Tax Question:

What is the Scientific Research & Experimental Development (SR&ED) program?

Facts:

In our opinion, the SR&ED program is the Canadian Governments’ primary incentive program for funding innovation in Canadian small businesses. If your business spends money on qualified scientific research and experimental development, you can apply for a government credit or refund of approximately 50% of the money you spent.

If your corporation is involved in making innovative products, including software, or innovative processes such as manufacturing or assembly lines, then you may be entitled to a tax credit on the costs incurred to research and develop these products and processes.

Discussion:

The SR&ED claim is a simple concept but the application is tricky. The application is your only chance to make that “first impression” on the bureaucrats that dispense the money. You need to put together a well written and well documented application.

At Gilmour Knotts Chartered Accountants we have been successfully submitting SR&ED claims for over 18 years. In the last 5 years alone, we have applied for and secured funds in excess of $2,000,000 for our clients. We are technical tax people who deal with Manufacturing and Scientific businesses all day, every day.

The application comes in two parts; the written “science” section and the “mathematical” refund calculation. Many firms that do SR&ED work focus on one or the other part of the application. We have the scientists and accountants available on staff to write both parts. This is critical to success as the applications must tie together when you are audited, and you must be able to defend the application. Our applications ensure that the science and financial calculations are fully integrated.

Recommendation:

If you would like to know more about the Scientific Research & Experimental Development program and whether or not your corporation would likely qualify, please call Gilmour Knotts Chartered Accountants for an appointment with one of our partners.