

# Developments\*

Information and updates on scientific research and experimental development

June 11, 2009

## CRA Provides Relief for Claims with More than 20 Projects

The Canada Revenue Agency (CRA) has relaxed the deadline for meeting the new requirement of submitting a separate Part 2 of Form T661(08), *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*, for every project claimed by an organization.

As announced in November, 2008,<sup>1</sup> these requirements would have forced SR&ED claimants to provide Part 2 of Form T661 for all projects for tax years ending *after* 2008, rather than only the 20 largest projects in dollar value. Today's announcement means that for taxation years ending *before* 2010 the form is required for only those 20 projects – in effect, a one-year extension.

However, as always, information on all claimed projects may be required during a CRA review.

This change responds to concerns expressed by SR&ED claimants and other stakeholders. It means that:

- for taxation years ending in 2009 or later, claimants must still use Form T661(08) and conform to all other guidelines and requirements associated with this version of the form; and
- for taxation years ending in 2010 or later, claimants must file Part 2 of Form T661(08) for all projects claimed.

These revised requirements are reflected in SR&ED Application Policy 2004-02R2, *Filing Requirements for Claiming SR&ED*, and in the following table:

	Taxation years ending in:		
	2008 or earlier	2009	2010
<b>Version of Form T661 to use</b>	T661(07) or T661(08)	T661(08)	
<b>Format to file project information</b>	Free-flow project descriptions or T661(08) Part 2	T661(08) Part 2	
<b>If &gt; 20 projects, those for which narratives must be submitted to the CRA</b>	20 largest projects in dollar value		All projects claimed

For more details on the changes and what they mean for your organization, please contact your PwC SR&ED adviser or any of the individuals listed on page 2.

<sup>1</sup> For a detailed discussion of the November 2008 changes to Form T661(08), *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*, see our November 14, 2008 issue of *Developments*, "Revised Form T661: Implications for Your Company's SR&ED Claim."

## For More Information

Please contact your PricewaterhouseCoopers adviser or any of the following individuals.

<b>Alberta</b>			
Calgary	Shawn Reain	403 509 6373	shawn.d.reain@ca.pwc.com
Edmonton	Rick Barnay	780 441 6832	rick.barnay@ca.pwc.com
<b>British Columbia</b>			
Vancouver	Eric Shum	604 806 7204	eric.j.shum@ca.pwc.com
<b>Manitoba</b>			
Winnipeg	Dan Torbiak	204 926 2453	daniel.h.torbiak@ca.pwc.com
<b>Maritimes</b>			
Halifax	Dean Landry	902 491 7437	dean.landry@ca.pwc.com
Saint John	Scott Greer	506 653 9417	scott.a.greer@ca.pwc.com
<b>Ontario</b>			
Greater Toronto Area	Vik Sachdev	416 869 2424	vik.sachdev@ca.pwc.com
Hamilton	Doug Boyce	905 777 7020	doug.boyce@ca.pwc.com
London	Kevin Robertson	519 640 7915	kevin.c.robertson@ca.pwc.com
Ottawa	Kent Smith	613 755 8742	kent.b.smith@ca.pwc.com
	Mel Machado	613 755 5664	mel.machado@ca.pwc.com
Waterloo	Martin Kern	519 570 5711	martin.kern@ca.pwc.com
Windsor	Loris Macor	519 985 8913	loris.macor@ca.pwc.com
<b>Quebec</b>			
Montreal	Lucie Bélanger	514 205 5439	lucie.belanger@ca.pwc.com
Quebec City	Rémi Tremblay	418 691 2488	remi.tremblay@ca.pwc.com

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