

Key government incentives in Ontario



Selected tax credits

Scientific Research and Experimental Development (SR&ED)

<ul style="list-style-type: none"> • SR&ED is the best known government incentive for research and development (R&D). • Claim must be filed after each fiscal period, based on SR&ED activities undertaken. • Claim is required to show evidence of search for or creation of new knowledge in science or technology. • Federal credit is supplemented by provincial incentives: Ontario Innovation Tax Credit (OITC) and Ontario Research & Development Tax Credit (ORDTC). 	<p>Enhanced and non-enhanced rates and rules:</p> <p>Federal rate: 15% - 35%</p> <p>Ontario OITC: 10%</p> <p>Ontario ORDTC: 4.5%</p> <p>Various other provincial credits.</p>
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Ontario Business Research Institute Tax Credit (OBRITC)

<ul style="list-style-type: none"> • OBRITC is a refundable tax credit for R&D expenditures where work was conducted with an eligible research institute (ERI) in Ontario. Requires a contract with the ERI. • OBRITC is in addition to federal and other Ontario SR&ED incentives. 	<p>Refundable credit of 20% on up to \$20 million in annual expenditures.</p>
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Co-operative Education Tax Credit (CETC)

<ul style="list-style-type: none"> • CETC is a refundable tax credit for employers who hire students enrolled in a qualifying co-operative education program (QCEP) at an Ontario university or college. • CETC is administered by Canada Revenue Agency (CRA) on behalf of Ontario through federal tax system. • Employer is required to have work placement certified by the educational institution. • Employer is required to supervise and evaluate job performance during placement. 	<p>25-30%, depending on total claim of salaries/wages, capped at \$3,000/placement.</p> <p>A placement can last from 10 weeks up to 4 months.</p>
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Ontario Interactive Digital Media Tax Credit (OIDMTC)

<ul style="list-style-type: none"> • Primary purpose of digital media must be to: <ul style="list-style-type: none"> ○ Entertain any age or educate children under 12 years old; ○ For use by 3rd party individuals; ○ Must not promote products or an organization; and ○ Not for interpersonal communication • Product must be complete and: <ul style="list-style-type: none"> ○ Be ready to use complete with content; ○ Not rely on user data; and ○ Not rely on searching the internet for data. • Product required to be 90% developed in Ontario (all or substantially all (ASA) by employees of the company). 	<p>Refundable, product-based credit of 40% of Ontario-based labour engaged in product build.</p> <p>Can also claim up to \$100,000 for marketing/distribution expenses.</p> <p>35% for products built on behalf of a 3rd-party.</p> <p>35% for specialized games developers.</p>
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Ontario Tax Exemption for Commercialization (OTEC)

<ul style="list-style-type: none"> • Income tax exemption for new corporations that commercialize intellectual property (IP) that is developed by qualifying Canadian universities or colleges. • Company must be incorporated between March 2008 and March 2012. • ASA revenue must come from the following industries: <ul style="list-style-type: none"> ○ Bio-economy/clean technologies; ○ Advanced health technologies; and/or ○ Certain telecommunications, computer and digital technologies. • Company's sole activity is required to be the commercialization of IP or licensing of computer program IP. 	<p>Tax exemption/refund on income tax and minimum tax due/paid in first 10 years.</p> <p>Discretionary fund. Requires pre-approval certificate of eligibility from Ministry of Research and Innovation.</p>
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Apprenticeship Training Tax Credit (ATTC)

<ul style="list-style-type: none"> • ATTC is a refundable tax credit for employers who hire and train apprentices. • ATTC is administered by CRA on behalf of Ontario through federal tax system. • Apprentice trades are pre-defined. • "In-school" training (i.e. off-site) is required. • Apprenticeship agreement or contract must be registered. • Formal monitoring of progress required against a training guide. 	<p>35-45%, depending on total claim, of salaries/wages, capped at \$5,000/year for 4 years maximum.</p>
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Other Ontario tax credits

<ul style="list-style-type: none"> • Ontario Film and Television Tax Credit • Ontario Computer Animation and Special Effects Tax Credit • Ontario Production Services Tax Credit • Ontario Sound Recording Tax Credit • Ontario Book Publishing Tax Credit 	<p>All refundable.</p> <p>Ranges from 20% to 35%, depending on the program.</p>
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Selected discretionary funding

Industrial Research Assistance Program (IRAP)

<ul style="list-style-type: none">• Financial assistance is available to small and medium-sized enterprises (SMEs), with 500 or less full-time equivalents (FTE)'s employed.• Funding is for the development and commercialization of innovative, technology-driven new or improved products, services, or processes in Canada.• SME must work closely with an IRAP industrial technology advisor.	Discretionary grants ranging from \$50,000 up to \$1 million.
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National Research Council (NRC)-IRAP Youth Employment Program (YEP)

<ul style="list-style-type: none">• Financial assistance is available to SMEs with 500 or less FTE's employed to hire highly skilled post-secondary graduates.• Employee must be between the ages of 15 and 30.• Employee is expected to work on innovative projects (IT development qualifies).• Application must be approved before employment.• Application form describes project and graduate requirements/roles.	\$5,000 to \$30,000 grant per graduate for one year.
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FedDev Ontario: Investing in Business Innovation (IBI)

<ul style="list-style-type: none">• Funding is for early stage businesses with less than 50 employees.• Funding is provided for eligible projects that:<ul style="list-style-type: none">○ Support launch of new start-up enterprises;○ Accelerate the commercialization of new innovative products, and○ Build the capacity of individual angel networks to attract more investors/investments while attracting and fostering more start-up enterprises seeking angel investment.• Examples of eligible activities include:<ul style="list-style-type: none">○ Early-stage business development and seed financing programs;○ Business development, including building high-performance teams, adopting best management practices, processes and systems, improving governance and investment readiness; and/or○ Late-stage product development geared towards market diversification and growth, customer and market development, and developing and implementing marketing and distribution strategies.	Eligible early stage businesses can receive up to \$1 million in repayable funding (max. 33 1/3 % of project costs). Interest free loans with payments starting one year after the end of the project. Continuous application intake process.
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FedDev Ontario: Investing in Business Growth and Productivity (IBGP)

<ul style="list-style-type: none">• Funding is for SMEs with between 15 - 1,000 employees.• Funding is provided to eligible projects that:<ul style="list-style-type: none">○ Assist established businesses with market diversification and expanding facilities; and/or○ Increase capacity to participate in global markets through market diversification and integration in global value chains.• Examples of eligible activities:<ul style="list-style-type: none">○ Adapting/adopting new technologies, processes, and related skills development;○ Business opportunity development, growth and integration in global value chains;○ Facilities improvement or expansion;○ Market development and expansion; and/or○ Business expansion to support greater economic diversification.• Application process is in 2 phases (statement of intent and business plan).	Discretionary repayable funding up to 25% of expenditures. Maximum of \$20M. Interest free loans with payments starting one year after the end of the project. Continuous application intake.
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FedDev Ontario: Advanced Manufacturing Fund (AMF)

<ul style="list-style-type: none">• Funding is for manufacturing entities engaged in projects that:<ul style="list-style-type: none">○ Support large-scale, incremental, and transformative advanced manufacturing activities which will increase productivity;○ Advance development and/or adoption of cutting-edge technologies;○ Encourage projects that create spillover benefits; and○ Foster collaborations between the private sector, research institutions, and post-secondary institutions.• Eligible activities include prototyping, improvement to existing materials or adoption/adaption of new technologies/processes.• Project must be transformative to the industry and have benefits beyond the company.• Total project size must be up to \$20 million.• Upfront application and full business plan.	<p>Discretionary repayable funding up to 50% of eligible project costs up to \$20 million. Requests greater than \$20 million will be considered on a project-by-project basis.</p> <p>Interest free loans with payments starting one year after the end of the project.</p> <p>Structured application intake periods.</p>
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Export Market Access (EMA)

<ul style="list-style-type: none">• Financial assistance is available to SMEs manufacturing goods in Ontario to increase access to global markets.• Funding supports activities in four areas - direct contacts, marketing tools, market research, and foreign bidding projects.• Projects such as trade shows are commonly funded.• Companies must have revenues of \$500,000.	<p>Discretionary grant funding of 50% of expenditures. Grants can be up to \$35,000.</p>
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Ontario Exporters Fund (OEF)

<ul style="list-style-type: none">• Financial assistance is for SMEs to expand export capacity and expand access to global markets.• SME must have current export sales of 10-50% of total sales.• SME must be in a priority sector: Advanced Manufacturing, Aerospace, Building Products, Construction, CleanTech, Exportable Professional Services, ICT, Life Sciences.• The fund supports hiring of an experienced export manager.	<p>Discretionary grant funding of 50% of export manager salary costs up to \$80,000.</p>
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Early Stage Exporters (ESE)

<ul style="list-style-type: none">• Financial assistance is for early stage SMEs to manufacturing goods in Ontario.• SME must be in business 2+ years with 3+ employees and meet minimum revenue requirements.	<p>Discretionary grant of up to 50% or \$30,000.</p>
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South Western Ontario Development Fund (SWODF)

<ul style="list-style-type: none">• Financial assistance is for companies in 17 different geographic locations in SWO and 6 industry sectors (Advanced Manufacturing, Life Sciences, Processing, Information and Communication Technology, Tourism, Cultural).• Funding is available in business, small community and regional streams.• Projects must create productivity, enhancement/increase competitive position and create a minimum of 10 jobs.• Company must have a minimum 2 year operating history.• Ideal project time horizon is 2 to 3 years.• Ideal project spend is \$500,000 or greater.	<p>Discretionary grant up to 15% of expenditures to a maximum of \$1.5 million.</p> <p>Repayable contributions up to \$5 million will be considered depending on project type.</p>
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Ontario Growing Forward2 (GF2)

<ul style="list-style-type: none">• Cost-share funding for Ontario food producers and processors.• Funding is provided to eligible projects that support growing profits, expanding markets, and managing business risk.• Funding is awarded under six areas of focus and specific best management practices (BMP).• Funding is approved through a merit based evaluation procedure.• Applications are accepted during specified intake periods.	Discretionary grant of 35-50% of project costs, per project maximum ranges from \$1,000 to \$100,000 by BMP, to a maximum of \$350,000 through the program.
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Build in Canada Innovation Program

<ul style="list-style-type: none">• Build in Canada is the first purchase program supporting commercialization of Canadian new products and services.• Product or service must be pre-commercial, innovative and expected to improve efficiency and effectiveness of government.	First purchase will include awarding of contract as well as feedback to company.
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Yves Landry AIME Global Initiative (AIME)

<ul style="list-style-type: none">• Funding is for southern Ontario manufacturers with between 10 - 1,000 employees.• Preference is given to companies who have not received AIME funding in the past, specific distressed areas, and exporting companies.• Funding is provided to eligible projects such as:<ul style="list-style-type: none">○ Training to support the adaptation of new technology, new processes or procedures to support expanding into new domestic or international markets; and/or○ Training to support and develop Highly Skilled Personnel in any area that leads to innovation and supports the company to be more competitive in the global marketplace.• Examples of eligible activities:<ul style="list-style-type: none">○ Trainer fees and expenses;○ Trainee wages and expenses; and/or○ Other training expenses such as facilities rental and training materials.	Discretionary grant funding up to 50% of eligible project costs to a maximum of \$50,000.
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Eastern Ontario Development Fund (EODF)

<ul style="list-style-type: none">• Financial assistance is for companies in 15 geographic areas in Eastern Ontario.• Funding available in business, small community and regional streams.• Projects must encourage innovation, collaboration, create a minimum of 10 jobs and attract private sector investment.• Company must have a minimum 2 year operating history.• Ideal project time horizon is 2 to 3 years.• Ideal project spend is \$500,000 or greater.	Discretionary grant up to 15% of expenditures to a maximum of \$1.5 million. Repayable contributions up to \$5 million will be considered depending on project type.
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Youth Employment Strategy (Career Focus & Skills Link)

<ul style="list-style-type: none">• Youth Employment Strategy is discretionary funding, national in scope.• Focus is to increase youth employment by supporting development of career-related experience.• Positions must clearly fill a skills gap and support transition from academia into the labour market.• Eligible youth must be 15-30 years of age and not in receipt of employment insurance (EI).	Discretionary grant up to \$20,000 per participant.
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Canada-Ontario Jobs Grant

<ul style="list-style-type: none"> • Focus is to support employer lead training to create new jobs or support job advancement. • Employer must identify skills gap and commit to having the job available at the end of training. • Training must be provided by one of the selected organizations and be no longer than 1 year. • Each training project must be submitted on a separate application, no limit to number of participants. • Eligible participants can be current employees or new potential hires and not in receipt of EI. • Evaluation criteria are based on the impact the training will have with respect to unemployment, job creation, job quality and advancement. 	<p>Employers may receive financial assistance for training up to \$10,000 per participant.</p>
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Jobs & Prosperity Fund (JPF) – A global expansion program

<p>Funding available through JPF is distributed through three streams:</p> <ul style="list-style-type: none"> • New economy: Focus on building innovation capacity and productivity improvements and global expansion. Project size must be \$10 million or greater. • Food & beverage growth fund: Focus on job creation, innovation enhancement, productivity improvements, strengthening the supply chain and bio-product processing. Project size must be \$5 million or greater. • Strategic partnerships: Focus on industry partners that develop enabling technologies for Ontario's priority sectors. Project size must be \$10 million or greater. 	<p>Grant or loan (assessed on a case by case basis) up to 20% of eligible project costs.</p>
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Automotive Supplier Innovation Program (ASIP)

<ul style="list-style-type: none"> • ASIP is discretionary funding specific to the automotive supply chain (Tier 1 & Tier 2). • Company must have less than 500 employees. • Projects must support innovative product development. • Focus is to advance development and/or adoption of cutting edge technologies in Canada. 	<p>Discretionary grant of 50% of the eligible project costs.</p>
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Rural Economic Development (RED) Program

<ul style="list-style-type: none"> • RED is discretionary funding specific to rural Ontario. • Focus is to support diversification of business, create jobs and remove barriers in rural Ontario. • Applications are accepted during specified intake periods. 	<p>Grant/loan combination up to 20% of eligible project costs to a maximum of \$1M.</p>
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Canadian Manufacturers and Exporters (CME)-SMART

<p>The SMART program supports two types of funding components:</p> <ul style="list-style-type: none"> • Advanced technology assessments by qualified professionals who will examine the manufacturing performance of a company and recommend how advanced technologies could be implemented to improve the company's productivity and capabilities. • Advanced technology adaptation/adoption projects that will focus on improving productivity through the adaptation or adoption of new or upgraded advanced technologies, materials or processes, create jobs and increase global competitiveness. <p>It is not a requirement for companies to complete an assessment first. If you have a project ready to start, you may submit an application for the project funding program only. This program is open to all export or export-ready manufacturers in southern Ontario.</p>	<p>Assessments will be eligible for funding of 50% of eligible costs to a maximum non-repayable contribution of \$15,000.</p> <p>Projects will be eligible for funding of 35% of eligible costs to a maximum non-repayable contribution of \$100,000.</p>
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Green SMART Fund (CME)

<ul style="list-style-type: none">• Canadian Manufacturers & Exporters plan to add a new \$25 million Green SMART fund for SME's, in partnership with the Ontario government.• The new SMART green funding program will provide assistance to Ontario's SME manufacturers to reduce greenhouse gas (GHG) and improve their energy efficiency and productivity.• This new program will be delivered with the same methodology as the current SMART program. The program launch is planned for the fall of 2016.	<p>More details will be available in the coming months.</p> <p>Program launch fall 2016</p>
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CanExport

<ul style="list-style-type: none">• Financial assistance for SMEs to develop new export opportunities and access new global markets.• All sectors are eligible, except for agriculture, food and beverage, fish and seafood, and wine/beer/spirit sectors.• Companies must have revenues from \$200,000 to \$50 million with a maximum of 250 FTE employees.• The fund supports activities in three areas related to international business development in the specified target market:<ul style="list-style-type: none">○ Travel costs for two employees (including costs for visas, per diem allowance, and air/bus/train fare or rentals);○ Contractor costs (including event registration, participation and fees, translation costs, development of marketing material, legal fees, etc.); and○ Consultant fees (including B2B matchmakers, market research, etc.)• This program has a proactive application process with a continuous intake and projected decision time within 25 business days.	<p>Discretionary grant funding of 50% of expenditures to a maximum grant of \$99,999.</p>
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Canada Summer Jobs Initiative (CSJ)

<p>CSJ's goal is to help create summer job opportunities for youth aged 15 to 30 years who are full-time students, intending to return to their studies in the next school year.</p> <p>Private sector companies must have 50 or fewer full-time employees to apply.</p> <p>Student participants must be:</p> <ul style="list-style-type: none">○ Between 15 and 30 years of age at the start of the employment;○ Registered as full-time students in the previous academic year and intend to return to school on a full-time basis in the next academic year;○ Canadian citizens, permanent residents, or persons to whom refugee protection has been conferred under the <i>Immigration and Refugee Protection Act</i> and;○ Legally entitled to work in Canada in accordance with relevant provincial or territorial legislation and regulations. <p>Job placement must be full time and between May 9 and July 17, 2016</p>	<p>Wage subsidy up to 100% of the minimum hourly wage for not-for-profit employers and up to 50% of minimum wage for the private sectors. Maximum grant is \$300,000 per employer.</p> <p>Accepting applications until February 26, 2016.</p>
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Many others

<ul style="list-style-type: none">• Ontario Centers of Excellence• Ontario Power Authority SaveOnEnergy Programs (OPA)• And many, many more	<p>Repayable contributions may support larger projects.</p> <p>Timing is important as funds commonly have annual budgets.</p>
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