CRA development initiatives

SREDStakeholder.CA

Webcast

May 9, 2019

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CRA SR&ED feedback issues

Hello David,

Thank you for providing the opportunity for us to collaborate to achieve our mutual goals and obtain feedback through your polling questions. As you are aware, the SR&ED Directorate is re-engaging with claimants, industry and associations, to better understand claimants' experience, find ways to remove unnecessary pain points, improve claimant experience and celebrate the success of Canadian innovators.

Accordingly, any feedback or comments participants are willing to share through your polling questions would be appreciated. Specifically, in the following areas:

- The current use or familiarity of CRA Services: Self-Assessment and Learning Tool (SALT), Prepare Claim Consultation, Pre-Claim Review. If used, insight into their experiences with each service.
- Input on claimants, industry and associations needs so that we can create separate products and services which will be tailored to the diverse groups of our claimant population.
- Input on the experience of small and large SR&ED claimants, allowing us to take into consideration the unique needs and challenge of each group.

In addition, we expect that a finalized version of the medical file guidance document to be ready in two weeks. I plan to share this document with you on April 26th.

Finally, any specific issues or topics for discussion are welcomed to be directed to myself to be addressed.

Regards,

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SALT – CRA tool

Changes to the SR&ED Self-Assessment and Learning Tool

Reasons for revision

The update to the SR&ED Self-Assessment and Learning Tool Step 2 module was made to factor in changes to the provincial tax credit rates for Manitoba, Ontario, Québec, and Saskatchewan.

The Self-Assessment and Learning Tool (SALT) was developed to help claimants learn about the eligibility requirements of the Scientific Research and Experimental Development (SR&ED) Program.

SALT is designed to help you:

- understand the definition of SR&ED;
- understand the requirements for the eligibility of work;
- determine if your company project might include SR&ED work;
- determine the extent of eligible work that you may have performed; and
- estimate the associated SR&ED expenditures and your Investment Tax Credits (ITC).

The tool is divided into two standalone interactive PDF files. To use these files, please download them on your computer. No information will be transferred to the CRA through this tool.

SALT Step 1 (PDF, 203 KB) will help you understand the eligibility requirements for SR&ED work and help you determine if your company project might include SR&ED work. The report generated at the end of this step will help you understand why your work is potentially eligible (or not) for the SR&ED Program. The information in your report can then be used to prepare your SR&ED claim.

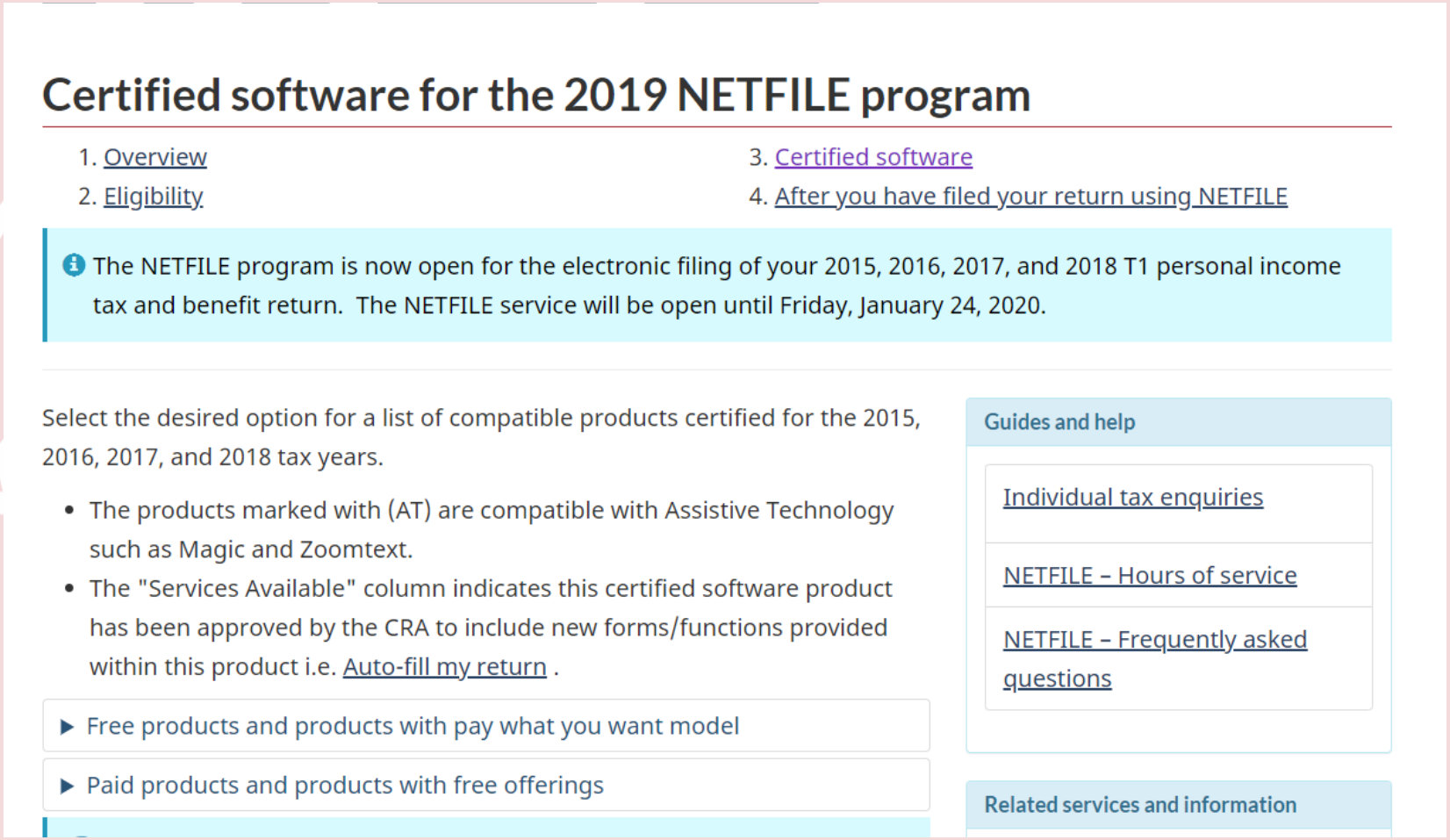
SALT Step 2 (PDF, 175 KB) will help you identify the extent of eligible work performed during the course of your project. This step will also help you estimate allowable expenditures associated with your work and the potentially claimable ITC.

Advisory Service Results and Check-offs for the period April 1, 2017 to March 31, 2018

Résultats sur les services consultatifs et contributions agricoles pour la période du 01 avril 2017 au 31 mars 2

	Pre-Claim Consultation Consultation pré-demande			Pre-Claim Review Examen pré-demande		
	selection reason/motif de choix			selection reason/motif de choix		
	426			424		
	Opened during the period Initiés au cours de la période	Processed during the period Traités au cours de la période	Inventory Inventaire	Opened during the period Initiés au cours de la période	Processed during the period Traités au cours de la période	Inventory Inventaire
Referred / référé	4	11	7	0	0	1
TC Downscreened / Sélection décroissante au CF	0	0	0	0	0	0
Atlantic	4	11	7	0	0	1
Referred / référé	54	48	23	0	0	0
TC Downscreened / Sélection décroissante au CF	0	0	0	0	0	0
Québec	54	48	23	0	0	0
Referred / référé	38	27	30	1	1	2
TC Downscreened / Sélection décroissante au CF	0	0	0	0	0	0
Ontario Centre	38	27	30	1	1	2
Referred / référé	28	37	15	9	3	8
TC Downscreened / Sélection décroissante au CF	0	0	0	0	0	0
Ontario West	28	37	15	9	3	8
Referred / référé	17	41	10	2	1	1
TC Downscreened / Sélection décroissante au CF	0	0	0	0	0	0
Prairies	17	41	10	2	1	1
Referred / référé	70	70	20	8	12	3
TC Downscreened / Sélection décroissante au CF	0	0	0	0	0	0
Pacific	70	70	20	8	12	3
Referred / référé	211	234	105	20	17	15
TC Downscreened / Sélection décroissante au CF	0	0	0	0	0	0
All Canada/Tout le Canada	211	234	105	20	17	15

Options – let market develop tools?



Certified software for the 2019 NETFILE program

1. Overview
2. Eligibility
3. Certified software
4. After you have filed your return using NETFILE

The NETFILE program is now open for the electronic filing of your 2015, 2016, 2017, and 2018 T1 personal income tax and benefit return. The NETFILE service will be open until Friday, January 24, 2020.

Select the desired option for a list of compatible products certified for the 2015, 2016, 2017, and 2018 tax years.

- The products marked with (AT) are compatible with Assistive Technology such as Magic and Zoomtext.
- The "Services Available" column indicates this certified software product has been approved by the CRA to include new forms/functions provided within this product i.e. Auto-fill my return .

▶ Free products and products with pay what you want model

▶ Paid products and products with free offerings

Guides and help

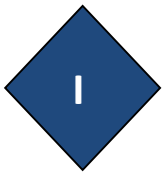
Individual tax enquiries

NETFILE – Hours of service

NETFILE – Frequently asked questions

Related services and information

The RDBASE project



OBJECTIVES > STANDARD PRACTICE

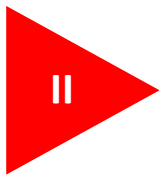
IDENTIFY

STATE of EXISTING KNOWLEDGE

BENCHMARKING SOURCES

OBJECTIVES

BENCHMARKS VS. OBJECTIVES



UNCERTAINTIES & HYPOTHESES

VARIABLES for EXPERIMENTATION

EXPERIMENTS

CORRELATE

RESULTS

OBJECTIVES

CONCLUSIONS

VARIABLES

RDBASE Project Template for claiming Research Grants & Tax Credits

I PROJECT OBJECTIVE BEYOND STANDARD PRACTICE:

Illustrate to Government (Patents, CRA, IRS, etc.) :

i) State of Existing technology: Benchmarking methods & sources

Technology limits of "readily available" information to someone "skilled in the art."

		Number (#) of		
i	Internet / Google Searches		internet sites	
ii	Articles		articles	
iii	Patent searches		patents	*RDBASE PAST links to patents*
iv	Competitive methods		products / processes	
v	In-house technologies		products / processes	
vi	Potential components		products	
vii	Queries to experts		responses	
viii	Other			*Hyperlink or upload*

ii) Objective(s)

Quantifiable Objectives beyond known limits

		Performance benchmarks (top 5)*	
		Benchmark 1	Benchmark 2
i	Existing benchmark		
ii	Units of measure		
iii	Performance objective		
iv	*Result (III below)**		

Overview of how objectives exceed existing methods

II TECHNOLOGICAL UNCERTAINTIES

Using "science" to formulate hypotheses & experiments

	Variables for experimentation (top 5)**	
	Variable 1	Variable 2
Name of variable		

Identify & rank top 5

Overview of how we hypothesized these variables as most

III EXPERIMENTAL ACTIVITY

*Defined by tax year**

i) Experimentation method

Justify sample sizes via "variables"

		Number of		
i	Analysis / simulation		alternatives	*Quickest*
ii	Process trials		runs / samples	*Longer*
iii	Prototypes		samples	*Longest*
iv	Software		lines of code	
v	Other methods		revisions	

Briefly describe experimentation performed during the year

ii) Analysis

i	Results		* vs. Objectives I	*Identify the unexpected*
ii	Conclusions		** on Variables II	*Attempt understand "why?"*
iii	Documentation		Experiments/Analysis	*Proof experiments & costs*

Briefly describe results & related conclusions (i.e. what we learned about inter-relation of stated variables)

iii) Direct Costs

i	Wages	Hours / Employee	* *PROJECTS span multiple years but ACTIVITIES match tax years.*
ii	Contractors	Labour $ / Contractor	
iii	Materials	Consumed/transformed	

RDBASE - Project Example - Key Criteria Summary

1401 - Miniature Printer - TAX CASE (6379249 Canada Inc.)				
BENCHMARKS	**ACTIVITIES BY YEAR**			
Internet searches: 100 Articles	2014		2015	
Patent searches: 14 patents	'1-1	'1-2	'1-3	'1-4
Potential components: 7 products	Felt: Static vs. Dynamic Friction	Redesign of the slip clutch	New print driver	Moisture analysis
Competitive products or processes: 5 products				
Similar prior in-house technologies: 54 processes				
OBJECTIVES: GOALS	**RESULTS**			
Battery life: 20 pages	8	12	22	
Jam rate: 1 jams/1,000 sheets	140	95	27	
Ambient humidity limit: 95 %	87	92		92
Media thickness upper: 0.1 mm		0.11	0.09	
Media thickness lower range: 0.05 mm			0.04	
Speed (pages per minute): 5 ppm			5	
felt medium life: 20 1000's / pages	14.5	17	18.5	
Overall reject rate: 0.1 %	17	11	4	
Cost : 80 $			83	
UNCERTAINTIES & KEY VARIABLES	**CONCLUSIONS**			
Clutch Plate (surface area & use of ridges)	Y	Y		
Felt (friction, compression & degradation)	Y			
Moisture vs Anti Curl Mechanism				Y
Static vs Dynamic Load	Y		Y	
EXPERIMENT & TEST	**METHODS**			
Analysis		77	400	
Trials	2300		70	1200
Prototypes	7			
Lines of code	4300			
	COSTS			
Hours	200	750	1100	300
Materials $		7500	14000	
Subcontractor $			15000	8000