

Scenarios for Alberta Innovation Employment Grant

Effective January 1, 2021

		A	B	C	D	E	F
		Steady claimant	New claimant	Expanding claimant	Med-capital mid spend	New claimant big spend	Large-capital big spend
SR&ED salaries		\$322,581	\$322,581	\$322,581	\$645,161	\$2,580,645	\$2,580,645
SR&ED materials		-	-	-	-	-	-
SR&ED contractors		-	-	-	-	-	-
SR&ED overhead		\$177,419	\$177,419	\$177,419	\$354,839	\$1,419,355	\$1,419,355
Total SR&ED eligible expenditures		\$500,000	\$500,000	\$500,000	\$1,000,000	\$4,000,000	\$4,000,000
SR&ED expenditures in year (max \$4M)	#1	\$500,000	\$500,000	\$500,000	\$1,000,000	\$4,000,000	\$4,000,000
Average of previous 2 years SR&ED expenditures	#2	\$500,000	\$-	\$250,000	\$1,000,000	\$-	\$4,000,000
Federal Taxable Capital (TC) for prior year	#3	\$10,000,000	\$10,000,000	\$10,000,000	\$25,000,000	\$10,000,000	\$50,000,000
Calculations:							
Tax credit - 8% amount #1 x 8%		\$40,000	\$40,000	\$40,000	\$80,000	\$320,000	\$320,000
Tax credit - 12% incremental bonus (#1 - #2)		\$-	\$60,000	\$30,000	\$-	\$480,000	\$-
Total tax credit value before TC grind		\$40,000	\$100,000	\$70,000	\$80,000	\$800,000	\$320,000
Expenditures % allowed, due to Taxable Capital	#4	100%	100%	100%	63%	100%	0%
Average AB credit recovery on total expenses		8.0%	20.0%	14.0%	5.0%	20.0%	0.0%
Alberta tax credit for tax year	#5	\$40,000	\$100,000	\$70,000	\$50,000	\$800,000	\$-
Federal SR&ED credit		\$161,000	\$140,000	\$150,500	\$332,500	\$1,080,000	\$600,000
Total combined credit		\$201,000	\$240,000	\$220,500	\$382,500	\$1,880,000	\$600,000
% benefit on salaries		62.3%	74.4%	68.4%	59.3%	72.9%	23.3%

