SCHEDULE 49
Code 1001

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE EXPENDITURE LIMIT (2010 and later tax years)

- Use this schedule to allocate the annual expenditure limit among associated Canadian-controlled private corporations (CCPCs), (subsection 127(10.2) of the *Income Tax Act*), in order to calculate the investment tax credit eligible for the 35% rate on qualifying scientific research and experimental development expenditures.
- An associated CCPC that has more than one tax year ending in a calendar year is required to file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each corporation in the associated group, including CCPCs and non-CCPCs.

Column 2: Provide the Business Number for each corporation in column 1 (if a corporation is not registered, enter "NR").

Column 3: Enter 1 for CCPC's or 2 for Non-CCPC's that applies for each corporation identified in columns 1 and 2.

Column 4: Enter the amount of the expenditure limit allocated to each corporation that has type of corporation code 1 in column 3. The rules for determining the expenditure limit that can be allocated (subsection 127(10.2) of the *Income Tax Act*) are explained below.

Allocating the expenditure limit

Date filed (do not use this area) . . . . 025 Year Month Day

Enter the calendar year to which the agreement applies . . . . 050 Year

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . 075 1 Yes ☐ 2 No ☐

	1 Names of associated corporations 100	2 Business Number of associated corporations 200	3 Type of corporation code 300	4 Expenditure limit allocated* $ 400
1.				
2.				
3.				
4.				
5.				

The expenditure limit (cannot be more than $3,000,000) 410 ________

The expenditure limit is calculated using the following amounts:

A = the greater of:

- $500,000; and
- the total of all taxable incomes (prior to any loss carry-backs applied) of all associated corporations identified in columns 1 and 2 for their last tax years** ending in the previous calendar year.

B = the total of all taxable capital employed in Canada of all associated corporations for their last tax year ending in the previous calendar year minus $10 million. If this amount is nil or negative, enter "0". If this amount is over $40 million, enter $40 million.

Amount A 425 ________ Amount B 495 ________

Note:

– If the tax year of the associated CCPC starts after December 31, 2009, see Calculation 1 on page 2.

– If the tax year of the associated CCPC straddles January 1, 2010, see Calculation 2 on page 2.

* Special rules apply if a CCPC has more than one tax year ending in a calendar year and is associated in more than one of those years with another CCPC that has a tax year ending in the same calendar year. In this case, the expenditure limit for the second (and subsequent) tax year(s) will be equal to the expenditure limit allocated for the first tax year ending in the calendar year.

** If any of the tax years referred to in A above are less than 51 weeks, gross up the taxable incomes for those tax years by the ratio that 365 is of the number of days in those tax years. Use these grossed up amounts when calculating the expenditure limit.

Calculation of expenditure limit

Calculation 1: Tax year starts after December 31, 2009.

[($8,000,000 **minus** 10**A**) × (($40,000,000 **minus** **B**) **divided by** $40,000,000)]

Calculation 2: Tax year straddles January 1, 2010.

EE + [(FF **minus** EE) × (GG **divided by** HH)] where,

EE = [($7,000,000 **minus** 10**C**) × (($40,000,000 **minus** **D**) **divided by** $40,000,000)];

FF = [($8,000,000 **minus** 10**A**) × (($40,000,000 **minus** **B**) **divided by** $40,000,000)];

GG = number of days in the tax year after December 31, 2009; and

HH = number of days in the tax year.

Amount C **423** ________________ Amount D **493** ________________

C = the greater of:

- $400,000; and
- the total of all taxable incomes (prior to any loss carry-backs applied) of all associated corporations identified in columns 1 and 2 for their last tax years* ending in the previous calendar year (tax years ending in 2008).

D = the total of all taxable capital employed in Canada of all associated corporations for their last tax year ending in the previous calendar year (tax years ending in 2008) minus $10 million. If this amount is nil or negative, enter "0". If this amount is over $40 million, enter $40 million.

* If any of the tax years referred to in **C** above are less than 51 weeks, gross up the taxable incomes for those tax years by the ratio that 365 is of the number of days in those tax years. Use these grossed up amounts when calculating the expenditure limit.