

Scientific Research and Experimental Development: “Changes will be made to improve the program,” declares Minister Blackburn

Hamilton, Ontario, January 13, 2010... Today, while addressing the 13th Annual Tax Practitioner Information Session, the Honourable Jean-Pierre Blackburn, Minister of National Revenue and Minister of State (Agriculture and Agri-Food), announced improvements to the Scientific Research and Experimental Development (SR&ED) Tax Incentive Program.

“Our Government understands the importance of research and innovation to our country’s present and future economic prosperity. By offering generous investment tax credits, we are encouraging Canadian corporations to invest in innovation and to develop new products, services, and technologies,” said Minister Blackburn.

“I am pleased to announce that the Canada Revenue Agency (CRA) will soon be implementing a number of improvements to the program. This July, the CRA will begin to report quarterly, through its Web site, on the time it takes to review an SR&ED claim from start to finish. It will improve on accuracy and on the mutual goal of achieving the timely resolution of a claim,” indicated Minister Blackburn.

“CRA officials will also spend more time better explaining the SR&ED program requirements, process, and decisions to the claimants and their representatives. The emphasis on working with claimants is reflected in the new manual, which will become effective on April 1, 2010.

In addition, I am pleased to announce that when, in the course of their review, CRA officials discover that a company has not claimed work that appears to be eligible for the credit, they will now inform the claimant of their finding so that companies can resubmit their claim if within the reporting deadline. This is also reflected in the SR&ED claim review manual and will be effective as of April 1, 2010.

The issue of consistency in our decisions has often been raised by claimants and tax practitioners. I want to assure you that I have listened carefully to these concerns, and I have asked CRA officials to continue working in this area and to propose additional solutions. I will be soon be announcing further enhancements to the SR&ED program as a result,” added Minister Blackburn.

The Government of Canada is building on its tradition of excellence through the SR&ED program. By investing in research and development, we are creating a stronger economy, future job opportunities, and a better quality of life for all Canadians.

The program is the largest single source of federal government support for industrial research and development. It encourages businesses to conduct research and development that may lead to new, improved, or technologically advanced processes or products. The program represents approximately 4 billion dollars distributed annually to over 18,000 Canadian businesses.

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