



**ONTARIO COMPUTER ANIMATION AND SPECIAL EFFECTS TAX CREDIT
(2009 and later tax years)**

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|---------------------|-----------------|------|-----------------------|-----|
| Name of corporation | Business Number | Year | Tax year-end Month | Day |
|---------------------|-----------------|------|-----------------------|-----|

- Use this schedule to claim an Ontario computer animation and special effects (OCASE) tax credit under section 90 of the *Taxation Act, 2007* (Ontario). Complete a separate Schedule 554 for each eligible production.
- The OCASE tax credit is a refundable tax credit that is equal to 20% of the qualifying labour expenditures, incurred by a qualifying corporation in a tax year, that are directly attributable to eligible computer animation and special effects activities (ECASEA) for an eligible production.
- The criteria for a corporation to be eligible for the OCASE tax credit include the eligibility requirements in Part 3 of this schedule; also, it must be a Canadian corporation.
- Before claiming an OCASE tax credit, a qualifying corporation must first complete and sign the Ontario Media Development Corporation (OMDC) application for an OCASE tax credit, and send it and a videotape copy of the animation or visual effect (AVE) for which the request is being made to the OMDC. If the AVE is eligible, the OMDC will issue a certificate certifying the estimated amount of the corporation's OCASE tax credit for the tax year. Only one certificate of eligibility is issued for all of the eligible productions of the qualifying corporation for the tax year for the OCASE tax credit. Enter the certificate information for this production in Part 2 of this schedule.
- To claim the OCASE tax credit, include the following with the *T2 Corporation Income Tax Return* for the tax year:
 - a completed copy of this schedule for each production; and
 - the original or certified copy of the certificate of eligibility issued by the OMDC.

Part 1 – Contact information (please print)

| | |
|---|--|
| 110 Name of person to contact for more information | 120 Telephone number including area code — — |
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Part 2 – Identifying the eligible production

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| 200 Certificate of eligibility number |
| 210 Production title |
| 220 Estimated OCASE tax credit for this production |

Part 3 – Eligibility

1. Did the corporation, for the tax year, perform ECASEA for the eligible production at a permanent establishment in Ontario? **300** 1 Yes 2 No
2. Was the corporation exempt from tax for the tax year under Part III of the *Taxation Act, 2007* (Ontario)? **310** 1 Yes 2 No
3. Was the corporation, at any time in the tax year, controlled directly or indirectly, in any manner, by one or more corporations, all or part of whose taxable income is exempt from tax under section 57 of the *Corporations Tax Act* (Ontario) or Part III of the *Taxation Act, 2007* (Ontario)? **320** 1 Yes 2 No
4. Was the corporation, at any time in the tax year, a prescribed labour-sponsored venture capital corporation? **330** 1 Yes 2 No

If you answered **no** to question 1 or **yes** to question 2, 3, or 4, then you are **not eligible** for the OCASE tax credit.

Part 4 – Ontario labour expenditures

Qualifying wage amount incurred for salaries and wages paid to employees of the corporation and directly attributable to ECASEA performed in Ontario **400** _____ A

Add:

Qualifying remuneration directly attributable to ECASEA performed in Ontario paid to:

– individuals **410** _____ B

– eligible partnerships **420** _____ C

Total qualifying remuneration (amount B plus amount C) _____ × 50% = **430** _____ D

Amounts paid to a parent corporation for Ontario labour expenditures incurred by it in respect of the subsidiary wholly-owned corporation's ECASEA under a reimbursement agreement (100% of the qualifying wage amount plus 50% of the qualifying remuneration amount), effective for a production, if principle photography commenced after March 22, 2007 **440** _____ E

Subtotal (total of amounts A, D, and E) _____ ▶ _____ F

Complete lines 450 and 460 if there is an entry on line 440:

Name of parent corporation **450** _____

Business Number of parent corporation **460** _____

Deduct: Ontario labour expenditures that the corporation (parent) transferred under a reimbursement agreement to a subsidiary wholly-owned corporation (100% of the qualifying wage amount plus 50% of the qualifying remuneration amount) **470** _____ G

Total Ontario labour expenditures (amount F minus amount G) (if negative, enter "0") **480** _____ H

Part 5 – Assistance

Assistance related to expenditures incurred for the eligible production (other than excluded government assistance) that the qualifying corporation, or other person, or partnership has received, is entitled to receive, or may reasonably expect to receive:

Amount of assistance directly attributable to amount H in Part 4 **500** _____ I

Amount of assistance not directly attributable to amount H in Part 4 **510** _____ J

Prescribed cost, as defined in section 1201 of Regulation 183 of the *Corporations Tax Act* (Ontario) **520** _____ K

Amount J _____ × $\frac{\text{amount H in Part 4}}{\text{amount K}}$ _____ = **530** _____ L

Total assistance (amount I plus amount L) **540** _____ M

Part 6 – Tax credit calculation

Qualifying labour expenditures (amount H in Part 4 minus amount M in Part 5) (if negative, enter "0") **600** _____ N

Ontario computer animation and special effects tax credit (amount N multiplied by 20%) **610** _____ O

Enter amount O on line 456 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 554, add the amounts from line O on all the schedules and enter the total amount on line 456 of Schedule 5.