



Deduction Respecting Scientific Research and Experimental Development Expenditures

This form must be filed by any taxpayer carrying on a business in Canada that undertook scientific research and experimental development (R&D) work or caused such work to be undertaken on the taxpayer's behalf, and that wishes to deduct R&D expenditures from income.

Enclose this form with the taxpayer's income tax return or with the *Partnership Information Return* (form TP-600-V) that a member of a partnership is required to file (as applicable).

For more information, refer to sections 222 to 230.0.0.6 of the *Taxation Act*.

1 Information about the taxpayer or partnership

Québec enterprise number (NEQ) 01a: _____	Identification number 01b: _____	File IC 0001	Social insurance number 01c: _____
Name of taxpayer or partnership 02: _____		Identification number 01d: _____	File S P
End date of fiscal period 05: _____ Y _____ M _____ D _____			

15 Check the box if the taxpayer is a corporation exempt from income tax that was constituted exclusively for the purpose of carrying on R&D work.

2 R&D expenditures made during the year

R&D expenditures made during the year that may be used for calculating the deduction vary according to whether you are using the traditional method or the proxy method. Taxpayers that elect to use the proxy method for the taxation year concerned must indicate this election in section 2.3 of this form. Taxpayers that do not make this election must use the traditional method.

2.1 Current expenditures

Salaries or wages paid in respect of R&D activities directly engaged in by

		A Traditional method	B Proxy method
– employees other than specified employees	16	:00	:00
– specified employees ¹	+ 17	:00	:00
Amounts deemed to have been incurred during the year under section 482 of the <i>Taxation Act</i> ²	+ 20	:00	:00
Amounts unpaid 180 days after the end of the year, therefore deemed not to have been incurred during the year under section 482 of the <i>Taxation Act</i>	21	:00	
Cost of materials consumed in the course of R&D activities	+ 25	:00	:00
Cost of materials transformed in the course of R&D activities	+ 27	:00	:00
Payments made to arm's-length subcontractors. Complete Part 5.	+ 30	:00	:00
Payments made to non-arm's-length subcontractors. Complete Part 6.	+ 31	:00	:00
Expenditures incurred in respect of the lease ³ of premises, facilities or equipment used before January 1, 2014			
– entirely or almost entirely (90% or more of the time) for R&D	+ 35	:00	:00
– primarily (more than 50% but less than 90% of the time) for R&D (Enter 50% of the expenditures.)	+ 37	N/A	:00
Payments made to third parties. Complete Part 7.	+ 40	:00	:00
General expenditures that would not have been incurred had there been no R&D activities:			
– support-staff salaries and wages	+ 43	:00	N/A
– other expenses	+ 44	:00	N/A
Add lines 16 through 44.			
Current expenditures	= 45	:00	:00



	A Traditional method	B Proxy method
Amount from line 45	46 00	00

2.2 Capital expenditures⁴

Depreciable property (other than a building or a leasehold interest in a building) used or consumed in a proportion of at least 90% for R&D before January 1, 2014:

– office equipment or furniture	47 00	N/A
– property other than office equipment or furniture	48 00	00
Add lines 47 and 48.	Capital expenditures = 49 00	00
Add lines 46 and 49. Carry the result to line 55.	R&D expenditures made during the year	50 00

2.3 Election to use the proxy method

Taxpayers may elect to use the proxy method. However, in most cases, the traditional method is more advantageous. Note that the method you elect to use is independent from the method elected under the federal *Income Tax Act* and applies to the taxation year concerned only.

I elect to use the **proxy method** to calculate my R&D expenditures or the R&D expenditures of the corporation or partnership, which has authorized me to make this election, and I understand that the election is **irrevocable** for the taxation year concerned.

Name of the authorized representative or name of the individual	Signature	Date
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3 Deductible expenditures for the year

Amount from line 50 (column A or B according to the method elected)	55 00
Assistance, benefit or advantage repaid (or deemed repaid) by the taxpayer in the year and related to expenditures of a previous year	+ 58 00
R&D expenditures not deducted at the end of the previous taxation year (amount E from the form completed for the previous taxation year)	+ 60 00
Other amounts to be added (for example, transfers on amalgamation or winding-up)	+ 65 00
Add lines 55 through 65.	= 68 00
Federal investment tax credit (ITC) claimed in the previous taxation year	70 00
Tax credits for R&D granted by Revenu Québec for the year	+ 71 00
In the case of a trust or partnership, reduction for the current fiscal period in respect of the federal ITC pertaining to a qualified expenditure	+ 73 00
Assistance, ⁵ benefit or advantage ⁶ related to the expenditures on line 55	+ 76 00
Other reductions under section 225 of the <i>Taxation Act</i>	+ 82 00
Add lines 70 through 82.	= 85 00
Subtract line 85 from line 68. If the amount on line 90 is positive , carry it to line 92 and complete Part 4. Otherwise, include it in the calculation of the taxpayer's income for the year.	Deductible expenditures for the year = 90 00

4 Expenditures not deducted at the end of the year

Amount from line 90, if it is positive	92 00
Amount of deductible expenditures that the taxpayer wishes to deduct in the year covered by this form	– 95 00
Subtract line 95 from line 92.	Expenditures not deducted at the end of the year = 96 00 E



5 Payments made to arm's-length subcontractors

Provide the required information concerning all the subcontractors **dealing at arm's length** with the taxpayer that entered into a contract with the taxpayer to undertake R&D work on the taxpayer's behalf. If there is not enough space below, enclose another copy of this page of the form.

Name of subcontractor		Social insurance number	Expenditures incurred during the year
97.1		98.1	
Address		Postal code	
99.1		100.1	
Québec enterprise number (NEQ)	Identification number		103.1
101.1	102.1		00
Name of subcontractor		Social insurance number	
97.2		98.2	
Address		Postal code	
99.2		100.2	
Québec enterprise number (NEQ)	Identification number		+ 103.2
101.2	102.2		00
Name of subcontractor		Social insurance number	
97.3		98.3	
Address		Postal code	
99.3		100.3	
Québec enterprise number (NEQ)	Identification number		+ 103.3
101.3	102.3		00
Add lines 103.1, 103.2 and 103.3. Carry the result to line 30.			104
Payments made to arm's-length subcontractors			00

6 Payments made to non-arm's-length subcontractors

Provide the required information concerning all the subcontractors **not dealing at arm's length** with the taxpayer that entered into a contract with the taxpayer to undertake R&D work on the taxpayer's behalf. If there is not enough space below, enclose another copy of this page of the form.

Name of subcontractor		Social insurance number	Expenditures incurred during the year
105.1		106.1	
Address		Postal code	
107.1		108.1	
Québec enterprise number (NEQ)	Identification number		111.1
109.1	110.1		00
Name of subcontractor		Social insurance number	
105.2		106.2	
Address		Postal code	
107.2		108.2	
Québec enterprise number (NEQ)	Identification number		+ 111.2
109.2	110.2		00
Name of subcontractor		Social insurance number	
105.3		106.3	
Address		Postal code	
107.3		108.3	
Québec enterprise number (NEQ)	Identification number		+ 111.3
109.3	110.3		00
Add lines 111.1, 111.2 and 111.3. Carry the result to line 31.			112
Payments made to non-arm's-length subcontractors			00



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7 Payments made to third parties

Provide the required information concerning the third parties to whom the taxpayer made one or more payments and enter the code from the list that corresponds to each third party.

Code 01	University, college, research institute or other similar institution recognized by Revenu Québec
Code 02	Non-profit R&D corporation
Code 03	Association recognized by Revenu Québec that undertakes R&D activities
Code 04	Organization recognized by Revenu Québec that makes payments to another entity whose code is 01, 02 or 03
Code 05	Other corporation resident in Canada

If there is not enough space below, enclose another copy of this page of the form.

Code	Name	Identification number	Expenditures incurred during the year
113.1	114.1	115.1	118.1
	Address	Postal code	
	116.1	117.1	118.1

Code	Name	Identification number	Expenditures incurred during the year
113.2	114.2	115.2	118.2
	Address	Postal code	
	116.2	117.2	118.2

Code	Name	Identification number	Expenditures incurred during the year
113.3	114.3	115.3	118.3
	Address	Postal code	
	116.3	117.3	118.3

Code	Name	Identification number	Expenditures incurred during the year
113.4	114.4	115.4	118.4
	Address	Postal code	
	116.4	117.4	118.4

Code	Name	Identification number	Expenditures incurred during the year
113.5	114.5	115.5	118.5
	Address	Postal code	
	116.5	117.5	118.5

Add lines 118.1, 118.2, 118.3, 118.4 and 118.5.
Carry the result to line 40.

Payments made to third parties = 119



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8 Information concerning any persons who helped the taxpayer or the taxpayer's representative complete this form

Every person who completed or helped to complete this form in exchange for consideration must provide the information required below.

A penalty of \$1,000 may be imposed if the information concerning any person or any billing agreement is missing, incomplete or inaccurate. The person and the taxpayer claiming the deduction are solidarily liable for the payment of the penalty.

	A	B	C	D
	Corporation's name or individual's last name and first name	Québec enterprise number (NEQ)	Code associated with the billing agreement ⁷	Consideration ⁸
120	1.			
	2.			
	3.			
	4.			
	5.			
Add lines 120.1 through 120.5.				Total amount of consideration 121

Provide particulars concerning the billing agreement for each code 5 entered in column C.

9 Certification by the taxpayer or the authorized representative

I certify that the information provided on this form is accurate and complete.

Name of the authorized representative or name of the individual	Signature	Date	Area code	Telephone

Notes

- Do not include any bonuses or remuneration based on profits.
- The total of these amounts is on line 21 of the form completed for the previous year.
- Do not include any expenses incurred for the use of, or the right to use, a building, or in respect of any general-purpose office equipment or furniture.
- Capital expenditures made after December 31, 2013, in respect of the acquisition or lease of property are not considered qualified R&D expenditures.
- 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 fiscal period covered by this form. The term does not include any amount received and repaid in the year the deduction 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 a person 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 fiscal period covered by this form. The phrase does not refer to any amount received and repaid in the year the deduction 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.

7. Codes associated with billing agreements

Code	Billing agreement
1	Contingency fee (fee corresponding to a percentage of the investment tax credit earned (received or receivable))
2	Hourly rate
3	Daily rate
4	Flat fee
5	Other

- Enter the amount of fees that the person received, is entitled to receive or may reasonably expect to receive in exchange for the services rendered to the taxpayer **with respect to this form.**



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