

# **Progressive Tax Rebate Program: Enriched Investment Tax Credit**

*The Enriched Investment Tax Credit (EITC) is part of a larger package of Prince Edward Island tax rebates which support the establishment and growth of innovative, export-oriented firms by addressing key structural challenges in the Island economy.*

## **Description**

The Enriched Investment Tax Credit program provides an addition to the existing PEI Investment Tax Credit of 10 per cent applied to certain capital investments by manufacturing and processing companies. For high-productivity applications with a strong export focus, an enriched tax rebate of 25 per cent will be available through a pre-approved certificate process.

## **Who Can Apply**

Companies who may apply are involved in manufacturing or processing, as defined by Canada's *Income Tax Act*. Canada Revenue Agency Interpretation Bulletin IT-145R provides information to help in determining whether "manufacturing and processing" applies to particular industries, and, within an industry, where it starts and stops. The Enriched Investment Tax Credit is consistent with that guideline. Companies who intend to make an eligible investment in unused capital property which appears to meet the guidelines may apply.

## **Process**

To be eligible for the existing 10 per cent tax credit, companies will proceed as usual; having made the eligible investment they will claim the credit with their income tax filing. To access the 25 per cent tax rebate, companies will first submit proposals to Technology PEI or Prince Edward Island Business Development Inc. The credit will be issued on approval. The rebate will be provided following submission of cost information, with the certificate and the appropriate income tax filing, to the Department of Development and Technology.

*This summary is intended for information only. For detailed information, consult the Program User Guide.*

### **For More Information:**

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