



Investment Tax Credit (Individuals)

General information

Use this form if:

- **you want to earn** an investment tax credit (ITC) during the current tax year
- you are claiming a carryforward of an ITC from a previous year
- you have a recapture of an ITC on a scientific research and experimental development (SR&ED) expenditure
- you have a recapture of an ITC on a child care space expenditure
- you are requesting an ITC carryback
- you are claiming a refund for an ITC earned during the current tax year

You have to file this form no later than 12 months after the filing due date of your income tax and benefit return for the tax year in which you acquired an ITC related property or made an ITC related expenditure.

All legislative references are to the federal Income Tax Act (Act) and federal Income Tax Regulations (Regulations).

Investments or expenditures, described in subsection 127(9) of the Act that are eligible for an ITC are:

- qualified expenditures that are part of the SR&ED qualified expenditure pool, complete Form T661, Scientific Research and Experimental Development (SR&ED) Expenditures Claim
- qualified property
- flow-through mining expenditures related to mineral exploration (also referred to as renounced Canadian exploration expenses)
- flow-through mining expenditures related to critical mineral exploration (also referred to as renounced Canadian exploration expenses)
- apprenticeship job creation expenditures

Detailed information and definitions

Atlantic Investment Tax Credit

Atlantic Canada and Atlantic region

For the purposes of the Atlantic Investment Tax Credit, these expressions include the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulations 4609).

Gaspé Peninsula

For the purposes of the Atlantic Investment Tax Credit, this expression means that portion of the Gaspé region of the Province of Quebec that extends to the western border of Kamouraska County and includes the Magdalen Islands (as described in subsection 127(9) of the Act).

Qualified property

For the purposes of the Atlantic Investment Tax Credit, this term means a category of new assets acquired primarily for use in the **Atlantic region** that are mainly used for farming or fishing, logging, manufacturing and processing, storing grain, and harvesting peat. Qualified property includes new buildings, new machinery and new equipment (prescribed in Regulations 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as prescribed in Regulations 4610).

Qualified property may also include new energy generation and conservation property (prescribed in Regulations 4600) if it was acquired by the taxpayer **after** March 28, 2012.

For more information, see the definition of qualified property in subsection 127(9) of the Act.

Specified percentages for qualified property

If you acquired the property after 1994 for use in the Atlantic region, the specified percentage is 10%.

For more information on the Atlantic Investment Tax Credit, visit canada.ca and use the search bar to find the "Atlantic investment tax credit" web page.

Detailed information and definitions (continued)**Scientific research and experimental development (SR&ED)****Qualified SR&ED expenditures**

You can receive scientific research and experimental development (SR&ED) ITCs on qualified expenditures. You can receive them in the form of a cash refund or a reduction of tax payable or both. Unused SR&ED ITCs can be carried back three years or carried forward 20 years.

To be a qualified SR&ED expenditure, an amount has to be incurred for SR&ED carried on in Canada. For tax purposes, Canada includes the "exclusive economic zone" (as defined in the Oceans Act to generally consist of an area of the sea that is within 200 nautical miles from the Canadian coastline), the airspace, seabed, and subsoil of that zone.

Qualified expenditures can include amounts incurred in the year for SR&ED that relate to your business and are carried on by you, or on your behalf. Only current expenditures for SR&ED can be claimed. Expenses related to an SR&ED contract or a third-party payment for SR&ED must be reduced by 20%.

ITC rate for a qualified expenditure

- The rate is 15%, of which up to 40% may be refundable.

Note

For more information, see Form T661, Scientific Research and Experimental Development (SR&ED) Expenditures Claim. If you are claiming an ITC for a qualified SR&ED expenditure, or you are reporting an ITC recapture for an ITC previously claimed on an expenditure for SR&ED, file Form T661 with your income tax and benefit return. For help completing the form, see Guide T4088, Scientific Research and Experimental Development (SR&ED) Expenditures Claim – Guide to Form T661.

Do not file Form T661 if you are claiming a credit for contributions made to agricultural organizations, or a credit based on a credit allocated to you by a partnership on a T5013 slip, Statement of Partnership Income.

Partnership allocations

An ITC earned by a partnership is usually allocated to a partner. However, an ITC earned on qualified SR&ED expenditures may not be allocated to a specified member of a partnership. If you received an allocation of ITC from a partnership, enter this allocated credit on line 67135 in Part A. For more information, see subsection 127(8) of the Act, and the SR&ED Claims for Partnerships Policy.

Contributions made to agricultural organizations for SR&ED

Agricultural producers can access ITCs earned on contributions made to agricultural organizations that fund SR&ED. Enter the amount on line 67130 in Part A. The rate is 15%.

Information on SR&ED

For more information on SR&ED and legislative or interpretative changes, see Guide T4088, Scientific Research and Experimental Development (SR&ED) Expenditures Claim – Guide to Form T661.


For more information on how to claim the SR&ED, go to canada.ca/taxes-sred.


Mineral exploration tax credit (METC)

Certain renounced Canadian exploration expenses qualify for this ITC. For Canadian exploration expenses renounced by a corporation to an individual (or a partnership of which the individual is a member) and reported in **the appropriate line in Part IV of Form T1229, Statement of resource expenses and depletion allowance**, the specified percentage is 15%. The renunciation must be under a flow-through share (FTS) agreement entered into **after** March 31, 2019 and **before** April 1st, 2024 with FTS financing for mineral exploration (which excludes coal deposits, tar sands, oil and gas).

Critical mineral exploration tax credit (CMETC)

Certain renounced Canadian exploration expenses qualify for this ITC. The CMETC offers a 30% tax credit available to investors who invest in flow-through shares (FTS) in mining companies that undertake exploration for certain critical minerals in Canada. To qualify for this credit, the renunciation must be under a FTS agreements entered into **after** April 7, 2022 and on or **before** March 31, 2027. The designated critical minerals are: copper, nickel, lithium, cobalt, graphite, rare earth elements, scandium, titanium, gallium, vanadium, tellurium, magnesium, zinc, platinum group metals and uranium.

For Canadian exploration expenses renounced by a corporation to an individual (or a partnership of which the individual is a member) and reported **in the appropriate line in Part IV of Form T1229, Statement of resource expenses and depletion allowance**, the specified percentage is 30%. 

For the exploration expenses eligible for the CMETC, you can choose to claim them for the CMETC (at 30%) or METC (at 15%), but not **both**. **You cannot change to the alternate credit later once you have chosen whether you want to earn the CMETC or the METC credit on your eligible exploration expenses for CMETC for the year.** 

Detailed information and definitions (continued)**Apprenticeship job creation tax credit (AJCTC)**

A percentage of eligible salary and wages payable to an employee registered in a prescribed trade in Canada in the first 24 months of their eligible apprenticeship contracts registered in Canada qualifies for a credit for the employer. The available credit is 10% of the eligible salary and wages payable in the year (minus any government or non-government assistance) up to \$2,000 for each eligible apprentice, in respect of employment **after** May 1, 2006. The total of these amounts for all apprentices is the available non-refundable tax credit. Any unused credit may be carried back 3 years or carried forward 20 years.

ITC for child care spaces

The ITC for child care spaces was repealed under budget 2017 and the transitional relief period was phased out at the end of 2019. Any unused amounts from previous years, however, can still be carried forward 20 years after the year the expenses were incurred. For more information see "Carryforward to future years" below.

How to calculate and claim your ITC

The ITC is based on a percentage of the investment cost (the cost of the property you bought or the expenditures you made). If you received, are entitled to receive, or can reasonably expect to receive any reimbursement, inducement, or government or non-government assistance (including grants, subsidies, forgivable loans, or deductions from tax and investment allowances) that can reasonably be considered to relate to the property or expenditure, you have to decrease your investment cost by the amount you received, are entitled to receive, or can reasonably expect to receive (except for qualified SR&ED expenditures). If you repay any of this assistance, add the repayment to the investment cost. **Calculate the ITC for any repayment using the same percentage you would have used for the original investment cost.**

Determine your ITC at the end of 2022. If the fiscal year-end of your business is in 2022, include any ITC you earn on the property you buy during the calendar year. Investments and expenditures are eligible for an ITC only when the income from the related business is subject to Part I of the Income Tax Act.

Properties acquired are eligible for an ITC claim **only** when the properties are considered to be **available for use**. For an explanation of **available for use**, see any of the following guides:

- T4002, Self-employed Business, Professional, Commission, Farming, and Fishing Income
- RC4060, Farming Income and the AgriStability and AgriInvest Programs Guide
- RC4408, Farming Income and the AgriStability and AgriInvest Programs Harmonized Guide

You can use the ITC that you earn in 2022 to reduce your federal tax for a previous year, for the 2022 tax year or for a future year. A portion of the unused refundable ITC may be refundable.

Current-year claim:

To calculate your ITC to reduce your federal income tax for 2022 complete parts A to D of this form. Enter the amount of your credit on line 41200 of your income tax and benefit return. If a partnership or trust made the investments, enter only your share of the credit on line 67135 in Part A.

Carryback to previous years:

You can carry back the ITC you earn in 2022 for up to three years and use it to reduce your federal tax in those years by completing Part E of this form. If you are a trust and were subject to a loss restriction event, special rules may apply to limit the ITC carryback.

Carryforward to future years:

You can carry forward unused ITCs earned in tax years that end after 1997 for up to 20 years (see Part D to calculate your claim). For information on loss restriction events, see subsection 251.2(2) of the Act.

Refund of ITC

If you do not use all of your ITC to reduce your taxes in the year or in the three previous years, we may refund up to 40% of your unused credit to you. You can only claim this refund in the year you buy property or make an expenditure that qualifies for the credit, unless the available for use rules (or other rules deeming the expenditure to have been made in a later year) apply. To claim a refund of an ITC, complete Part E of this form. Enter your refund amount on line 45400 of your income tax and benefit return. If a partnership or trust made the investments, enter only your share of the amount.

Detailed information and definitions (continued)**Adjustments**

The credit you claim or that we refund to you for 2022 reduces the capital cost of the property. Any 2022 credit you carry back to a previous year will also reduce the capital cost of the property. Make this adjustment in 2023. This adjustment reduces the capital cost allowance you can claim for the property. It also affects your capital gain when you dispose of the property. You might have claimed a credit or received a refund for 2022 for a property that you already disposed of. In addition, you might still have other property in the same class. If so, reduce the undepreciated capital cost of the class for 2023 by the amount of the credit you claimed or received as a refund. If, after the disposition, you do not have any property left in the same class, include in your 2023 income the amount of the credit you claimed or received as a refund.

Enter the amount as other income on line 9600 if you are filing any of the following forms:

- T2121, Statement of Fishing Activities
- T2042, Statement of Farming Activities
- T1163, Statement A – AgriStability and AgriInvest Programs Information and Statement of Farming Activities for Individuals
- T1164, Statement B – AgriStability and AgriInvest Programs Information and Statement of Farming Activities for Additional Farming Operations
- T1273, Statement A – Harmonized AgriStability and AgriInvest Programs Information and Statement of Farming Activities for Individuals
- T1274, Statement B – Harmonized AgriStability and AgriInvest Programs Information and Statement of Farming Activities for Additional Farming Operations

If you are filing Form T2125, Statement of Business or Professional Activities, enter the amount on line 8230.

An ITC deducted or refunded for SR&ED will reduce the pool of deductible SR&ED expenditures, the adjusted cost base (ACB) of an interest in a partnership, and the ACB of a capital interest in a trust in the next tax year.

For more information on ITCs and their recapture, visit canada.ca/revenue-agency, or see the SR&ED Investment Tax Credit Policy, and Interpretation Bulletin IT411R, Meaning of "Construction", Information Circular IC78-4R3, Investment Tax Credit Rates, and IC78-4R3SR, Special Release – Investment Tax Credit Rates.

Part A – Calculating the current-year refundable ITC**Scientific research and experimental development**

ITC for qualified expenditures for SR&ED (amount from line 559 of Form T661 **plus applicable amount from box 41* of your T3 slip, minus** amounts from lines 67130 and 67135)

67120 _____ × 0.15 = _____ 1

80% of total contributions made to agricultural organizations for SR&ED

67130 _____ × 0.15 = _____ 2

ITC allocated from a partnership for SR&ED (see boxes 186, 187 and 189 of your T5013 slips)

67135 _____ 3

Qualified property

ITC for total investments in qualified property (**include applicable amount from box 41* of your T3 slip**)

67140 _____ × 0.10 = _____ 4

Total current-year refundable credits (add amounts 1 to 4)

Enter amount A in column 2 in Part F = _____ A

* Enter the amount from box 41 of your T3 slip as applicable, based on the code in box 43 in Guide T4013, T3 Trust Guide, and the instructions provided in the statement by the trust.

Part B – Calculating the current-year non-refundable ITC**Mineral exploration tax credit (METC)**

Total of your flow-through mining expenditures related to mineral exploration tax credit (also referred to as renounced Canadian exploration expenses) from the appropriate line in Part IV of Form T1229, Statement of resource expenses and depletion allowance.....

67170 _____ × 0.15 = _____ B

For more information about METC, see page 2.

Critical mineral exploration tax credit (CMETC)

Total of your flow-through mining expenditures related to critical mineral exploration tax credit (also referred to as renounced Canadian exploration expenses) from the appropriate line in Part IV of Form T1229, Statement of resource expenses and depletion allowance.....

67175 _____ × 0.30 = _____ C

For more information about CMETC, see page 2.

Apprenticeship job creation tax credit (AJCTC)

If your apprentice works for you and also works for a related employer as defined under subsection 251(2) of the Act, all related employers have to agree in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number, social insurance number (SIN), or name appears below.

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory of Canada, under an apprenticeship program designed to certify or license individuals in the trade. If there is no contract number, enter the SIN or the name of the eligible apprentice. Then, enter the name of the eligible trade and the eligible salary and wages** payable in the year in respect of employment after May 1, 2006. The credit is 10% of the total of the amounts in Table 1, column 3. Attach a note if more space is required.

Table 1 – Calculation of total Apprenticeship job creation tax credit

| | 1 Contract number (SIN or name of apprentice) | 2 Name of eligible trade | 3 The lesser of eligible salary and wages** payable in the year or \$20,000. |
|---|---|-----------------------------|---|
| 1 | | | |
| 2 | | | |
| 3 | | | |

Total apprenticeship job creation tax credit (Total of amounts in column 3 plus applicable amount from box 41*** of your T3 slip)..... **67180** _____ × 0.10 = _____ D

Total current-year non-refundable tax credits (add amounts B, C and D)

Enter amount E in column 3 in Part F..... = _____ E

** Net of any government or non-government assistance received or to be received in respect of eligible salary and wages.

*** Enter the amount from box 41 of your T3 slip as applicable, based on the code in box 43 in Guide T4013, T3 Trust Guide, and the instructions provided in the statement by the trust.

Part C – Recapture**Recapture – ITC on SR&ED expenditures**

Amount of expenditure on which ITC earned at 15% (after 2013) is recaptured. Do **not** enter more than the amount of the original expenditure

67193 _____ × 0.15 = _____ 1

Amount of expenditure on which ITC earned at 20% (before 2014) is recaptured. Do **not** enter more than the amount of the original expenditure

67195 _____ × 0.20 = _____ 2

Total recapture of investment tax credit on SR&ED expenditures (add amounts 1 and 2) = _____ 3

Recapture – ITC for child care spaces

If, at any time within 60 months of the day that you create a new child care space, that space is no longer available, or if the property acquired for a child care space is leased for any purpose or converted to another use, we will recover the ITC for that space or property.

If **only** child care spaces are disposed of, enter the amount originally claimed for those spaces

4

If property **other than** child care spaces is disposed of, the amount will be the **lesser** of:

The amount originally claimed for ITC for the property disposed of 5

25% of the proceeds of disposition of the eligible property
(or 25% of fair market value if disposed of to a non-arm's length party) 6

Enter amount 5 or 6, whichever is **less** + _____ 7

Total recapture of investment tax credit for child care spaces (add amounts 4 and 7) **67197** = _____

Total recaptured credits (add amount 3 and the amount on line 67197)

Enter this amount on the Recapture of investment tax credit* line of your income tax and benefit return.....

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* Line 128, for all provinces and territories, except Quebec and non-residents and deemed residents of Canada.

Line 132, for the federal Quebec returns.

Line 133, for the non-residents and deemed residents of Canada return.

For more information, go to the Federal Income Tax and Benefit Guide.

Part D – Calculating an allowable claim

Enter the total credit available from column 5 in Part F of this form. _____ **F**

Federal tax (amount from line 40600 of your income tax and benefit return) _____ **1**

Federal political contribution tax credit
(amount from line 41000 of your income tax and benefit return) _____ **2**

Subtotal (amount 1 **minus** amount 2) _____ **3**

Labour-sponsored funds tax credit
(amount from line 41400 of your income tax and benefit return) _____ **4**

Subtotal (amount 3 **minus** amount 4) _____ **G**

Enter your claim on this line

You can claim an ITC amount up to, but not more than, the lesser of amount **F** or **G** _____ **H**

If you do not have to complete Form T691, Alternative Minimum Tax, or if the amount you calculate on line 98 of Form T691 is "0", enter amount H on line 41200 of your income tax and benefit return, or on line 26 of Schedule 11, Federal Income Tax (T3 for Trusts). If alternative minimum tax (AMT) does not apply, enter amount H in column 6 in Part F of this form.

Otherwise, complete the following section to determine your ITC claim and enter "0" in column 6 in Part F of this form.

Calculating an allowable claim if alternative minimum tax (AMT) applies

If you completed Form T691, Alternative Minimum Tax, **and** calculated an **amount greater than "0"** on line 98 of that form, you **must** complete this section.

Enter amount G _____ **5**

Federal foreign tax credit
(amount from line 40500 of your income tax and benefit return) _____ **6**

Subtotal (add amounts 5 and 6) _____ **7**

The minimum amount from line 61 of Form T691 _____ **8**

Subtotal (amount 7 **minus** amount 8, if negative, enter "0") _____ **I**

Enter your claim on this line

You can claim an ITC amount up to, but not more than, the lesser of amount **F** or **I** _____ **J**

Enter amount J on line 41200 of your income tax and benefit return, or on line 26 of Schedule 11, Federal Income Tax (T3 for Trusts). **Also** enter amount J in column 7 in Part F of this form.

Part E – Calculating a carryback and refund of an ITC**ITC available for carryback**

Complete this section to determine the balance of credit available for carryback to previous tax years.

| | | |
|--|---------|---|
| Total current-year credit available (column 5 minus column 1 in Part F) | _____ | 1 |
| Current-year credit applicable* | | |
| The maximum amounts you could have claimed in column 6, plus column 7, minus column 1 in Part F (if negative, enter "0") | - _____ | 2 |
| Total credit available for carryback (amount 1 minus amount 2) | = _____ | K |

* To arrive at the amount for carryback, you first have to apply your credit to the fullest extent in the current year, whether you claimed all of it or not. Before determining the amount available to carry back, you first have to reduce your federal tax for the current year by the maximum amounts you could have claimed in columns 6 and 7 in Part F of this form, whether you claimed the maximum or not.

Calculating a carryback and refund of an ITC

Complete this section to request a carryback of the ITC you earned in the current tax year. The carryback provisions allow you to apply a current-year credit against the total of your federal tax for any of the three previous tax years. The credit you apply to a previous year cannot be more than the total of your federal tax for that year.

You have to deduct any amount of the refundable ITC designated as a carryback when you calculate your ITC refund and the balance to carry forward to tax years that follow.

To request a carryback, complete this section and attach this form to your current-year income tax and benefit return.

Note

We do not refund an amount you designate as a carryback in the current year. Do **not** enter the amount on your income tax and benefit return.

The part of amount K to carryback for one or more of the following:

| | | | | |
|-----------------------------------|-------|--------------|-------|-------|
| Third previous year | _____ | 67200 | _____ | • |
| Second previous year | _____ | 67210 | + | _____ |
| First previous year | _____ | 67220 | + | _____ |

Total credit designated for carryback (Add lines 67200, 67210, and 67220. The total cannot be more than amount K.) Enter the total of amounts L and N in column 8 in Part F. = _____ L

Date (YYYYMMDD)
 Signature _____ **67240** _____

Continue Part E on the next page ►

Part E – Calculating a carryback and refund of an ITC (continued)**ITC available for refund**

Complete this section to determine the balance of credit available for refund.

Total current-year refundable credit available (column 2 **minus** column 4 in Part F) 3

Current-year credit claim (column 6, **plus** column 7, **minus** column 1 in Part F) 4

Amount L + 5

Subtotal (add amounts 4 and 5) = 6

Amount from column 3 in Part F - 7

Total (amount 6 **minus** amount 7, if negative, enter "0") = 8

Total credit available for refund (amount 3 **minus** amount 8) = M

Calculating an ITC refund

Complete this section to calculate a refund of ITC that you earned in the current year. You must deduct any amounts you claim as a refund when you calculate the balance to carry forward to tax years that follow.

Amount you designate as a refund of ITC (cannot be more than amount M) 9

The refundable rate × 0.40 10

Refund of ITC (multiply amount 9 by amount 10)

Enter the total of amounts L and N in column 8 in Part F (cannot be more than amount K) = N

Enter amount N on line 45400 of your income tax and benefit return or on line 88 of a Form T3RET, T3 Trust Income Tax and Information Return.

Part F – Carryforward chart

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|---|---|--------------|---|--|--|--|---|
| Balance of credits carried forward from previous years | Current-year refundable credit (amount A in Part A) | Current-year non-refundable credit (amount E in Part B) | Adjustments* | Total credit available (column 1 plus column 2 plus column 3 minus column 4) | Current-year credit claim (amount H in Part D) | Current-year credit claim (AMT) (amount J in Part D) | Credit claim – other (amounts L plus N in Part E) | Balance carried forward (column 5 minus columns 6, 7, and 8) |
| | | | | | | | | |

* For a graduated rate estate, enter the amount of ITC allocated to beneficiaries from box 40 of your T3 slip.

Personal information (including the SIN) is collected to administer or enforce the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for the purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in paying interest or penalties, or in other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 005 on Information about Programs and Information Holdings at canada.ca/cra-information-about-programs.