

**NEW BRUNSWICK RESEARCH AND DEVELOPMENT TAX CREDIT
(2003 and later taxation years)**

Corporation's name	Business Number	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Taxation year-end</td> <td style="text-align: center;">Year</td> <td style="text-align: center;">Month</td> <td style="text-align: center;">Day</td> </tr> <tr> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> </tr> </table>	Taxation year-end	Year	Month	Day				
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- Use this schedule if you are a corporation with a permanent establishment in New Brunswick that has made eligible expenditures for scientific research and experimental development carried out in the province, and you want to:
 - claim a carryforward of New Brunswick research and development (R&D) tax credits on eligible expenditures made before January 1, 2003 (non-refundable credit), to reduce New Brunswick income tax otherwise payable in the current year;
 - request a carryback of the non-refundable credit to reduce the New Brunswick income tax otherwise payable in any of the three preceding taxation years;
 - calculate a refundable New Brunswick R&D tax credit on eligible expenditures made after December 31, 2002;
 - show a credit allocated to a corporation that is a member of a partnership, or a credit allocated to a corporation that is a beneficiary under a trust;
 - show a transfer of a credit following an amalgamation or the windup of a subsidiary, as described under subsections 87(1) and 88(1) of the federal *Income Tax Act*;
 - renounce the non-refundable credit; or
 - calculate a recapture of the New Brunswick R&D tax credit.
- An eligible expenditure for R&D is one that meets the definition of a **qualified expenditure** in subsection 127(9) of the federal *Income Tax Act*. Deduct the amount of any government assistance, non-government assistance, or contract payment in calculating the amount of a qualified expenditure.
- Non-refundable credits earned on eligible expenditures for scientific research and experimental development incurred before January 1, 2003, may be renounced. A partial renouncement is not permitted. Therefore, you have to include in the amount being renounced the entire non-refundable credit earned in the current year and all non-refundable credits being carried forward. You have to file the renouncement on or before the filing date of the *T2 Corporation Income Tax Return*.
- Credits earned on eligible expenditures made before January 1, 2003, can be carried forward to the seven following taxation years and carried back to the three preceding taxation years. The credit referred to on line A is available to reduce New Brunswick tax otherwise payable in the current year.
- Credits earned on eligible expenditures made after December 31, 2002, are applied to reduce New Brunswick income tax otherwise payable for the year, as well as amounts owing under the federal and provincial income tax acts, the *Canada Pension Plan*, and the *Employment Insurance Act*. Any remaining balance will be refunded.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Eligible expenditures for the non-refundable credit

Total eligible expenditures for R&D made in the current year and before January 1, 2003 **103** _____

Part 2 – Calculation of non-refundable credit available for carryforward

Non-refundable credit at the end of the preceding taxation year				
Deduct: Non-refundable credit expired after seven taxation years	104	_____		
Non-refundable credit at the beginning of the taxation year	105	_____	▶	_____
Add:				
Non-refundable credit transferred on an amalgamation or the windup of a subsidiary	110	_____		
Current-year non-refundable credit earned . . . Line 103 _____ x 10% =	120	_____		
Non-refundable credit allocated to a corporation that is a member of a partnership	130	_____		
Non-refundable credit allocated to a corporation that is a beneficiary under a trust	140	_____		
Subtotal		_____	▶	_____
Total non-refundable credit available		_____		A
Deduct:				
Non-refundable credit renounced	150	_____		
Non-refundable credit claimed in the current year (enter on line 577 in Part 2 of Schedule 5)	160	_____		
Non-refundable credit carried back to preceding taxation year(s) (complete Part 3)		_____	▶	B
Subtotal		_____		_____
Closing balance		_____		200 _____

Part 3 – Request for a carryback of non-refundable credit

	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="padding: 2px;">Year</th> <th style="padding: 2px;">Month</th> <th style="padding: 2px;">Day</th> </tr> <tr> <td style="padding: 2px;"> </td> <td style="padding: 2px;"> </td> <td style="padding: 2px;"> </td> </tr> </table>	Year	Month	Day					
Year	Month	Day							
1st preceding taxation year	 Non-refundable credit to be applied	901 _____						
2nd preceding taxation year	 Non-refundable credit to be applied	902 _____						
3rd preceding taxation year	 Non-refundable credit to be applied	903 _____						
Total (enter on line B in Part 2)			_____						

Part 6 – Calculation of a recapture of New Brunswick R&D tax credit (continued)

Calculation 2 – Only if you acquired all or part of the eligible expenditure from another person under an agreement described in subsection 127(13) of the federal *Income Tax Act*; otherwise, enter nil on line L below.

F	G	H
The rate the transferee used to determine its New Brunswick R&D tax credit for eligible expenditures under a subsection 127(13) agreement 720	The proceeds of disposition of the property if you dispose of it to a person at arm's length; or, in any other case, the fair market value of the property at conversion or disposition 730	The amount, if any, already provided for in calculation 1 (where only part of the cost of a property is transferred under a subsection 127(13) agreement) 740
1.		
2.		
3.		
4.		
5.		
I	J	K
Amount determined by the formula (F x G) – H (using the columns above)	New Brunswick R&D tax credit earned by the transferee for the eligible expenditures that were transferred 750	Amount from column I or J, whichever is less
1.		
2.		
3.		
4.		
5.		

Subtotal _____ **L**

Enter amount L on line O below.

Calculation 3

As a member of a partnership or a beneficiary under a trust, you have to report your share of the recapture on line M below:

Corporation's share of the recapture of New Brunswick R&D tax credit **760** _____ **M**

Enter amount M on line P below.

Part 7 – Total recapture of New Brunswick R&D tax credit

Recaptured New Brunswick R&D tax credit for calculation 1 from line E on page 2	_____	N
Recaptured New Brunswick R&D tax credit for calculation 2 from line L above	_____	O
Recaptured New Brunswick R&D tax credit for calculation 3 from line M above	_____	P
Total recapture of New Brunswick R&D tax credit – Total of lines N, O, and P	=====	Q

Enter amount Q on line 573 of Schedule 5.