

Twelve things to settle before you file

For incorporated Canadian product design studios. Rules current to 8 October 2026.

- ☐ **Diarise 18 months, not 6**
ITA 220(2.2) allows no extension. A late claim is no claim, not a reduced one.
- ☐ **Name the uncertainty, not the project**
What could you not predict from standard practice? That is the whole claim.
- ☐ **Carve the slice while it is live**
Separate engineering from design in the records, not at filing time.
- ☐ **Use the \$6 million limit**
Bill C-15 doubled it. At 35% that is up to \$2.1 million refundable.
- ☐ **Check the gross revenue election**
It may beat the taxable capital test if you have raised money.
- ☐ **Stop claiming cloud and CAD**
Not qualified expenditures. Under the proxy they are inside the 55% already.
- ☐ **Stop claiming equipment leases**
Out of the programme since 2014 and not restored by Bill C-15.
- ☐ **Start claiming bought equipment**
Acquired after 15 Dec 2024, used all or substantially all for the work.
- ☐ **Take 80% of arm's-length contracts**
Non-arm's-length contracts follow their own rules and must agree on both sides.
- ☐ **Net the provincial credit first**
It is assistance under ITA 127(18). The rates do not simply add together.
- ☐ **Log hours as the work happens**
The burden of proof is yours and nothing reconstructed discharges it.
- ☐ **Budget for next year's inclusion**
The credit comes back into income the following year under ITA 12(1)(t).

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