

British Columbia Shipbuilding and Ship Repair Industry Tax Credit (Employers)

Protected B
when completed

Complete this form to calculate your British Columbia shipbuilding and ship repair industry tax credit for employers. If you are completing the tax return for a corporation, use Schedule 428, *British Columbia Training Tax Credit*, and, if applicable, Schedule 430, *British Columbia Shipbuilding and Ship Repair Industry Tax Credit*, of the T2 return.

You can claim this credit if you were a resident of British Columbia at the end of the year and you met the following conditions:

- your principal business, for the part of the year after September 30, 2012, was the construction, repair or conversion of ships in British Columbia; and
- you employed a person who was registered in an eligible program administered through the British Columbia Industry Training Authority (ITA) at any time in the year.

Eligible programs and completion requirements are defined by Regulation. For more information on the British Columbia shipbuilding and ship repair industry tax credit, visit www.sbr.gov.bc.ca/business/Income_Taxes/Corporation_Income_Tax/tax_credits/shipbuilding_and_repair.htm, or call 1-877-387-3332.

There are three elements to the shipbuilding and ship repair industry tax credit:

- basic tax credit for an eligible industry program (Red Seal and non-Red Seal) (read Part 2 of the worksheet);
- completion tax credit for an eligible training program (Red Seal and non-Red Seal) (read Part 3 of the worksheet); and
- enhanced tax credit for First Nations individuals and persons with disabilities (read Part 4 of the worksheet).

Note 1: Complete this form to claim the basic and enhanced tax credits for the salary and wages paid or payable after September 30, 2012, and the completion tax credit in respect of a program completed after September 30, 2012. Complete Form T1014-1, *British Columbia Training Tax Credit (Employers)*, to claim the basic and enhanced training tax credits for the salary and wages paid or payable from January 1 to September 30, 2012, and the completion tax credit in respect of a program completed by September 30, 2012.

Salary and wages for the purpose of calculating your credits are the salary and wages paid or payable to an employee enrolled in an eligible program, **minus** any related government or non-government assistance received or receivable. Salary and wages do not include profits, bonuses, employee benefits or stock options. For the purpose of calculating the credits, government assistance does not include the federal apprenticeship job creation tax credit claimed for this employee.

Note 2: For the **completion tax credit**, the salary and wages can be applied twice for overlapping periods when more than one level was completed within the same year.

For example, an employee, hired on January 1, 2012, had completed level 3 on May 31, 2012, and level 4 on November 30, 2012. The employer can claim the salary and wages paid from January 1, 2012, to May 31, 2012, for the level 3 credit under the British Columbia training tax credit and claim those paid from January 1, 2012, to November 30, 2012, for the level 4 credit under the British Columbia shipbuilding and ship repair industry tax credit. The salary and wages paid from January 1, 2012, to May 31, 2012, are included for both level 3 and level 4 credits.

If two or more employers, who are not dealing with each other at arm's length, are claiming this credit for the same employee, the total of all amounts claimed by those employers cannot exceed the maximum amount that would be claimed if only one employer were making the claim.

Complete the worksheet on the next page. If you have more than one employee enrolled in an eligible program, complete a separate worksheet for each employee.

If you are filing electronically, keep all your documents in case we ask to see them at a later date. **If you are filing a paper return, attach this form and the worksheets.**

British Columbia shipbuilding and ship repair industry tax credit		Tax year	2012
Enter the total credits calculated from line 11 in Part 2 from all worksheets.	Basic tax credit		1
Enter the total credits calculated from line 18 in Part 3 from all worksheets.	Completion tax credit	+	2
Enter the total credits calculated from line 31 in Part 4 from all worksheets.	Enhanced tax credit	+	3
Add lines 1, 2, and 3. Enter the result on line 10 of Form BC479, <i>British Columbia Credits</i> .		=	4

Certification

I certify that the information given on this form is correct and complete.

Signature _____

Date

Year	Month	Day

Freedom of Information and Protection of Privacy Act (FOIPPA)

The personal information on this form is collected for the purpose of administering the *Income Tax Act* (British Columbia) under the authority of both this Act and section 26 of the *FOIPPA*. Questions about the collection or use of this information can be directed to the Manager, Intergovernmental Relations, PO Box 9444, Stn Prov Govt, Victoria BC V8W 9W8. (Telephone: Victoria at 250-387-3332 or toll-free at 1-877-387-3332 and ask to be redirected).
E-mail: ITBTaxQuestions@gov.bc.ca

Worksheet

Protected B
when completed

Complete these calculations for each employee. If you are claiming the salary and wages for an employee who is employed by a partnership, enter your proportionate share of the salary and wages for the calculations below.

Part 1 – Employee identification

Employee name (print)	
ITA identification number	Name of eligible program (print)

Part 2 – Basic tax credit (Red Seal and non-Red Seal programs)

You can claim the basic tax credit if, in 2012, you employed a person who was registered in an eligible industry program (Red Seal or non-Red Seal program).

Salary and wages for the purpose of calculating this credit are those amounts paid or payable after September 30, 2012, to this employee in the part of the tax year that is within 24 months after the date the employee entered into the industry training agreement **(for salaries and wages paid before October 1, 2012, see note 1 on the previous page).**

Maximum basic tax credit	5,250	00	5
Enter the amount from line 7 in Part 2 of the worksheet of Form T1014-1, if the credit is for the same employee.	–		6
Line 5 minus line 6	=		7
Maximum basic tax credit available			
Salary and wages paid or payable to this employee			8
Applicable rate	×	20%	9
Multiply line 8 by line 9.	=		10
(maximum \$5,250)			
Enter the amount from line 7 or line 10, whichever is less . Enter this amount on line 1 on the previous page.	=		11

Part 3 – Completion tax credit (Red Seal and non-Red Seal programs)

You can claim the completion tax credit if the employee completed, in 2012, the training in an eligible recognized program (Red Seal or Non-Red Seal) and met the level 3, level 4, or higher requirements for that program. You can still claim this credit if the employee completed the level in 2012 after leaving your employment. If the employee completed the training before October 1, 2012, complete Part 3 of the worksheet of Form T1014-1.

Salary and wages for the purpose of calculating this credit are those amounts paid or payable to this employee within a 12-month period, and ending at any time in the month that includes the completion date for the level requirements. If the employee completed more than one level in the same year, **see note 2 on the previous page.**

Salary and wages paid or payable to this employee if level 3 completed	12		
Applicable rate	×	20%	13
Multiply line 12 by line 13.	=		14
(maximum \$5,250)			
Salary and wages paid or payable to this employee if level 4 or higher completed			15
Applicable rate	×	20%	16
Multiply line 15 by line 16.	=		17
(maximum \$5,250)			
Add lines 14 and 17. Enter this amount on line 2 on the previous page.	+		18

Part 4 – Enhanced tax credit

You can claim the enhanced tax credit if, in 2012, the employee is eligible to claim the disability amount on line 316 of his or her federal Schedule 1 or if the employee is registered as an Indian under the *Indian Act* (Canada).

Enhanced tax credit for the basic tax credit

To claim the enhanced tax credit for an employee, you must have claimed the basic tax credit in Part 2 above.

Maximum credit available	7,875	00	19
Enter the amount from line 22 in Part 4 of the worksheet of Form T1014-1, if the credit is for the same employee.	20		
Enter the amount from line 11 in Part 2 above.	+		21
Add lines 20 and 21.	=		22
Line 19 minus line 22	=		23
Enter the amount from line 11 in Part 2 above.			24
Applicable rate	×	50%	25
Multiply line 24 by line 25.	=		26
Enter the amount from line 23 or line 26, whichever is less .	=		27

Enhanced tax credit for the completion tax credit

To claim the enhanced tax credit for level 3, level 4, or higher, you must have claimed the completion tax credit in Part 3 above.

Enter the amount from line 18 in Part 3 above.	28		
Applicable rate	×	50%	29
Multiply line 28 by line 29.	=		30
Add lines 27 and 30. Enter this amount on line 3 on the previous page.	+		31