Canada Revenue Agency / Agence du revenu du Canada

MANITOBA MANUFACTURING INVESTMENT TAX CREDIT
(2005 and later tax years)

SCHEDULE 381
Code 0502

Name of corporation	Business Number	Tax year-end Year Month Day

- Use this schedule if you are a corporation that has acquired qualified property and you want to reduce Manitoba tax payable.
- Qualified property can be one of the following:
  - Property that is qualified property within the meaning assigned to this expression by subsections 127(9) and 127(11) of the federal *Income Tax Act* and that was acquired before July 1, 2009. The corporation has to acquire the property to be used in Manitoba mainly for manufacturing or processing goods for sale or lease.
  - Property bought after April 22, 2003, that falls into class 43.1* under the federal *Income Tax Regulations* and that was not used, or acquired for use or lease, for any purpose before it was acquired by the corporation. The corporation must acquire the property to be used in Manitoba for producing, or reducing consumption of, energy primarily for use in its business in Manitoba of manufacturing or processing goods for sale or lease.
- A corporation leasing its property may also qualify for the credit. The lessee must not be exempt from tax under section 149 of the federal *Income Tax Act*, and must reasonably be expected to use the property in Manitoba primarily for:
  - manufacturing or processing goods for sale or lease; or
  - producing, or reducing consumption of, energy for use in its business in Manitoba of manufacturing or processing goods for sale or lease.
- Manufacturing or processing has the meaning assigned by subsection 125.1(3) of the federal *Income Tax Act* and includes qualified activities as defined in section 5202 of the federal *Income Tax Regulations*.
- When you calculate the capital cost of qualified property, deduct the amount of any government assistance or non-government assistance.
- The credit earned on qualified property acquired in the tax year is eligible for a 10-year carryforward. The credit is eligible for a three-year carryback (for class 43.1* property, to tax years ending after April 22, 2003).
- Use this schedule to show a credit transfer following an amalgamation or the wind-up of a subsidiary, as described in subsections 87(1) and 88(1) of the federal *Income Tax Act*. You can also use this schedule to show the credit allocated from a trust or a partnership.
- For property acquired after March 8, 2005:
  - the meaning of qualified property is expanded to include used property;
  - the property has to be available for use to be eligible for the manufacturing investment tax credit; and
  - the qualified property must be identified on this schedule that is to be filed no later than 12 months after the *T2 Corporation Income Tax Return* is due for the tax year in which the property was acquired.
- For a tax year ending after March 8, 2005, a portion of this credit became refundable. The refundable portion will first be applied to reduce the tax payable on the corporation's balance due day and then any remaining amount will be refunded. The refundable portion of the Manitoba manufacturing investment tax credit for a tax year ending after March 8, 2005 and before March 7, 2006 is 20%. The refundable portion is increased to 35% for a tax year ending after March 6, 2006.
- File the completed schedule with your *T2 Corporation Income Tax Return*.

* Qualified property that was previously classified as Class 43.1 and is now reclassified as Class 43.2 continues to qualify for this credit.

Part 1 – Qualified property (acquired in this tax year) eligible for the credit

101 CCA class No.	Description of qualified property	102 Acquisition date Year / Month / Day	103 Capital cost

Total capital cost (attach an additional schedule if required) ______ A

In addition to the **total capital cost**, enter the following qualified property, if it applies:

Corporation's share of qualified property acquired in the current year as a member of a partnership . . . . . . ______ B

Corporation's share of qualified property acquired in the current year as a beneficiary of a trust . . . . . . ______ C

Part 2 – Calculation of Manitoba refundable manufacturing investment tax credit

	Tax year ending after March 8, 2005 and before March 7, 2006	Tax year ending after March 6, 2006
Qualified property acquired by the corporation (included in amount A)	106 ______	107 ______
Corporation's share of qualified property acquired as a member of a partnership (included in amount B)	206 ______	207 ______
Corporation's share of qualified property acquired as a beneficiary of a trust (included in amount C) . .	306 ______	307 ______
Total qualified property acquired in the current year	500 ______	501 ______

(Line 500 above **times** 2%) ______ D1

(Line 501 above **times** 3.5%) . . . . . . ______ D2

Manitoba refundable manufacturing investment tax credit (line D1 or line D2) . . . . . . ______ D3

Enter the amount D3 on line 621 of Schedule 5 and on line 125 in Part 3 of this schedule.

Part 3 – Calculation of total credit available and credit available for carryforward

Credit at the end of the preceding tax year					
Deduct: Credit expired *		104			
Credit at the beginning of the tax year		105		▶	
Add:					
Credit transferred on an amalgamation or the wind-up of a subsidiary				110	
Current-year credit earned (amount A from Part 1)	x 10% =	120			
Credit allocated from a partnership (amount B from Part 1)	x 10% =	130			
Credit allocated from a trust (amount C from Part 1)	x 10% =	140			
	Subtotal			▶	
Deduct: Refundable credit claimed (amount D3 from Part 2)				125	
Total credit available					
Deduct:					
Credit claimed in the current year (enter on line 605 in Part 2 of Schedule 5)		160			
Credit carried back to preceding tax years (complete Part 4)				E	
	Subtotal			▶	
Closing balance				200	

* An unused credit expires after **seven** tax years if it relates to qualified property acquired in a tax year ending before 2004. If the qualified property was acquired in a tax year ending after 2003, the unused credit expires after **10** tax years.

Part 4 – Request for carryback of credit

Complete this part to ask for a carryback of a current-year credit earned.

	Year	Month	Day			
1st preceding tax year				Credit to be applied	901	
2nd preceding tax year				Credit to be applied	902	
3rd preceding tax year				Credit to be applied	903	
				Total (enter on line E in Part 3)		

Part 5 – Analysis of credit available for carryforward by year of origin

You can complete this part to show all the credits from preceding tax years available for carryforward, by year of origin. This will help you determine the amount of credit that could expire in following years.

The carryforward period for tax years ending before 2004 is **seven** years. For tax years ending after 2003, the carryforward is **10** years.

	Year of origin: Year	Month	Day	Credit available for carryforward
10th preceding tax year ending on				
9th preceding tax year ending on				
8th preceding tax year ending on				
7th preceding tax year ending on				
6th preceding tax year ending on				
5th preceding tax year ending on				
4th preceding tax year ending on				
3rd preceding tax year ending on				
2nd preceding tax year ending on				
1st preceding tax year ending on				
Current tax year ending on				
			Total (equal to line 200 in Part 3)	