



**DIRECT EQUITY TAX CREDIT**  
**- Information Return -**  
**(Separate returns must be filled out for each investor)**

<b>Eligible Business Name</b> (to be completed by Eligible Business)	
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<b>Investor Identification</b> (to be completed by Eligible Business)	
Investor's Name <sup>(1)</sup>	
SIN or Business Number	
Address	
Phone	
Facsimile	
E-mail address	

<b>Eligible Common Shares Fully Paid for by Investor</b> (to be completed by Eligible Business)	
Number of Eligible Shares Purchased	
Total Amount Paid for Eligible Shares	
Date Purchased	
Date Fully Paid	

(1) Where the investor is a corporation, a list of shareholders is required, along with a list of associated corporations and shareholders of the associated corporations.

**DISCLAIMER:**

*The Province of Newfoundland and Labrador in no way guarantees the value of any shares issued by an eligible business. Nor does it in any way express an opinion as to the financial condition of the issuing company or the merits of an investment in shares of the issuing company.*

I have read and understand the disclaimer and the attachment "Important Information". I certify that the information contained in this Information Return is true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
Authorized Officer (please print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Original - to be forwarded by Eligible Business to the Newfoundland Department of Finance  
Copies - one copy to be provided by Eligible Business to investor; one copy to be maintained by Eligible Business

## **DIRECT EQUITY TAX CREDIT**

### **- Important Information -**

#### **Eligible Investor**

To receive a Direct Equity Tax Credit an individual investor must be 19 years of age or over and have Newfoundland personal income tax payable. An arm's length corporate investor must have a permanent establishment in Newfoundland and Labrador.

#### **Eligible Investment**

For individuals, the tax credit may be claimed in the year in which the eligible shares are purchased, or if purchased within 60 days of a calendar year, may be claimed in the previous year. For eligible corporate investors, the tax credit would be claimed in the fiscal year in which the investor purchased the eligible shares. Eligible businesses are not allowed to redeem eligible shares for 5 years after issuance. If shares are redeemed then the eligible business shall pay to the Minister a penalty equal to the tax credit allowed with respect to the shares, plus interest.

An investment by an individual is not eligible, however, if the investor disposed of any other shares of the eligible business at any time after March 22, 2000 and before the date on which the investment was made. Shares purchased by a corporate investor are not eligible if that investor disposed of any shares of the eligible business at any time after March 27, 2003.

#### **The Tax Credit**

The maximum annual tax credit per investor is \$50,000. Correspondingly, the maximum annual investment in eligible shares is \$250,000 in the North East Avalon, where the tax credit rate is 20%, and almost \$143,000 outside the North East Avalon, where the tax credit rate is 35%.

The credit is not refundable but may be carried forward for seven years or carried back three years, however, corporate investors cannot carry back in the fiscal year ending prior to April 1, 2004 and for individuals the credit cannot be carried back before the 2000 taxation year. The \$50,000 maximum credit includes any carry forward (or back) amounts used in a given year.

#### **Tax Credit Receipt**

After your eligible business completes and submits the Information Return to the Provincial Department of Finance a Direct Equity Tax Credit receipt will be issued by the Department of Finance to each investor so that the investor may attach the receipt to a personal or corporate income tax return, as applicable.

#### **Please forward completed Information Return to:**

Government of Newfoundland and Labrador  
Department of Finance  
Tax Administration Division  
P. O. Box 8700  
St. John's, NL  
A1B 4J6