

InfoZone

[Français](#)
[Contact InfoZone](#)
[Phone directories](#)
[Forms and publications](#)
[Search InfoZone](#)
[CRA Internet](#)
[InfoZone](#) > [DCPB](#) > [Scientific Research and Experimental Development \(SR&ED\) Directorate](#) >

DCPB

Scientific Research and Experimental Development (SR&ED) Directorate

SR&ED Divisions

- Science and Technology Division (S&TD)
- Program Support and Integrity Division (PSID)
- Stakeholder Relations Division (SRD)
- Financial SR&ED and Film Division (FSREDFD)

SR&ED Topics

- All SR&ED Topics
- Dispute Resolutions
- Law and Regulations
- Public Services / Outreach
- Training and Learning

SR&ED contacts

[Search CPB](#)
[Feedback to CPB](#)
[Site map of CPB](#)
[Modify text size](#)
[Print Web content](#)

SR&ED notices of objection, trends and issues, report #33: April 1 to September 30, 2018

Table of contents

- [1. Statistical/general information](#)
 - [A. NOO intake April 1 to September 30, 2018](#)
 - [B. NOOs received vs NOOs reviewed on a monthly basis](#)
 - [C. Results](#)
 - [D. General information](#)
 - [E. Industry sector information](#)
 - [F. Regional breakdown of NOOs](#)
- [2. Technical information](#)
 - [A. Issues in dispute involving eligibility criteria](#)
 - [B. Issues in dispute involving subsection 248\(1\)\(a-k\) of the Income Tax Act](#)
 - [C. Issues in dispute involving "other" issues](#)
- [Trends/conclusions](#)

This report covers the period from April 1 to September 30, 2018. The report only involves mandatory referrals of notices of objections (NOOs) with technical issues from the Objection and Litigation Management Directorate (OLMD) to the Notice of Objection Section, Scientific Research and Experimental Development (SR&ED) Directorate. It outlines the trends that we observed during this period.

1. Statistical/general information

A. NOO intake April 1 to September 30, 2018

NOO intake – NOOs reviewed

| NOO intake – NOOs reviewed | Number of files |
|---------------------------------------------------------------------|-----------------|
| Number of NOOs received during reporting period | 105 |
| Number of NOOs (company years) received during the reporting period | 132 |
| Number of NOOs reviewed during the reporting period | 80 |
| Number of NOOs (company years) reviewed during the reporting period | 108 |

B. NOOs received vs NOOs reviewed on a monthly basis

April 1 to September 30, 2018

NOOs received vs NOOs reviewed on a monthly basis

| Received vs Reviewed | 2018-04-30 | 2018-05-31 | 2018-06-30 | 2018-07-31 | 2018-08-31 | 2018-09-30 |
|----------------------|------------|------------|------------|------------|------------|------------|
| NOOs received | 20 | 38 | 15 | 23 | 3 | 6 |
| NOOs reviewed | 10 | 18 | 11 | 17 | 12 | 12 |

C. Results

NOO review results

| Recommendation | Number of NOOs reviewed first half of 2018-2019 | % of total |
|------------------------------------|-------------------------------------------------|-------------|
| Correct | 71 | 88.7% |
| Partially correct | 3 | 3.8% |
| Not correct | 2 | 2.5% |
| Other Footnote 1 | 4 | 5.0% |
| Total for period | 80 | 100% |

Of the 80 NOOs reviewed during the first half of fiscal year 2018-2019, 88.7% were found to be correct where the NOO advisor agreed with the eligibility determinations. Also, during the reporting period, 3.8% of the NOOs reviewed were found to be only partially correct, where the NOO advisor did not fully agree with the eligibility determinations, and 2 of the NOOs reviewed (2.5%) were found to have incorrect eligibility decisions.

D. General information

Claim and claimant information

| Claim and claimant information | Number of NOOs reviewed during reporting period | % of total NOOs reviewed during reporting period |
|-----------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| NOOs – Refundable | 62 | 77.5% |
| NOOs – Non-refundable | 18 | 22.5% |
| First-time claimant | 15 | 18.8% |
| First-time technical review | 26 | 32.5% |
| Tax preparer involved in technical review/objection | 59 | 73.8% |
| English | 54 | 67.4% |
| French | 13 | 16.3% |
| Bilingual | 13 | 16.3% |

ITCs in dispute

| ITC value in dispute (\$) | Number of NOOs reviewed during reporting period | % of total NOOs reviewed during reporting period |
|---------------------------|-------------------------------------------------|--------------------------------------------------|
| ITC < \$50,000 | 33 | 41.3% |

| | | |
|-------------------------------|----|-------|
| \$50,000 < ITC < \$250,000 | 29 | 36.2% |
| ITC > \$250,000 | 18 | 22.5% |

The majority of NOOs reviewed were refundable SR&ED claims that involved investment tax credits (ITC) under \$250,000. Only 18.8% of the NOOs reviewed were first-time claimants and one third of the objections (32.5%) reviewed were claims where it was the first technical review for the claimant. The majority of the claimants (73.8%) used claim preparers in the preparation of their SR&ED claims and in filing their objections, which is in line with previous findings. And 67.4% of the objections were in English, 16.3% in French, and 16.3% were bilingual.

E. Industry sector information

Industry sector information for NOOs reviewed

| Industry sector | Number of NOOs reviewed during reporting period | % of total NOOs reviewed during reporting period |
|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| Agriculture | 2 | 2.5% |
| Applied Mathematics | 1 | 1.2% |
| Chemical engineering/sciences | 4 | 5.0% |
| Civil/architectural engineering | 3 | 3.8% |
| Computer sciences and information technology/software engineering/hardware automation/control systems/bioinformatics | 19 | 23.7% |
| Electrical/electronic engineering/telecommunications | 6 | 7.5% |
| Environmental/petroleum/mining and mineral processing/geological engineering | 6 | 7.5% |
| Food and beverage | 3 | 3.8% |
| Industrial biotechnology | 2 | 2.5% |
| Mechanical engineering/tooling machinery and equipment/automation/automotive and transportation engineering | 21 | 26.3% |
| Materials engineering, plastics, pulp and paper/textiles/metallurgy | 8 | 10.0% |
| Medical sciences/biotechnology/nutrition and dietetics | 3 | 3.8% |
| Natural and formal sciences | 1 | 1.2% |
| Other engineering and technologies | 1 | 1.2% |
| Total | 80 | 100.0% |

During this reporting period, it was observed that almost two thirds (61.3%) of the NOOs reviewed involved various fields of engineering: chemical, civil, electrical/electronic, environmental, mining, mechanical, materials and engineering technologies. There were also a significant number (23.7%) of computer sciences, software engineering and information technology NOOs reviewed.

F. Regional breakdown of NOOs

NOOs reviewed by region

| Region | Number of NOOs reviewed during reporting period | % of total NOOs reviewed during reporting period |
|----------------|-------------------------------------------------|--------------------------------------------------|
| Nova Scotia | 4 | 5.0% |
| Laval | 10 | 12.5% |
| Quebec | 9 | 11.2% |
| Montreal | 6 | 7.5% |
| Ottawa | 4 | 5.0% |
| Toronto Centre | 6 | 7.5% |
| Toronto West | 16 | 20.0% |
| Hamilton | 1 | 1.2% |
| Calgary | 17 | 21.3% |
| Vancouver | 7 | 8.8% |
| Total | 80 | 100% |

Approximately one third of the NOOs reviewed came from each of these three regional areas: Toronto West and Toronto Centre Tax Services Offices (TSO) (27.5%); Calgary and Vancouver TSOs (30.1%); and the Montreal, Laval, and Quebec TSOs (31.2%).

2. Technical information

The information presented in the following tables shows the frequency of various issues under dispute that were noted in the 80 NOOs reviewed.

A. Issues in dispute involving eligibility criteria

Eligibility criteria

| Criteria | Number of NOOs reviewed during reporting period | % of total NOOs reviewed during reporting period |
|---------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| 1. Scientific/technological advancement | 64 | 80.0% |
| 2. Scientific/technological uncertainty | 70 | 87.5% |
| 3. Scientific/technological content – Hypothesis | 16 | 20.0% |
| 4. Scientific/technological content – Scientific method | 25 | 31.3% |
| 5. Scientific/technological content – Records/evidence | 20 | 25.0% |

From the NOOs reviewed during this reporting period, 87.5% of the files involved the eligibility criteria of scientific/technological uncertainty (S/TU) and over three quarters of the files involved the eligibility criteria of scientific/technological advancement (S/TA) (80.0%). As well, a quarter (25.0%) of the files involved records/evidence (documentation) as issues under dispute.

B. Issues in dispute involving subsection 248(1)(a-k) of the Income Tax Act

Subsection 248(1)(a-k)

| Subsection 248(1) | Number of NOOs reviewed during reporting period | % of total NOOs reviewed during reporting period |
|------------------------------|-------------------------------------------------|--------------------------------------------------|
| (a) Basic research | 3 | 3.8% |
| (b) Applied research | 3 | 3.8% |
| (c) Experimental development | 42 | 52.5% |
| (d) Support work | 9 | 11.2% |
| (e) Market research | 0 | 0% |
| (f) Quality assurance | 0 | 0% |
| (g) Social science | 0 | 0% |
| (h) Oil and gas | 0 | 0% |
| (i) Commercial production | 2 | 2.5% |
| (j) Style changes | 1 | 1.2% |
| (k) Routine data collection | 0 | 0% |

For this reporting period, the issues in dispute that involved subsection 248(1)(a-k) of the Income Tax Act pertained mainly to the interpretation of experimental development work (52.5%).

C. Issues in dispute involving "other" issues

Other issues in dispute

| Issue | Number of NOOs reviewed during reporting period | % of total NOOs reviewed during reporting period |
|--------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| Routine engineering | 30 | 37.5% |
| Standard practice | 31 | 38.8% |
| Experimental production vs commercial production | 2 | 2.5% |
| Prototype/pilot plant/custom product, etc. | 1 | 1.2% |
| All or substantially all consumed in / all or substantially all intended | 0 | 0% |

| | | |
|---------------------------------------------------------------------|----|-------|
| Work outside Canada | 0 | 0% |
| Research and Technology Advisor (RTA) expertise | 5 | 6.3% |
| Regulatory environment | 0 | 0% |
| Shared-use equipment | 0 | 0% |
| Contract payments | 3 | 3.8% |
| Materials consumed | 1 | 1.2% |
| Material transformed | 0 | 0% |
| Claim not reviewed at appropriate level | 6 | 7.5% |
| No specific reason given by objector | 12 | 15.0% |
| No rationale (or weak rationale) given by RTA | 5 | 6.3% |
| Duration of project: Start date | 0 | 0% |
| Duration of project: Finish date | 1 | 1.2% |
| Other: Gross penalty issue | 0 | 0% |
| Other: Misinterpretation of CRA policies/tax case law | 0 | 0% |
| Other: Technology base or knowledge level | 4 | 5.0% |
| Other: Business context of claimant not considered | 4 | 5.0% |
| Other: Sample size | 0 | 0% |
| Other: Financial issue | 2 | 2.5% |
| Other: Salaries/wages | 2 | 2.5% |
| Other: Service-related issues (due process/review procedure issues) | 11 | 13.8% |

The above table indicates that during this reporting period the principal issues in dispute, as noted by the claimant or their preparer in their NOOs, involved the interpretation and understanding of what was routine engineering (37.5%) and standard practice (38.8%).

Regarding service and procedural related issues, of the 80 NOOs reviewed, 7.5% believed their claim was not reviewed at the appropriate level, and 10.0% believed their technology base, knowledge level or business context was not taken into account by the RTA. Over 10% (13.8%) of the objections reviewed noted service related issues involving due process and the technical review procedure and in 15.0% of the NOOs reviewed, the claimant or their representative provided no specific reason for their objection.

Trends/conclusions

Below are some of the main reasons the SR&ED NOO Advisors found the RTAs' technical eligibility decisions to be incorrect/partially incorrect:

- The RTA was unclear and confusing in their rationale for disallowing the work, stating that the work was not eligible but then also stating that the work was unsubstantiated;
- the RTA erred in determining the end date of the eligible work and that an additional portion of the work should be allowed;

- the concept development work contained technological uncertainties and technological advancements and was eligible as support work for the overall project;
- the production runs claimed were not experimental development in conjunction with commercial production, but rather experimental development within experimental production;
- the work disallowed was analytical work based on actual physical measurements and should have been allowed as SR&ED.

Footnote 1 | For these four NOOs: In three cases the claimant went directly to tax court. In one case the claimant withdrew their NOO. ([Return to footnote 1 source paragraph](#))

Last updated: 2018-11-26

[Terms and conditions](#)

[Top of Page](#)

SR&ED notices of objection, trends and issues, report #32: October 1, 2017 to March 31, 2018

Table of contents

- [1. Statistical/general information](#)
 - [A. NOO intake October 1, 2017 to March 31, 2018](#)
 - [B. NOOs received vs NOOs reviewed on a monthly basis](#)
 - [C. Results](#)
 - [D. General information](#)
 - [E. Industry sector information](#)
 - [F. Regional breakdown of NOOs](#)
- [2. Technical information](#)
 - [A. Issues in dispute involving eligibility criteria](#)
 - [B. Issues in dispute involving subsection 248\(1\)\(a-k\) of the Income Tax Act](#)
 - [C. Issues in dispute involving "other" issues](#)
- [Trends/conclusions](#)

This report covers the period from October 1, 2017 to March 31, 2018. The report only involves mandatory referrals of notices of objections (NOOs) with technical issues from the Tax Charities and Appeals Directorate to the Notice of Objection Section, Scientific Research and Experimental Development (SR&ED) Directorate. It outlines the trends that we observed during this period.

1. Statistical/general information

A. NOO intake October 1, 2017 to March 31, 2018

NOO intake – NOOs reviewed

| NOO intake – NOOs reviewed | Number of files |
|---------------------------------------------------------------------|-----------------|
| Number of NOOs received during reporting period | 89 |
| Number of NOOs (company years) received during the reporting period | 109 |
| Number of NOOs reviewed during the reporting period | 96 |
| Number of NOOs (company years) reviewed during the reporting period | 121 |

B. NOOs received vs NOOs reviewed on a monthly basis

October 1, 2017 to March 31, 2018

NOOs received vs NOOs reviewed on a monthly basis

| - | 2017-10-31 | 2017-11-30 | 2017-12-31 | 2018-01-31 | 2018-02-28 | 2018-03-31 |
|---------------|------------|------------|------------|------------|------------|------------|
| NOOs received | 14 | 17 | 15 | 6 | 17 | 20 |
| NOOs reviewed | 18 | 17 | 18 | 15 | 16 | 12 |

C. Results

NOO review results

| Recommendation | Number of NOOs reviewed second half 2017-2018 | % of total |
|-------------------|-----------------------------------------------|------------|
| Correct | 76 | 79.2% |
| Partially correct | 6 | 6.3% |
| Not correct | 9 | 9.3% |

NOO review results

| Recommendation | Number of NOOs reviewed second half 2017-2018 | % of total |
|----------------------------------|-----------------------------------------------|-------------|
| Other Footnote 1 | 5 | 5.2% |
| Total for period | 96 | 100% |

Of the 96 NOOs reviewed during the second half of fiscal year 2017-2018, 79.2% were found to be correct where the NOO advisor agreed with the eligibility determinations. Also, during the reporting period, 6.3% of the NOOs reviewed were found to be only partially correct, where the NOO advisor did not fully agree with the eligibility determinations, and 9 of the NOOs reviewed (9.3%) were found to have incorrect eligibility decisions.

D. General information

Claim and claimant information

| Claim and claimant information | Number of NOOs reviewed during reporting period | % of total NOOs reviewed during reporting period |
|-----------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| NOOs – Refundable | 82 | 85.4% |
| NOOs – Non-refundable | 14 | 14.6% |
| First-time claimant | 16 | 16.7% |
| First-time technical review | 30 | 31.3% |
| Tax preparer involved in technical review/objection | 80 | 83.3% |
| English | 73 | 76.0% |
| French | 13 | 13.6% |
| Bilingual | 10 | 10.4% |

ITCs in dispute

| ITC value in dispute (\$) | Number of NOOs reviewed during reporting period | % of total NOOs reviewed during reporting period |
|----------------------------|-------------------------------------------------|--------------------------------------------------|
| ITC < \$50,000 | 30 | 31.3% |
| \$50,000 < ITC < \$250,000 | 52 | 54.1% |
| ITC > \$250,000 | 14 | 14.6% |

The majority of NOOs reviewed were refundable SR&ED claims that involved investment tax credits (ITC) under \$250,000. Only 16.7% of the NOOs reviewed were first-time claimants and one third of the objections reviewed were claims where it was the first technical review for the claimant. The majority of the claimants (83.3%) used claim preparers in the preparation of their SR&ED claims and in filing their objections, which is in line with previous findings. And 76.0% of the objections were in English, 13.6% in French, and 10.4% were bilingual.

E. Industry sector information

Industry sector information for NOOs reviewed

| Industry sector | Number of NOOs reviewed during reporting period | % of total NOOs reviewed during reporting period |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| Agriculture | 3 | 3.2% |
| Chemical engineering/sciences | 1 | 1.0% |
| Civil engineering | 1 | 1.0% |
| Computer sciences and information technology/software engineering/hardware automation/control systems | 32 | 33.3% |
| Electrical/electronic engineering/telecommunications | 6 | 6.3% |

Industry sector information for NOOs reviewed

| Industry sector | Number of NOOs reviewed during reporting period | % of total NOOs reviewed during reporting period |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| Environmental/marine/petroleum/mining/energy and fuels engineering | 8 | 8.3% |
| Food and beverage | 1 | 1.0% |
| Industrial biotechnology | 1 | 1.0% |
| Information technology and bioinformatics | 2 | 2.1% |
| Mechanical engineering/tooling machinery and equipment/automation/automotive and transportation engineering | 28 | 29.2% |
| Materials engineering, plastics, pulp and paper/textiles | 7 | 7.3% |
| Medical sciences and health sciences/biomedical engineering | 3 | 3.2% |
| Natural and formal sciences (chemistry) | 1 | 1.0% |
| Other engineering and technologies | 2 | 2.1% |
| Total | 96 | 100.0% |

During this reporting period, it was observed that over half (55.2%) of the NOOs reviewed involved various fields of engineering: chemical, civil, electrical/electronic, environmental, mining, mechanical, materials and engineering technologies. There were also a significant number (33.3%) of computer sciences, software engineering and information technology NOOs reviewed.

F. Regional breakdown of NOOs

NOOs reviewed by region

| Region | Number of NOOs reviewed during reporting period | % of total NOOs reviewed during reporting period |
|----------------|-------------------------------------------------|--------------------------------------------------|
| Nova Scotia | 4 | 4.2% |
| Laval | 7 | 7.3% |
| Quebec | 5 | 5.2% |
| Montreal | 11 | 11.5% |
| Ottawa | 3 | 3.2% |
| Toronto Centre | 12 | 12.5% |
| Toronto West | 25 | 26.0% |
| Hamilton | 1 | 1.0% |
| Calgary | 20 | 20.8% |
| Vancouver | 8 | 8.3% |
| Total | 96 | 100% |

The majority of the NOOs reviewed came from the Toronto West and Toronto Centre Tax Services Offices (TSO) (38.5%), and from the Calgary and Vancouver TSOs (29.1%). The Montreal, Laval, and Quebec TSOs made up 24.0% of the NOOs reviewed, similar to the previous reporting period.

2. Technical information

The information presented in the following tables shows the frequency of various issues under dispute that were noted in the 96 NOOs reviewed.

A. Issues in dispute involving eligibility criteria

Eligibility criteria

| Criteria | Number of NOOs reviewed during reporting period | % of total NOOs reviewed during reporting period |
|---------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------|
| 1. Scientific/technological advancement | 69 | 71.9% |
| 2. Scientific/technological uncertainty | 81 | 84.4% |
| 3. Scientific/technological content – Hypothesis | 28 | 29.2% |
| 4. Scientific/technological content – Scientific method | 40 | 41.7% |
| 5. Scientific/technological content – Records/evidence | 31 | 32.3% |
| To support scientific method | 6 | 6.3% |

From the NOOs reviewed during this reporting period, 84.4% of the files involved the eligibility criteria of scientific/technological uncertainty (S/TU) and three quarters of the files involved the eligibility criteria of scientific/technological advancement (S/TA) (71.9%). As well, a third (32.3%) of the files involved records/evidence (documentation) as issues under dispute.

B. Issues in dispute involving subsection 248(1)(a-k) of the Income Tax Act

Subsection 248(1)(a-k)

| Subsection 248(1) | Number of NOOs reviewed during reporting period | % of total NOOs reviewed during reporting period |
|----------------------------------------------|--------------------------------------------------------|---------------------------------------------------------|
| (a) Basic research | 2 | 2.1% |
| (b) Applied research | 2 | 2.1% |
| (c) Experimental development | 51 | 53.1% |
| (d) Support work commensurate with the needs | 10 | 10.4% |
| (e) Market research | 1 | 1.0% |
| (f) Quality assurance | 0 | 0% |
| (g) Social science | 0 | 0% |
| (h) Oil and gas | 2 | 2.1% |
| (i) Commercial production | 0 | 0% |
| (j) Style changes | 2 | 2.1% |
| (k) Routine data collection | 0 | 0% |

For this reporting period, the issues in dispute that involved subsection 248(1)(a-k) of the *Income Tax Act* pertained mainly to the interpretation of experimental development work (53.1%).

C. Issues in dispute involving "other" issues

Other issues in dispute

| Issue | Number of NOOs reviewed during reporting period | % of total NOOs reviewed during reporting period |
|---------------------|--------------------------------------------------------|---------------------------------------------------------|
| Routine engineering | 37 | 38.5% |
| Standard practice | 46 | 47.9% |

Other issues in dispute

| Issue | Number of NOOs reviewed during reporting period | % of total NOOs reviewed during reporting period |
|--------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| Experimental production vs commercial production | 2 | 2.1% |
| Prototype/pilot plant/custom product, etc. | 4 | 4.2% |
| All or substantially all consumed in / all or substantially all intended | 1 | 1.0% |
| Work outside Canada | 1 | 1.0% |
| Research and Technology Advisor (RTA) expertise | 3 | 3.2% |
| Regulatory environment | 1 | 1.0% |
| Shared-use equipment | 0 | 0% |
| Contract payments | 3 | 3.2% |
| Materials consumed | 0 | 0% |
| Material transformed | 0 | 0% |
| Claim not reviewed at appropriate level | 14 | 14.6% |
| No specific reason given by objector | 13 | 13.5% |
| No rationale (or weak rationale) given by RTA | 6 | 6.3% |
| Duration of project: Start date | 0 | 0% |
| Duration of project: Finish date | 0 | 0% |
| Other: Gross penalty issue | 1 | 1.0% |
| Other: Misinterpretation of CRA policies/tax case law | 5 | 5.2% |
| Other: Technology base or knowledge level | 9 | 9.3% |
| Other: Business context of claimant not considered | 4 | 4.2% |
| Other: Sample size | 0 | 0% |
| Other: Financial issue | 2 | 2.1% |
| Other: Salaries/wages | 1 | 1.0% |
| Other: Service-related issues (due process/review procedure issues) | 12 | 12.5% |

The above table indicates that during this reporting period the principal issues in dispute, as noted by the claimant or their preparer in their NOOs, involved the interpretation and understanding of what was routine engineering (38.5%) and standard practice (47.9%).

Regarding service and procedural related issues, of the 96 NOOs reviewed, 14.6% believed their claim was not reviewed at the appropriate level, and 9.3% believed their technology base or knowledge level was not taken into account by the RTA. Over 10% (12.5%) of the objections reviewed noted service related issues involving due process and the technical review procedure and in 13.5% of the NOOs reviewed, the claimant or their representative provided no specific reason for their objection.

Trends/conclusions

Below are some of the main reasons the SR&ED NOO Advisors found the RTAs' technical eligibility decisions to be incorrect/partially incorrect:

- The RTA's rationale for disallowing the work was weak and incomplete, some work was eligible;
- the RTA incorrectly applied the *Income Tax Act* (ITA) and Eligibility of Work for SR&ED ITCs policy and eligible work was performed;

- the whole of the work claimed, in conjunction with a higher system uncertainty, was not considered;
- the work claimed was a continuation of eligible work from the previous year and there were still unresolved technological uncertainties, therefore, the contract work should be allowed;
- the work was not reviewed at the appropriate technological level (the RTA incorrectly broke the work down into a series of ineligible deconstructed activities);
- the RTA did not request from the claimant all available technical documentation that could have been reviewed;
- some of the work involved valid technological uncertainties, and valid technological advancements were being attempted, this work was therefore eligible;
- materials consumed, contracting work performed and directly engaged SR&ED activities performed were eligible activities;
- the issue was financial in nature, some of the salaries claimed, as well as subcontractor payments should have been allowed;
- some of the non-specified production labour should have been allowed as a portion of the work claimed was commensurate with the needs of the eligible work.

Footnote 1 For these five NOOs:

In four cases the claimant went directly to tax court.

In one case the claimant withdrew their NOO.

[\(Return to footnote 1 source paragraph\)](#)