



DOES MY COMPANY QUALIFY?

- Must be a Canadian-controlled private corporation. Expenditures by third-party companies (including affiliates) are not eligible
- Must have a permanent establishment in Ontario (meaning a fixed place of business including an office, a factory or a workshop)

HOW TO CLAIM

The Canada Revenue Agency administers tax credits on behalf of Ontario. Corporations can claim the tax credit on their T2 Corporation Income Tax return.

See the *Taxation Act, 2007* (Ontario) for further details on the eligibility requirements and conditions that must be met to claim the credit.

MORE INFO

- The Ontario Ministry of Finance can be contacted via 1-866-668-8297
- CME wants to hear from you about your company's experience with this important tax measure - please contact Vincent Caron with your thoughts

CANADIAN
MANUFACTURERS
& EXPORTERS

Using the Ontario Made Manufacturing Investment Tax Credit

WHAT DO I NEED TO KNOW?

Delivering on years of CME advocacy, the Ontario government announced in Budget 2023 that certain businesses may be eligible to receive Corporate Income Tax support for investments in buildings, machinery and equipment used for manufacturing or processing.

WHAT SUPPORT IS AVAILABLE?

- 10% refundable corporate income tax credit calculated on qualifying expenditures - equal to a maximum of \$20 million in a taxation year
- \$2 million in maximum credit per year, per eligible business (net credit amount may be lower due to other deductions), limit prorated for a short taxation year

DOES MY INVESTMENT QUALIFY?

An eligible corporation can claim capital investments in the following capital cost allowance classes:

Class 1: For buildings acquired, constructed or, renovated and used for manufacturing or processing in Ontario that become available for use on or after March 23, 2023 and that are eligible for the additional 6% capital cost allowance permitted under the federal Income Tax Act for manufacturing or processing buildings.

Class 53: For machinery and equipment to be used in the manufacturing or processing of goods in Ontario that are acquired and become available for use on or after March 23, 2023. For property acquired after 2025, qualifying investments will be property described in paragraph (a) of Class 43. Machinery and equipment must be for use in manufacturing or processing in the province between March 23, 2023 and December 31, 2025.

For Buildings: An election letter must be filed for the tax year in which a purchase is made – see subsection 1101 (5b.1) under federal *Income Tax Regulations*.

HELPING MANUFACTURERS GROW.

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