

## Understanding the SR&ED Tax Incentive Program

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For those who are unfamiliar, Canada's SR&ED Tax Incentive Program was created to encourage research and development. Also known as Scientific Research and Experimental Development, the program offers valuable tax credits to qualifying businesses. The SR&ED Program is federally governed, with tax incentives that are designed to encourage all types of Canadian businesses (in all sectors) to undertake research and development in Canada. This program is administered by CRA (Canada Revenue Agency), and offers incentives that are in compliance with Canadian tax laws and CRA policies. Business owners can benefit in two ways. Firstly, SR&ED expenses can be deducted from income for tax purposes. Secondly, an SR&ED investment tax credit is provided, in order to reduce income tax payables. With the supporting documentation, applicants can realize some valuable incentives.



[Canadian-controlled private corporations \(CCPC\)](#) can earn an investment tax credit on SR&ED expenditures that qualify. Specific credit amounts and qualifying incentives depend on a number of different thresholds, as defined by CRA. Other types of corporations and proprietorships can also earn refundable investment tax credits, although criteria may differ from a CCPC. Business partnerships may also be eligible under the SR&ED program.

To qualify for the SR&ED program, applicants must satisfy the definition of “Scientific Research and Experimental Development” according to the Income Tax Act. Amongst the criteria, this may include research to advance scientific knowledge; research with a practical application; or some experimental development to achieve technological advancement. The overriding idea for SR&ED is to create new or improved products, devices, or processes.

Like most government-initiated programs, SR&ED incentives require supporting documentation, detailed claims processes, and proper follow-up with CRA to ensure that everything is on stream

and in order. This type of bureaucratic environment can be quite time consuming and for some, even stressful. Indeed, all of the regulations and guidelines might well dissuade an applicant. This is where a reputable tax rebate company may be valuable.

The experts at Rebate4U have filed countless rebate applications for businesses large and small. The priority is to provide quality, professional service to satisfy the needs of the individual client. With the SR&ED program, and other government incentives, Rebate4U offers personal, hands-on service, always striving for 100% satisfaction. In house professionals understand the ins and outs of CRA bureaucracy, and how to navigate the system.

With Canada's [SR&ED Tax Incentive](#) Program, it's also important to note what DOES NOT qualify. The NO list includes such things as market research; quality control testing; exploring resource minerals; or commercial production of something new and/or improved. Understanding the pre-requisites, parameters, and guidelines makes for a successful application process and maximum rebate amounts, something that Rebate4U can expedite.

The team at Rebate4U guarantees results - there are no charges until funds are secured. In house professionals always maintain client confidentiality, and ensure the maximum rebate possible, all in a timely manner. For further information, contact Rebate4U at 416-783-6969 (toll free at 800-610-4510) or visit the company website at [www.rebate4u.ca](http://www.rebate4u.ca).