

The Manitoba Community Enterprise Development Tax Credit Program

Community economic development

is important to the growth of Manitoba. The Community Enterprise Development Tax Credit is an innovative tax incentive that encourages Manitobans to invest in opportunities in their communities and target development where it is considered most desirable. It provides community-based enterprises with the means to raise needed equity capital.



Investing in the future of Manitoba's communities



Investor Information

A Manitoban who invests in approved eligible local enterprises will earn a 30 per cent personal income tax credit on a maximum annual investment of \$30,000, or up to \$9,000 in tax credits. No one individual can acquire more than 10 per cent of an issue. The tax credits offset Manitoba income tax payable. Any unused credits can be carried forward for 10 years or back for three years, no earlier than 2003. Investments must be held for three years. A premature redemption will result in the claw back of the tax credit.

Investing in Manitoba

Investments in approved eligible enterprises may be made directly in the enterprise or through a registered Community Development Investment Fund (CDIF). A CDIF uses a pool of funds to invest in approved eligible enterprises that are identified as local priorities.

The maximum amount that an enterprise or CDIF may raise, that will be eligible for the tax credit, is \$500,000. However, projects requiring larger amounts of capital will also be considered.

Characteristics of an Eligible Enterprise

In summary, an eligible enterprise must receive endorsement or sponsorship from a local community development organization. The enterprise must employ no more than 200 employees and at least 25 per cent of the employees must reside in Manitoba. Enterprises that are professional practices or involved in primary industries, mineral exploration, recreational/seasonal enterprises, or commercial property developers are not eligible. Further information on criteria is available from the CED Tax Credit Program Office. Manitoba reserves the right to annually limit the number and financial commitment toward approved projects according to budgetary and other program considerations.

How the Program Works

A business plan and project application must be submitted to the CED Tax Credit Program Office for review and approval. Successful applicants will receive a letter of commitment pending final approval of an Offering Memorandum from the Manitoba

Securities Commission. Once approval is received, funds must be invested as per the conditions of issuance.

For more information contact:

The Manitoba Community Enterprise Development (CED) Tax Credit Program Office 1-800-567-7334

www.manitoba.ca/agriculture/ri

