; or
 - an amount, other than a prescribed amount, that the taxpayer received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the taxation year covered by this form, for R&D work that the taxpayer undertook on behalf of:
 - the Government of Canada or a provincial government,
 - a municipality,
 - a Canadian public authority, or
 - a person exempt from income tax.
- Do not take into account the assets of any corporations that, at any time in the taxation year, were associated with the qualified taxpayer.
- If the taxation year concerned has 357 days or more, enter 365 days.
- The term "percentage interest" refers to the taxpayer's share of the partnership's income (or loss) for its fiscal period, divided by the partnership's income (or loss) for its fiscal period. If the partnership has no income or loss for its fiscal period, do the calculation as if the partnership had income of \$1,000,000.
- If the taxpayer is a member of a qualified partnership through a number of groups of interposed partnerships, calculate the taxpayer's percentage interest in the qualified partnership separately for each such group, and complete the form as follows:
 - On line 205 (columns A to E), enter the required information about all the interposed partnerships in each group.
 - On line 206 (columns A to D), enter the required information about the qualified partnership.
 - On line 207, enter the taxpayer's total percentage interest in the qualified partnership (the sum of the taxpayer's percentage interests in the qualified partnership, calculated for each group).
- The term "assistance" refers to any government assistance and any non-government assistance that the taxpayer received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the partnership's fiscal period covered by this form. The term does not include any amount received and repaid in the year in respect of which the tax credit is claimed. "Government assistance" and "non-government assistance" are defined in section 1029.6.0.0.1 of the *Taxation Act*.
- The assets of any corporation that, at any time in the taxation year, was associated with the corporation covered by this form must be taken into account.
- To determine the amount to be entered on line 236 or line 250b, as applicable, recalculate the tax credit for the previous year as if the taxpayer never received, in the previous year, the assistance, benefit or advantage repaid in the year concerned. Thus, you must redo the tax credit calculations done on the copy of form RD-1029.8.9.03 completed for the previous taxation year. The amount to be entered corresponds to the amount by which the recalculated tax credit exceeds the tax credit for the previous year.

