# NOVA SCOTIA MANUFACTURING AND PROCESSING INVESTMENT TAX CREDIT (1998 and later taxation years)

**SCHEDULE 344**

| Corporation's name | Business Number | Taxation year-end | | |
|---|---|---|---|---|
| | | Year | Month | Day |

- For use by corporations that have acquired qualified property after December 31, 1996, and before January 1, 2003, and want to reduce Nova Scotia tax payable. Qualified property is defined in subsection 13G(1) of the Nova Scotia *Income Tax Act* and in subsection 127(9) and related subsections 127(11) and (11.1) of the federal *Income Tax Act*. Deduct the amount of any government assistance or non-government assistance in calculating the capital cost of qualified property.

- The qualified property has to be used by the corporation in Nova Scotia primarily for the purpose of manufacturing or processing of goods for sale or lease. Property leased by the corporation to a lessee for this purpose (other than a person exempt from tax under section 149 of the federal *Income Tax Act*) may also qualify for the credit. Manufacturing or processing is defined in subsection 125.1(3) of the federal *Income Tax Act* and includes qualified activities as defined by Regulation 5202 of the federal *Income Tax Regulations*.

- Capital cost of qualified property must be identified on this schedule and filed with the Canada Customs and Revenue Agency no later than 12 months after the *T2 Corporation Income Tax Return* is due for the taxation year in which the costs were incurred.

- The credit is eligible for a seven-year carryforward and a three-year carryback. You cannot carry the credit back to any taxation year ending before January 1, 1997.

- You can renounce the current year credit in whole or in part. The renouncement must be filed on or before the filing due date of the federal *T2 Corporation Income Tax Return.*

- Use this schedule to show a credit transfer after an amalgamation or windup of a subsidiary, as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*. This schedule can also be used to show the credit allocated from a trust or a partnership.

- File one completed copy of this schedule with your *T2 Corporation Income Tax Return.*

## Part 1 – Qualified property (acquired in current taxation 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 space is insufficient) _____ A

## Part 2 – Calculation of total credit available and credit available for carryforward

Credit at end of preceding taxation year ............................................

**Deduct:** Credit expired after seven taxation years ................................... **104** _____

Credit at beginning of taxation year. ............................................... **105** _____ ▶ _____

**Add:**

Credit transferred on amalgamation or windup of subsidiary ........................ **110** _____

Acquisitions before January 1, 2001, from amount A above _____ x 30% = **120** _____

Acquisitions after December 31, 2000, from amount A above _____ x 15% = **121** _____

Credit allocated from a partnership ............................................. **130** _____

Credit allocated from a trust ................................................. **140** _____

Subtotal _____ ▶ _____

**Total credit available** ........................................................ _____ B

**Deduct:**

Credit renounced .......................................................... **150** _____

Credit claimed in the current year (enter on line 561 in Part 2 of Schedule 5) ........... **160** _____

Credit carried back to preceding taxation year(s) (complete Part 3) ..................... _____ C

Subtotal _____ ▶

**Closing balance** ............................................................ **200** _____

## Part 3 – Request for carryback of credit

| | Year | Month | Day | | | |
|---|---|---|---|---|---|---|
| 1st preceding taxation year | | | | ............................ Credit to be applied | **901** | _____ |
| 2nd preceding taxation year | | | | ............................ Credit to be applied | **902** | _____ |
| 3rd preceding taxation year | | | | ............................ Credit to be applied | **903** | _____ |

**Total** (enter on line C in Part 2) _____

## Part 4 – Analysis of credit available for carryforward by year of origin

| Year of origin (earliest year first) | | | Credit available | Year of origin (earliest year first) | | | Credit available |
|---|---|---|---|---|---|---|---|
| Year | Month | Day | | Year | Month | Day | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

**Total** (equals line 200 in Part 2) _____