



NOVA SCOTIA RESEARCH AND DEVELOPMENT TAX CREDIT (1998 and later taxation years)

Name of corporation, Business Number, Taxation year end (Year, Month, Day)

- Use this schedule if you are a corporation with a permanent establishment in Nova Scotia that has made eligible expenditures for scientific research to be carried out in the province, and want to:
- calculate a Nova Scotia research and development tax credit for taxation years ending after December 31, 1993; or
- claim a carryforward of Nova Scotia research and development tax credits from taxation years ending on or before December 31, 1993, to reduce Nova Scotia income tax otherwise payable in the current year.
- renounce the credit. The credit may be renounced but must include all current year credits; partial renouncements are not permitted. The renouncement must be filed on or before the filing date of the federal T2 Corporation Income Tax return.
An eligible expenditure is one that meets the definition of a qualified expenditure in subsection 127(9) of the federal Income Tax Act, but also includes an expenditure specified for a Part VIII refund.
Credits earned in taxation years ending after December 31, 1993, are applied to reduce Nova Scotia 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.
Credits earned in taxation years prior to the 1994 taxation year can be carried forward to the seven subsequent taxation years. The credit referred to on line A is for eligible expenditures made in taxation years ending on or before December 31, 1993, and is available to reduce Nova Scotia tax otherwise payable in the current year.
Use this schedule to show a transfer of a credit earned before January 1, 1994, following an amalgamation or wind-up of a subsidiary, as described under subsections 87(1) and 88(1) of the federal Income Tax Act. This schedule can also be used to allocate a credit earned after December 31, 1993, from a trust or a partnership.
File this schedule with your T2 return for the taxation year in which the credit is earned, or claimed, or a refund requested.

Part 1 - Calculation of total credit available and credit available for carryforward

Pre-1994 taxation year credits at the end of the preceding taxation year
Deduct: Credit expired after seven taxation years
Credit at the beginning of taxation year
Add: Credit transferred upon amalgamation or wind-up of subsidiary
Total credit available
Deduct: Carry-forward credit claimed against provincial tax in the year
Pre-1994 credit closing balance

Part 2 - Qualified expenditures (in current taxation year) eligible for the credit

Total expenditures for R&D in the taxation year

Part 3 - Calculation of refundable credit

Current year credit earned: Amount B from above x 15% =
Add: Credit allocated from a partnership, Credit allocated from a trust
Subtotal
Subtotal (amount C plus amount D)
Deduct: Credit renounced
Total current year credit - amount E minus amount F

Part 4 - Analysis of pre-1994 credit available for carryforward by year of origin

Table with columns: Year of origin (earliest year first), Credit available, Year of origin (earliest year first), Credit available. Includes a Total row.