### Manitoba Crop Alliance's



# SCIENTIFIC RESEARCH & EXPERIMENTAL DEVELOPMENT (SR& ED)

#### Making your claim — Corporations

To make an SR&ED claim based on payments to Agricultural Associations (check-off dues), follow the steps below:

1) Tally all net check-off levies paid to each association.

Farmers can calculate total check-off levies for the year by referring to their crop sales receipts.

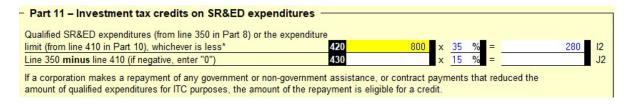
Net check-off's = Total check-off's paid - Refunded check-offs.

The net is used to calculate the ITC because only levies not refunded are eligible.

- 2) Multiply the total net check-off levies paid by the applicable associations SR&ED % for the vear
- 3) Multiply the calculated SR&ED portion of the levy by 80%
- 4) Report this calculated amount on line 103 of Schedule 31

Part 3 – Corporations in the farming industry	11.33
Complete this area if the corporation is making SR&ED contributions.  Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)?	<b>102</b>
If yes, complete Schedule 125, Income Statement Information, to identify the type of farming industry the corporation is involved in.  Contributions to agricultural organizations for SR&ED*  Enter on line 350 of Part 8.  * Enter only contributions not already included on Form T661.	103 800

This is only one section of Schedule 31 and multiple other lines are completed to determine the end rebate. For example, this \$800 flows to line 420 where the refundable portion of the levies is calculated.



The \$280 ITC flows to multiple other lines, and eventually to the last page of the T2 on line 780 where it is applied as a refundable tax credit to your net corporate tax return

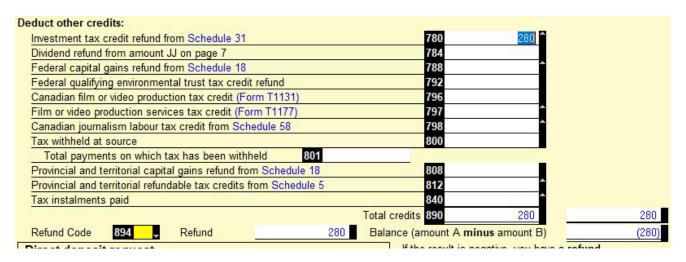






# SCIENTIFIC RESEARCH & EXPERIMENTAL DEVELOPMENT (SR& ED)

#### Making your claim — Corporations (cont.)



This example is only brief outline to the process of the SR&ED claim. We would recommend providing your accountant with the net levies paid to each association and their applicable SR&ED % for the year, to allow the accountant for easy processing of your claim.



### Manitoba Crop Alliance's



# SCIENTIFIC RESEARCH & EXPERIMENTAL DEVELOPMENT (SR& ED)

#### Making your claim - Individuals

To make an SR&ED claim based on payments to Agricultural Associations (check-off dues), follow the steps below:

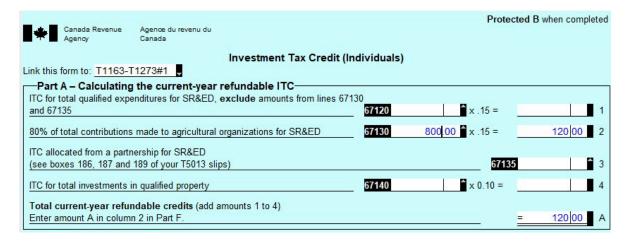
1) Tally all net check-off levies paid to each association.

Farmers can calculate total check-off levies for the year by referring to their crop sales receipts.

Net check-off's = Total check-off's paid - Refunded check-offs.

The net is used to calculate the ITC because only levies not refunded are eligible.

- 2) Multiply the total net check-off levies paid by the applicable associations SR&ED % for the year
- 3) Multiply the calculated SR&ED portion of the levy by 80%
- 4) Report this calculated amount on line 67130 of T2038



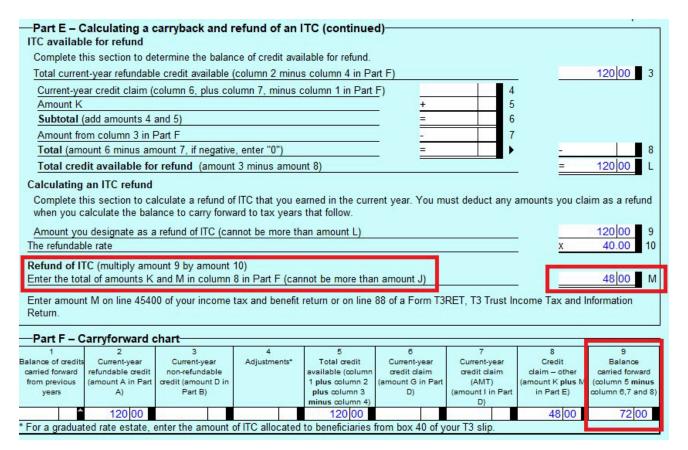
This amount flows to various lines of T2038, to Section 8 for the calculation of the refundable portion of the ITC and the non-refundable portion.

### Manitoba Crop Alliance's



# SCIENTIFIC RESEARCH & EXPERIMENTAL DEVELOPMENT (SR& ED)

#### Making your claim — Individuals (cont.)



As shown in the example, 40% is of the ITC is refunded (\$60) and the remaining 60% (\$90) is either applied to taxes payable or carried forward for 20 years to be applied against future taxes payable.

This example is only brief outline to the process of the SR&ED claim. We would recommend providing your accountant with the net levies paid to each association and their applicable SR&ED % for the year, to allow the accountant for easy processing of your claim.