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**GUIDE TO CLAIMING THE ALBERTA  
SCIENTIFIC RESEARCH AND  
EXPERIMENTAL DEVELOPMENT  
(SR&ED) TAX CREDIT  
(AT1, Schedule 9)**

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**Government of Alberta** ■  
Finance and Enterprise  
Tax and Revenue Administration

# GUIDE TO CLAIMING THE ALBERTA SCIENTIFIC RESEARCH & EXPERIMENTAL DEVELOPMENT (SR&ED) TAX CREDIT

## Introduction

This guide has been developed to assist you in completing the Alberta SR&ED Tax Credit form – [AT1 Schedule 9](#). Specifically, a two-step calculation has been developed. The process enables a circular calculation of the Alberta SR&ED tax credit taking into consideration that the credit reduces the federal qualified expenditures on federal form T661.

## Listing of SR&ED Projects Claimed in Alberta

[Complete the listing showing each SR&ED project](#) where all or a portion of the project was carried out in the taxation year through a permanent establishment in Alberta. Use additional forms if there is insufficient space on the page.

### Identification Information

Enter the corporation's legal name, Alberta corporate account number and the taxation year-end in the lines provided.

For each Alberta SR&ED project provide the following information:

### Line 101

Enter the project title (and identification code, if applicable) as shown on line 200 of the federal form T661.

### Line 103

Enter the project code as shown on line 206 of the federal form T661.

### Line 105

Enter the portion of federal expenses on line 559 of the federal form T661 incurred in Alberta in the taxation year calculated without the Alberta SR&ED tax credit.

### Line 107

Enter the portion of federal expenses on line 559 of the federal form T661 incurred outside Alberta in the taxation year.

### Line 109

Enter the wages and salaries incurred in Alberta for the project.

### Line 111

Enter the federal prescribed proxy amount included in the Alberta portion of federal form T661 line 559 for each project. Leave the line blank if you did not use the prescribed proxy method federally. Enter the total of the column, if any, on line 007 of AT1 Schedule 9, page 1.

### Line 113

Enter the project's Alberta proxy amount. An Alberta proxy amount must be claimed if the corporation used the prescribed proxy method federally. The Alberta proxy parallels the federal prescribed proxy amount and is calculated as 65 percent of Line 109. Enter the total of the column, if any, on line 009 of AT1 Schedule 9, page 1.

### Lines 135 to 161

Enter the total federal qualified expenditures from line 559 of the federal T661 showing the jurisdictions where the expenses were incurred.

### Line 170

Enter the total of lines 135 to 161.

## **AT1 Schedule 9, Page 1**

### Identification Information

Enter the corporation's legal name, Alberta corporate account number and the taxation year-end in the lines provided.

## **Step 1 in calculating the Alberta SR&ED tax credit**

### Line 003

Leave this line blank until Step 2 - the actual calculation. (See page 5 of this guide.)

### Line 005

Enter the total of the column in line 105 of the *Listing of SR&ED Projects Claimed in Alberta* on line 005.

### Line 007

Enter the federal prescribed proxy amount included in the Alberta portion of federal form T661 line 559. This is the total of line 111 from the *Listing of SR&ED Projects Claimed in Alberta*. Leave this line blank if the corporation did not use the prescribed proxy method federally.

### Line 009

Enter the Alberta proxy amount. This is the total of line 113 from the *Listing of SR&ED Projects Claimed in Alberta*. You must claim an Alberta proxy amount if the corporation used the prescribed proxy method federally.

### Line 011

Leave this line blank until the Alberta SR&ED tax credit has been calculated, as described below.

### Line 015

Enter the total federal investment tax credit the corporation received in the immediately preceding taxation year from line 435 of the federal form T661.

#### Line 017

Enter the total eligible SR& ED expenditures for Alberta purposes for the years in which the expenditure was incurred. This is line 031 less line 025 less line 011 on page 1 from all relevant years' claim, if a claim was made for that year. The term "all relevant years" refers to all taxation periods that relate to the amount of investment tax credit received in the immediately preceding taxation year.

#### Line 019

Enter the amount of the federal SR&ED expenditures of the corporation in the years in which the expenditure was incurred. This is line 559 on all relevant years' federal form T661. The term "all relevant years" refers to all taxation periods that relate to the amount of investment tax credit received in the immediately preceding taxation year.

#### Line 021

Calculate the Alberta portion of the federal investment tax credit received by the corporation in the immediately preceding taxation year by multiplying the amount in line 015 by the amount in line 017 and dividing the result by the amount in line 019.

#### Line 023

Enter the amount calculated at line 021 on line 023.

#### Line 025

Enter the Alberta portion of any repayment of assistance and contract payment made in the year that relates to amounts included in line 005 above, or any prior year. This is the portion of line 560 on the federal form T661 that relates to Alberta.

#### Line 031

Calculate the corporation's Eligible Expenditures for Alberta purposes. This amount is the result of line 005 minus line 007, plus line 009, plus line 011 (which is zero under this step), minus line 023, plus line 025.

#### Line 040

Enter the primary field of science or technology in which the corporation is engaged. Use Appendix 1 of the federal *Guide to Form T661* to determine the primary field of science or technology.

### **AT1 Schedule 9, Page 2**

#### Line 100

If the corporation claiming the Alberta SR&ED tax credit is associated with one or more other corporations claiming the credit, check "YES" on line 100 and proceed to line 102. If the corporation is not associated, check "NO" on line 100 and proceed to line 104.

#### Line 102

Enter the amount of the maximum expenditure limit allocated to the associated corporation as shown on applicable line 240 of the AT1 Schedule 9, page 3. See the section on "Agreement among Associated Corporations" for details of calculation.

#### Line 104

Calculate the non-associated corporation's maximum expenditure limit for the year. Maximum days in a year should be 365 (or 366, if the taxation year includes February 29.) If the corporation is associated with other corporations, leave this line blank.

#### Line 106

Enter the corporation's eligible expenditures for Alberta purposes from line 031 on AT1 Schedule 9, page 1.

#### Line 108

Enter the amount from either line 102 or line 104, as applicable, for the corporation's maximum expenditure limit for the year.

#### Line 110

Calculate the corporation's Alberta SR&ED tax credit using the lesser of line 106 or line 108, then multiplied by 10 percent. Enter this amount on line 011 of AT1 Schedule 9, page 1 as the amount of the Alberta SR&ED tax credit that reduced federal expenditures in the year. Include this amount in line 513 of the federal form T661.

#### Lines 112 & 120

Leave these lines blank until Step 2. (See page 6 of this guide.)

### **Step 2 in calculating the Alberta SR&ED tax credit – Actual Calculation**

At this point include the Alberta SR&ED tax credit (as calculated at line 110) in completing the federal form T661. **All references from this point forward assume the Alberta SR&ED tax credit is included in the federal form T661 calculation.**

#### Line 003

Enter the total qualified SR&ED expenditures shown on line 559 of the federal form T661 after you have calculated the amount of the Alberta SR&ED tax credit and included that amount as government assistance on the federal form.

#### Line 005

Subtract the amount calculated at Step 1, line 110, from the total of line 105 from the *Listing of SR&ED Projects Claimed in Alberta*. Enter the revised amount in line 005.

#### Lines 007 & 009

Retain the amounts calculated under Step 1.

#### Line 011

Enter the amount calculated at line 110 of the AT1 Schedule 9.

#### Lines 015 to 108

Retain the amounts calculated under Step 1.

#### Line 110

Line 110 should be the same as in Step 1. The Alberta SR&ED tax credit on line 011 offsets the Alberta SR&ED tax credit deducted from the federal expenses in the

calculation of federal form T661 line 559 on line 105 of the *Listing of SR&ED Projects Claimed in Alberta* under step 2.

Line 112

Calculate the amount of any recapture of the Alberta SR&ED tax credit where the corporation has disposed (or is deemed to have disposed) of any property on which a tax credit was received. Refer to Information Circular SRED-1 for a discussion of recapture.

Line 120

Calculate the total Alberta SR&ED tax credit by subtracting line 112 from line 110. Enter this amount on AT1 page 2, line 081.

**Agreement among Associated Corporations**

This schedule is to be completed when two or more associated corporations have each claimed the SR&ED tax credit for Alberta purposes in their taxation year ending in the same calendar year.

File one copy of this completed agreement for each associated corporation with its AT1 Schedule 9 for the taxation year. File a new agreement for each corporate taxation year. Use additional forms if there is insufficient space on the page.

Identification Information

Enter the corporation's Alberta corporate account number and the taxation year-end in the lines provided.

**Allocation of Maximum Expenditure Limit**

Line 200

Provide the Alberta corporate account number of the corporation with the longest number of days in its taxation year that is associated for Alberta SR&ED tax credit purposes.

Line 202

Enter the date the taxation year begins for that corporation.

Line 204

Enter the date the taxation year ends for that corporation.

Line 206

Enter the number of days in the taxation year for that corporation. Maximum should be 365 (or 366, if the longest taxation year includes February 29.)

Line 208

Calculate the SR&ED Maximum Expenditure Limit to be allocated among the corporations associated for Alberta SR&ED tax credit purposes. Multiply \$4,000,000 by line 206 and divide by 365. Use 366 if the longest taxation year includes February 29.

For each corporation associated for Alberta SR&ED tax credit purposes enter the following:

Line 220

the corporation's name.

Line 230

the corporation's Alberta corporate account number.

Line 240

the amount of the Maximum Expenditure Limit allocated to the corporation. Enter the amount from the applicable line 240 for the corporation making its Alberta SR&ED tax credit claim in line 102 of AT1 Schedule 9, page 2.

Line 250

Calculate the Total Allocated Maximum Expenditure as the sum of all entries on line 240. This amount cannot exceed the Maximum Expenditure Limit specified on line 208.

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If you require more information, please contact Information Services, Tax and Revenue Administration, Alberta Finance and Enterprise

- by mail at:  
9811 109 ST  
EDMONTON AB T5K 2L5
- by telephone at: 780-427-3044 (call 310-0000 then enter (780)427-3044 for Alberta toll free)
- or by email at: [tra.revenue@gov.ab.ca](mailto:tra.revenue@gov.ab.ca)