

Eligibility for Medical Corporations

The Medical Corporation employee's paid research time is an expenditure within a SR&ED claim.

research by or on behalf of ProfCorp

- CRA views that a professor's research is an obligation on behalf of University or Research Institute and does not include the Professional Corporation.
- CRA doesn't accept that the ProfCorp's employee acts to satisfy the professor's obligations to the University.
- Some appeals have been filed, as yet unresolved.

All or Nothing

- CRA sometimes takes the view that all of the professor's research belongs to the University regardless of circumstances.
- An all-or-nothing approach is often unfair in view of other relationships and obligations that should be considered.

Complex Environment

- Circumstances of professors and projects can vary widely:
 - University policies re intellectual property
 - Appointment status (tenure track or not)
 - Practice group contracts
 - Hospital/Research Institute/Private Clinic
 - Other jobs or consultancies
 - Outdated agreements, non-adhered to
 - Research account administered by University
 - REB body is at University or Hospital

Reasonable and Fair

- Sometimes CRA accepts that certain identified research fulfils (documented) obligations and other research may be claimed by the ProfCorp for its employee expense.
- Some reviewers have not allowed this.
- Appeals are in process on this point.

Shifts in Policy Administration

- Claims have been denied after years of routinely successful claims, demonstrates changes in application of policy over time.
- Fair treatment re separation of ProfCorp's research from University research varies by CRA region.

Appeals Outcomes

- AFP Clinical Repair is not payment for research. Stated explicitly in 2 cases, implicitly in others.
- AFP Academic funds are partially payment for research.
- Research can be claimed when it exceeds the documented obligation to the University. Confirmed in some cases, others outstanding.
- Establishing uncertainty allows ruling in taxpayer's favour.

Clarity and Consistency

- CRA Regions are making policy on the fly. There is no consistency between regions.
- Slow appeals process inhibits feedback.
- FRs/RTAs are not informed when their Assessment is overturned in appeal.
- Working Group in Ottawa is attempting to create clarifications for SR&ED officers and practitioners. No date given for their results.