

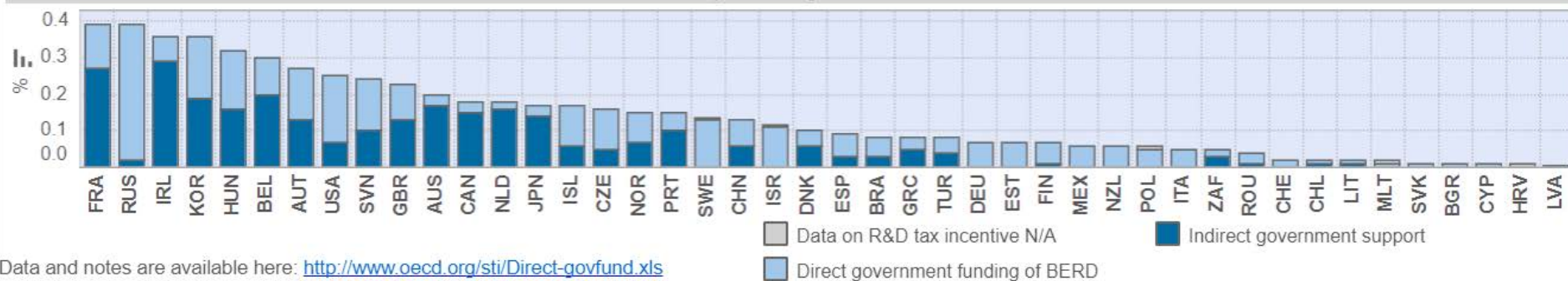
OECD R&D Statistics



- Latest: Release of 2016 edition of R&D tax incentive indicators (February 2017).
- Governments worldwide increasingly rely on tax incentives in addition to direct support measures (e.g. grants) to promote R&D in firms and encourage innovation and economic growth. The OECD has developed experimental methodologies and a detailed database on R&D tax incentives with the latest indicators on the cost and information on the design and scope of R&D tax incentives.

Direct government funding of business R&D and tax incentives for R&D, 2014

As a percentage of GDP



CRA Redbook SR&ED Statistics

CRA Red Book on SRED

Description	Selection Reason Code in AIMS	Service Standard (CRA time in days)
Current-year refundable claims	2337	120
Claimant-requested adjustments - refundable	402	240
Current-year non-refundable claims	450	365
Claimants-requested adjustments - non-refundable	452	365

The expectation is that at least 90% of claims are processed within the service standards.

Processed April 1, 2006 - March 31, 2007 / Demandes traitées - 1^{er} avril 31 mars, 2007

TSO / CTSC BSF / BSFC	A					
	Total	2337	402	480	482	Others/Kanes
Newfoundland/Lab.	0	0	0	0	0	0
Halifax	643	280	118	102	39	1
Saint John	1	0	0	0	1	0
Taxation - Centre - Fiscal	59	48	2	9	0	0
Taxation - Centre - Fiscal	1	1	0	0	0	0
Halifax	704	432	120	111	40	1
Quebec	2,047	980	394	272	189	12
Taxation - Centre - Fiscal	703	466	43	173	21	0
Sherbrooke	0	0	0	0	0	0
Taxation - Centre - Fiscal	261	183	7	60	11	0
Chicoutimi	0	0	0	0	0	0
Rimouski	0	0	0	0	0	0
Trois-Rivières	0	0	0	0	0	0
Quebec	3,011	1,629	544	505	221	12
Montreal	1,598	798	317	295	172	16
Taxation - Centre - Fiscal	833	604	37	171	21	0
Montreal-ville	786	396	161	139	77	13
Taxation - Centre - Fiscal	296	264	11	112	8	1
Montreal	3,012	2,062	628	717	278	30
Royan	0	0	0	0	0	0
Outaouais	0	0	0	0	0	0
Taxation - Centre - Fiscal	39	31	3	4	1	0
Laval	1,285	636	333	197	100	19
Taxation - Centre - Fiscal	668	475	26	148	17	2
Laval	1,692	1,142	362	349	116	21
Ottawa	1,250	780	214	146	62	48
Kingston	0	0	0	0	0	0
Bellefleur	0	0	0	0	0	0
Thunder Bay	0	0	0	0	0	0
Sudbury	0	0	0	0	0	0
Peterborough	0	0	0	0	0	0
Taxation - Centre - Fiscal	104	86	4	12	2	0
Taxation - Centre - Fiscal	3	2	1	0	0	0
Taxation - Centre - Fiscal	18	14	1	3	0	0
Taxation - Centre - Fiscal	10	8	1	1	0	0
Taxation - Centre - Fiscal	3	2	0	1	0	0
Ottawa	1,388	892	227	153	64	45
Toronto West	1,387	613	358	231	154	39
Taxation - Centre - Fiscal	71	60	3	8	0	0
Toronto West/Ouest	1,468	873	363	239	164	39
Toronto Centre	2,606	1,273	688	560	254	31
Toronto East	0	0	0	0	0	0
Toronto North	0	0	0	0	0	0
Taxation - Centre - Fiscal	184	161	4	13	6	0
Toronto	2,790	1,434	692	572	260	31
Hamilton	2,806	1,256	832	333	268	137
Kitchener	0	0	0	0	0	0
St. Catharines	0	0	0	0	0	0
London	0	0	0	0	0	0
Windsor	0	0	0	0	0	0
Taxation - Centre - Fiscal	107	75	6	25	1	0
Taxation - Centre - Fiscal	38	33	3	2	0	0
Taxation - Centre - Fiscal	183	148	8	19	8	0
Hamilton	3,134	1,492	849	379	277	137
Winnipeg	295	186	107	54	46	2
Regina	66	37	14	9	6	0
Saskatoon	144	78	33	20	10	3
Calgary	888	437	223	130	88	10

ITC claimed / CII demandés (5,000)					
Total	2337	402	480	482	Others/Kanes
0	0	0	0	0	0
43,853	20,663	5,104	14,551	3,534	1
1	0	0	0	1	0
1,989	1,703	12	274	0	0
42	42	0	0	0	0
45,885	22,408	5,116	14,825	3,636	1
138,168	48,757	14,861	51,379	23,161	110
27,838	19,011	666	7,842	319	0
0	0	0	0	0	0
9,593	6,176	33	3,326	58	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
176,699	73,944	16,680	60,647	23,638	110
817,929	100,678	14,591	534,015	168,333	90
72,101	50,810	772	19,598	516	0
56,364	30,158	4,997	13,793	7,305	117
26,953	16,835	243	9,693	144	40
973,347	198,481	20,608	677,495	176,620	242
0	0	0	0	0	0
0	0	0	0	0	0
2,107	1,938	21	94	54	0
281,128	48,379	10,688	170,595	51,362	104
50,734	29,918	570	19,747	476	23
333,365	50,238	11,279	190,435	81,862	127
261,702	128,491	12,804	89,451	30,705	251
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
20,257	16,176	98	3,942	41	0
21	19	2	0	0	0
1,562	1,049	101	412	0	0
438	350	31	57	0	0
435	425	0	10	0	0
204,416	146,810	12,026	93,672	30,746	261
911,662	81,908	25,167	749,566	42,923	12,098
7,549	6,420	11	1,118	0	0
919,211	88,328	26,178	760,654	40,922	12,098
515,610	169,244	59,239	194,659	88,089	4,379
0	0	0	0	0	0
0	0	0	0	0	0
25,172	22,987	65	1,881	239	0
640,792	192,221	69,304	196,640	88,328	4,379
436,512	111,908	48,601	221,973	49,419	4,611
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
10,601	5,793	158	4,630	20	0
1,342	1,367	33	122	122	0
16,147	13,957	271	1,559	260	0
464,502	133,026	49,083	226,264	49,799	4,611
44,199	18,378	5,251	12,298	8,261	2
7,662	2,866	799	1,982	2,015	0
14,083	7,893	2,472	2,438	1,677	3
158,345	47,325	17,351	57,793	36,041	25

ITC allowed / CII accordés (5,000)					
Total	2337	402	480	482	Others/Kanes
0	0	0	0	0	0
35,232	17,358	3,250	12,185	2,438	1
1	0	0	0	1	0
1,989	1,703	12	274	0	0
42	42	0	0	0	0
37,264	19,103	3,262	12,469	2,439	1
124,135	44,933	12,806	47,504	18,791	101
27,838	19,011	666	7,842	319	0
0	0	0	0	0	0
9,593	6,176	33	3,326	58	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
161,688	70,120	13,606	58,672	19,168	101
701,306	91,983	22,579	472,748	113,902	94
72,098	50,810	777	19,995	516	0
48,988	27,011	4,110	12,465	5,302	100
26,953	16,835	243	9,693	144	40
849,346	188,481	27,709	614,699	116,654	234
0	0	0	0	0	0
0	0	0	0	0	0
2,107	1,938	21	94	54	0
234,313	44,868	9,089	144,297	35,980	79
50,712	29,897	570	19,746	476	23
287,132	78,703	9,680	164,137	56,610	102
250,199	124,335	11,331	83,475	28,913	145
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
20,257	16,176	98	3,942	41	0
21	19	2	0	0	0
1,562	1,049	101	412	0	0
438	350	31	57	0	0
435	425	0	10	0	0
272,912	142,384	11,662	99,090	20,984	146
867,835	74,393	20,248	750,163	31,853	11,178
7,548	6,420	10	1,118	0	0
876,393	80,812	20,268	721,081	21,862	11,178
461,592	156,106	49,299	181,013	70,914	4,061
0	0	0	0	0	0
0	0	0	0	0	0
25,172	22,987	65	1,881	239	0
466,664	179,092	49,264	192,221	71,162	4,061
398,707	104,179	40,559	205,708	44,388	5,873
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
10,601	5,793	158	4,630	20	0
1,342	1,367	33	122	122	0
16,147	13,957	271	1,559	260	0
456,907	126,266	49,041	212,018	44,798	3,873
35,308	15,083	3,769	10,698	5,754	2
6,836	2,582	759	1,935	1,560	0
12,294	7,259	1,717	2,314	1,101	1
145,607	41,412	13,928	57,200	33,044	23

Edmonton	489	226	136	68	51	8	121,021	24,404	8,423	18,039	44,875	25,280	68,013	20,803	6,268	13,782	16,288	10,872
Taxation - Centre - Fiscal	13	11	0	2	0	0	284	212	0	72	0	0	284	212	0	72	0	0
Taxation - Centre - Fiscal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxation - Centre - Fiscal	171	145	5	18	3	0	12,324	10,730	329	1,141	124	0	12,322	10,730	329	1,139	124	0
Calgary	2,166	1,120	616	301	204	23	360,109	111,006	34,226	93,763	92,993	26,320	260,664	95,083	26,770	87,042	67,071	10,896
Southern Interior	138	77	39	12	7	3	10,975	4,864	2,040	2,356	1,681	34	9,928	4,218	1,790	2,320	1,591	9
Vancouver	1,350	694	352	147	131	26	364,501	77,699	18,381	156,803	108,680	2,938	338,607	72,574	14,721	154,410	94,708	2,194
Taxation - Centre - Fiscal	496	388	19	65	21	3	42,890	32,287	480	9,506	614	3	42,888	32,287	480	9,504	614	3
Vancouver Island	129	90	29	4	4	2	12,311	7,983	834	228	3,106	160	11,977	7,658	825	228	3,106	160
Burnaby	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Northern BC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vancouver	2,113	1,249	439	228	183	34	430,677	122,833	21,738	186,993	114,081	3,136	403,400	116,737	17,816	186,482	100,079	2,306
Canada	22,370	12,126	4,724	3,365	1,779	376	4,526,925	1,169,832	255,124	2,377,340	674,355	50,274	4,081,256	1,094,970	220,968	2,219,760	512,599	32,959

Downscreened April 1, 2006 - March 30, 2007 / Sélections décroissantes - 1^{er} avril 2006 - 26 31 mars, 2007

TSO / CTSO BSF / BSFC	a						ITC claimed / CII demandés (\$,000)						ITC allowed / CII accordés (\$,000)					
	Total	2337	402	450	452	Others/Autres	Total	2337	402	450	452	Others/Autres	Total	2337	402	450	452	Others/Autres
Newfoundland/Lab	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n

2007 – 22,370 claimants for \$ 4.08 billion

Intake of Claims for the period April 1, 2009 to March 31, 2010
Arrivage de demandes pour la période du 1er avril 2009 au 31 mars 2010

	#					
	Total	2337	402	450	452	Others/Autres
Halifax CTSO/BSFC	1,012	518	249	134	105	6
Québec CTSO/BSFC	3,282	1,968	556	474	253	31
Montréal CTSO/BSFC	4,307	2,538	720	722	284	43
Laval CTSO/BSFC	2,651	1,533	509	398	165	46
Ottawa CTSO/BSFC	1,611	902	330	212	143	24
Toronto West/Ouest	2,040	906	567	287	226	54
Toronto CTSO/BSFC	4,543	2,275	1,387	414	375	92
Hamilton CTSO/BSFC	4,056	2,082	1,074	444	332	124
Calgary CTSO/BSFC	2,542	1,118	644	389	322	69
Vancouver CTSO/BSFC	3,000	1,574	840	295	248	43
All Canada/Tout le Canada	29,044	15,414	6,876	3,769	2,453	532

	ITC claimed / CII demandés (\$,000)					
	Total	2337	402	450	452	Others/Autres
	72,112	26,349	11,956	22,338	11,453	16
	213,418	95,466	13,360	90,762	13,707	123
	759,634	221,935	26,239	454,177	57,055	228
	368,739	108,213	15,752	209,323	30,165	5,286
	314,135	149,143	22,098	86,674	54,138	2,082
	572,729	104,654	31,829	221,706	169,616	44,924
	746,620	256,162	84,630	236,966	148,356	20,506
	457,143	177,319	53,656	162,427	58,247	5,494
	601,829	137,545	49,467	275,972	137,516	1,329
	439,650	195,465	41,099	125,066	72,322	5,696
	4,546,009	1,472,251	350,086	1,885,411	752,575	85,686

Others/Autres : These are claims with selection reasons / Ce sont des demandes avec les codes de motif 401,406,407,440,441,442,451,480,481,482.

Increasing trend to 2010

Processed April 1, 2015 to March 31, 2016 / Demandes traitées du 1 avril 2015 au 31 mars 2016

	B					
	Total	2337	402	450	452	Others/autres
Nova Scotia CTSO/BSFC	739	473	106	110	44	6
Eastern Québec CTSO/BSFC	1,704	1,008	237	344	109	6
Western Québec CTSO/BSFC	5,124	3,235	528	1,026	274	61
Toronto Centre CTSO/BSFC	5,488	3,484	872	717	366	49
Toronto West CTSO/BSFC	4,383	2,752	577	712	262	80
Edmonton CTSO/BSFC	2,625	1,310	452	456	333	74
Fraser Valley and Northern CTSO/BSFC	2,776	1,771	448	326	194	37
All Canada/Tout le Canada	22,839	14,033	3,220	3,691	1,582	313

ITC claimed / CII demandés (\$,000)						
Total	2337	402	450	452	Others/autres	
41,888	24,739	3,373	8,237	4,754	785	
134,158	72,953	8,041	44,012	8,979	163	
1,106,530	285,430	21,818	708,844	82,386	8,254	
993,128	384,258	48,397	329,527	221,435	9,511	
840,521	210,946	27,589	549,185	53,973	7,858	
872,717	123,896	28,934	347,903	117,924	254,380	
358,404	200,316	27,559	87,742	35,758	7,029	
4,347,346	1,302,248	165,479	2,055,450	525,209	287,960	

ITC allowed / CII accordés (\$,000)						
Total	2337	402	450	452	Others/autres	
35,113	21,358	2,807	7,321	2,842	785	
116,480	61,107	6,765	42,163	6,302	143	
1,060,559	274,023	18,411	682,331	79,124	5,670	
906,770	362,008	41,105	307,488	187,107	9,062	
788,914	192,933	18,121	525,553	45,332	6,976	
740,754	115,171	23,855	297,839	97,542	206,347	
330,578	188,981	22,079	84,130	29,237	6,171	
3,979,168	1,215,561	133,143	1,946,825	447,486	236,153	

Downscreened April 1, 2015 to March 31, 2016 / Sélections décroissantes du 1 avril 2015 au 31 mars 2016

	B					
	Total	2337	402	450	452	Others/autres
Nova Scotia CTSO/BSFC	629	410	86	94	33	6
Eastern Québec CTSO/BSFC	1,168	728	145	246	48	1
Western Québec CTSO/BSFC	4,390	2,868	394	899	214	15
Toronto Centre CTSO/BSFC	4,586	3,026	661	504	259	35
Toronto West CTSO/BSFC	3,279	2,185	319	544	169	62
Edmonton CTSO/BSFC	2,098	1,122	351	345	231	48
Fraser Valley and Northern CTSO/BSFC	2,269	1,516	315	278	136	26
All Canada/Tout le Canada	18,419	11,655	2,271	3,009	1,090	194

ITC claimed / CII demandés (\$,000)						
Total	2337	402	450	452	Others/autres	
26,970	17,036	2,278	4,785	2,086	785	
68,610	42,056	5,044	19,795	1,714	1	
650,822	257,315	15,753	509,873	64,434	3,447	
663,024	323,485	34,251	193,978	107,884	3,425	
326,869	166,840	10,871	132,625	22,603	3,930	
344,934	100,850	18,825	81,059	37,224	106,976	
282,617	169,916	13,478	69,310	24,605	5,308	
2,563,846	1,067,499	100,500	1,011,425	260,550	123,872	

ITC allowed / CII accordés (\$,000)						
Total	2337	402	450	452	Others/autres	
26,924	17,031	2,249	4,785	2,074	785	
68,340	42,051	4,780	19,795	1,713	1	
650,583	257,246	15,587	509,870	64,433	3,447	
662,745	323,430	34,187	193,866	107,840	3,422	
326,654	166,764	10,719	132,620	22,521	3,930	
344,407	100,659	18,732	81,059	36,991	106,976	
282,093	169,884	13,386	69,309	24,207	5,307	
2,561,646	1,067,065	99,640	1,011,304	259,769	123,868	

2007 – 22,370 claimants for \$ 4.08 billion
 2016 – 22,839 claimants for \$ 3.98 billion
 Sharp reductions in future?

Notable changes

- 2012 new policy documents
- Elimination of 128 project examples

Sample SR&ED Stakeholder Positions

Hi Dave;

We found that CRA is making it harder and harder to make SRED claims, so we have stopped.

Hi David,

At this point and seeing as how many hassles we had over last year's claim, we are re-evaluating whether or not to even apply, we spent way more money in total dealing with the claim than we made back, so from a financial position it was a big loss for us and we would have been more productive putting our time into our products.

We will decide later this year if we want to go ahead or not.



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Bulletin

NUMBER 68 | JULY 4, 2017

Department of Finance Projects Decrease In SR&ED Payouts

Public- and foreign-owned likely to suffer most

The Canadian Department of Finance has made a 15% downward revision in the total amount by which it expects SR&ED investment tax credits will reduce federal revenue from income tax in 2016 and 2017. Even more striking is that the projection for non-refundable ITCs – the kind earned by public- and foreign-owned corporations – was revised downward by 37%.

The 2016 edition of the *Report of Federal Tax Expenditures* (formerly *Tax Expenditures and Evaluations*) projected that the total "tax expenditures" for the SR&ED program would be \$3.2B for 2016 and \$3.3B for 2017.

The 2017 edition of this same report projects those figures to be \$2.7B for 2016 and \$2.8B for 2017.

Two other comparisons worth noting from within these two editions of the report are the changes arising from refundable vs. non-refundable ITCs:

		@ 2016	@ 2017	Δ
non-Refundable 2016	earned in current applied to current	\$0.610B	\$0.420B	31%
non-Refundable 2016	earned in current applied to prior	\$0.115B	\$0.040B	65%
	Total non-Refundable earned in 2016	\$0.725B	\$0.460B	37%
non-Refundable 2017	earned in current applied to current	\$0.640B	\$0.440B	31%
non-Refundable 2017	earned in current applied to prior	\$0.125B	\$0.040B	68%
	Total non-Refundable earned in 2017	\$0.765B	\$0.480B	37%
Refundable 2016		\$1.575B	\$1.305B	17%
Refundable 2017		\$1.645B	\$1.350B	18%

Case for a New 3 billion dollar SR&ED Tax Credit Authority

Major Tech Group Calls for the Creation of an Independent Authority to manage Canada's \$3 billion SR&ED tax incentive program

September 23, 2016



Ottawa, ON...CATAAlliance, Canada's One Voice for Innovation Lobby Group has called on **Navdeep Bains**, Minister of Innovation, Science and Economic Development, in collaboration with Cabinet Ministers, to introduce an Independent Authority to manage the SR&ED tax incentives program.

The proposal for the Authority was outlined on Facebook Live by CATA Sr. VP, **Russ Roberts**, who led team of experts in the development of terms and conditions.



[Listen to CATA Sr. VP on Facebook Live: Advocacy Update](#)

Scientific Research and Experimental Development (SR&ED) Tax Incentive Program

CATA Update on SR&ED, July 2017

July 14, 2017

Administrative Growth at the CRA - a Conundrum

The conundrum: as the rate of growth in federal tax expenditures on Non-refundable SR&ED tax credits earned and claimed in the year decreased from 2005-2006 on, the administrative cost of the program has increased significantly over the past 10 years.

By fiscal 2015-2016, the CRA is spending around \$85 million involving about 725 full-time equivalent (FTE) employees. And, we see that the CRA is advertising for additional technical reviewers. ⁴

Ten (10) years earlier (2005-2006), only \$53 million and 520 FTEs were used to administer the program when the CRA provided \$1.8 billion in tax assistance. That is, the dollar cost has increased by 60% and FTEs have grown by 39% in this period.

When we met with the CRA about the policy changes, they raised concerns about significant abuses in the program. But, the CRA did not and still have not described what they mean by "abuses."

What happened? The CRA eventually issued new interpretative policies officially in 2012. However, the community still argues that CRA's reviews are restrictive and out of synch with emerging jurisprudence and out of synch with the way that SR&ED is normally conducted by businesses.

Responsibilities of the proposed Independent Authority for ICT

- review claims for SR&ED tax credits in the ICT sector
- certificates of eligibility at concept phase;
- onsite reviews as necessary;
- independent & timely redress processes;
- review claims for "digital innovation" & "innovation box" tax credits commercialization of successful innovations

- require companies to benchmark current status & business model for innovation(s) & development
- issue certificates of eligibility at concept phase
- CRA still provide financial reviews
- report annually on the results of the programs, the evolutions and proposals for improvements.