

Progressive Tax Rebate Program: Innovation & Development Tax Credit

The Innovation and Development Tax Credit (IDTC) 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 Innovation and Development Tax Credit is a refundable tax rebate which may apply to projects in support of the development and/or commercialization of new products, processes and services which will be sold primarily beyond the borders of PEI. A new product, process or service is one that has not previously been successfully developed, in Prince Edward Island, for commercial production or sale.

Through a certificate process, the program provides a rebate of tax equal to 35% of eligible salaries and wages, subject to a 150% increase for overhead and other necessary costs. Projects are expected to be short term; project may exceed two years, but only two years expenditures may be used to calculate the IDTC..

Who Can Apply

Companies eligible to apply for the Innovation and Development Tax Credit have a permanent establishment in Prince Edward Island and carry on the development of new or innovative products, processes or services within a strategic industrial sector. Strategic sectors include: aerospace; the life sciences; export-focused manufacturing and processing; financial services; interactive, information and communications technology; and renewable energy.

Process

The Innovation and Development Tax Credit process involves the issuance of a Preliminary Certificate which must be applied for before the project is undertaken. At project completion the Preliminary Certificate holder will make application to the Department of Development and Technology for rebate based on actual project costs.

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

For More Information:

Department of Development and Technology
Attention: Corporate Services Division
P.E.I. Business Development Inc.
94 Euston Street,
Charlottetown, Prince Edward Island
C1A 1W4



Phone: 902-368-6300
Fax: 902-368-6301
www.peibusinessdevelopment.com



Developing New Value. Growing Opportunity.