

Co-operative Education Tax Credit in Respect of Ontario Students

Reference: Section 43.4 of the *Corporations Tax Act* and section 8.2 of the *Income Tax Act* (Ontario)

Application

This bulletin cancels and replaces Interpretation Bulletin 3021R dated May 2006.

This bulletin provides general guidelines on the co-operative education tax credit (CETC). It is not a substitute for the legislation contained in the Corporations Tax Act (CTA) and the Income Tax Act (Ontario) and their regulations.

Explanation of Changes

This bulletin reflects changes to the CETC introduced through amendments to Ontario Regulation 61/06 and Ontario Regulation 330/97, filed on July 4, 2007.

Paragraph 20: This paragraph has been amended to list Redeemer University College as an eligible educational institution.

Paragraph 21: This paragraph has been amended to exclude as eligible expenditures certain amounts paid to or in respect of a student of Redeemer University College where the amount is paid or payable prior to June 1, 2007.

General

1. The 1996 Ontario Budget announced a new refundable tax credit for businesses hiring students enrolled in a recognized post-secondary co-operative education program. The CETC reimburses businesses 10 per cent of eligible expenditures up to a maximum tax credit of \$1,000 for each qualifying co-operative education placement of an Ontario student commencing after July 31, 1996.
2. An Ontario budget update dated November 25, 1997 enriched the CETC program for small businesses. For businesses with payrolls of \$400,000 or less in the preceding taxation year, the amount of the CETC was increased from 10 to 15 per cent of eligible expenditures up to a maximum tax credit of \$1,000 for each qualifying work placement. These enhancements apply to work placements commencing after December 31, 1997.
3. Prior to May 19, 2004, two types of programs were entitled to the CETC: a qualifying co-operative education program and a qualifying leading-edge technology program. The 2004 Ontario Budget announced the phase-out of the qualifying leading-edge technology component of the CETC for work placements extending beyond May 18, 2004. Please see Appendices 1, 2 and 3 for further details of the phase-out and other rules of this program.

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Rules for the Qualifying Co-operative Education Program and the Qualifying Leading-Edge Technology Program

How does the tax credit work?

4. For each qualifying work placement ending in the taxation year, an eligible employer may claim a refundable tax credit equal to the lesser of:
 - 10 per cent (15 per cent for small businesses for qualifying work placements commencing after December 31, 1997) of the eligible expenditures made in respect of that work placement, and
 - \$1,000.
5. The eligible employer's total tax credit for the taxation year is equal to the sum of the tax credits for each qualifying work placement.

What is a small business?

6. A small business that is entitled to the CETC at 15 per cent is defined as a corporation, partnership or an individual with one or more unincorporated businesses whose total payroll in the previous taxation year was \$400,000 or less. Taxpayers with payrolls of \$600,000 or more are entitled to the CETC at 10 per cent.
7. For taxpayers that have payrolls greater than \$400,000 but less than \$600,000 in their preceding taxation year, the small business enhancement is gradually phased-out under the following formula:

$$A = (10\% \times B) + [(5\% \times B) \times (1 - C/\$200,000)]$$

A is the taxpayer's eligible amount for the taxation year in respect of the qualifying work placement,

B is the amount of all eligible expenditures made by the taxpayer in respect of the qualifying work placement, and

C is the total remuneration including taxable benefits in excess of \$400,000 for the previous taxation year.

8. The taxpayer will claim the lower of the amount determined under A above and \$1,000 for each qualifying work placement. The amount that can be claimed, taking into consideration the small business enhancement phase-out, can also be calculated using the following formula:

$$A = B \times [10\% + 5\% \times (1 - C/\$200,000)]$$

How do I claim the tax credit?

9. Eligible corporations claim the tax credit on Schedule 113 of their CT-23 or CT-8 tax return. Eligible employers operating unincorporated businesses claim the tax credit on Form ON479, "Ontario Credits", included in their personal income tax return. Members of a partnership claim their share of the CETC on their own corporate or personal tax returns.
10. Employers may claim a previous year's tax credit or change the amount previously claimed by requesting an amendment to their tax return. Operators of unincorporated businesses requesting an amendment to a previous tax year should follow the instructions provided in the federal income tax and benefit package or call the nearest Canada Revenue Agency office for assistance. A Canadian-controlled private corporation must make its request within 4 years of the initial assessment of the tax return. Other corporations must make their request within 5 years of the initial assessment of the tax return. Corporations can find additional information on taxpayer requested adjustments to tax credits in Corporations Tax Information Notice 6009—*"Taxpayer Requested Adjustments to Tax Credits and Incentives."*

How do I claim the tax credit?
(continued)

11. The tax credit is available to businesses for the taxation year in which the qualifying work placement ends. The tax credit will reduce Ontario tax payable for the year and any excess will be refunded. The full amount of the credit is considered to be taxable government assistance and included in income in the taxation year in which the qualifying work placement ends.

Who is an eligible employer for the purposes of this tax credit?

12. An eligible employer includes all corporations or unincorporated businesses with permanent establishments in Ontario subject to Ontario corporate income tax or Ontario personal income tax. Members of a partnership may share the CETC for each qualifying work placement. Limited partners are not entitled to this credit; however, the general partners of a limited partnership are entitled to share the credit.
13. When an eligible student is hired by two or more associated corporations for work placements commencing after December 31, 1997 (related corporations for work placements commencing before January 1, 1998), the associated/related employers will be considered to be one employer for the purposes of claiming this credit. The associated/related corporations will designate which corporation will have the qualifying work placement.

What is a qualifying work placement?

14. A qualifying work placement is a work placement that is either a qualifying co-op work placement or a qualifying leading-edge technology work placement. The tax credit is available in respect of a qualifying co-op work placement commencing after July 31, 1996. Please see Appendix 1 for qualifying leading-edge technology work placements.

Qualifying Co-operative Education Technology Program

What is a qualifying co-op work placement?

15. A qualifying co-op work placement is one in which a student enrolled at an eligible educational institution performs employment duties for an eligible employer under a qualifying co-operative education program offered by the educational institution. The work placement must meet the following conditions:
- The placement has been developed or approved by the eligible educational institution,
 - The student must be engaged in productive work during the placement and not be just an observer,
 - The work placement for a qualifying internship program is not less than eight months or more than sixteen months. For all other qualifying co-operative education programs, the work placement is at least 10 weeks,
 - The student is paid for the work performed during the placement, and
 - The employer monitors the student's progress, and supervises and evaluates the student's job performance during the placement.

Is there more than one placement if the student is employed for more than four months?

16. Most work placements are for a minimum employment period of 10 weeks up to a maximum of four months. However, some educational programs (e.g., qualifying internships) call for employment periods in excess of four months. If the work placement exceeds four months, there could be more than one for that student and each four-month period will be considered a separate qualifying work placement. If the employment period does not divide equally into four months and if the period that is less than four months is more than 10 weeks, then that period will be a separate placement. If that period is less than 10 weeks, then it forms part of the qualifying work placement of the last completed four-month period.

Is there more than one placement if the student is employed for more than four months?
(continued)

17. For example, assume one student works 11 months and another student nine months. The first student has three qualifying co-op work placements i.e., two with four months and one with three months. The second student will have two placements, i.e., one for four months and one for five months.

What is a qualifying co-operative education program?

18. A qualifying co-operative education program means an educational program or course of study that meets the requirements set out below. These requirements generally parallel those established by the Canadian Association for Co-operative Education for defining a co-operative education program.
- For an educational program other than an internship program:
 - i. each work component must be at least 10 consecutive weeks
 - ii. the student is required to finish 50 per cent of the work components to complete the educational program
 - iii. the total time spent in the work components is not more than 75 per cent of the total time spent in required academic study, and
 - iv. the total time of the mandatory work components must be at least 30 per cent of the total time spent in required academic study.
 - If the educational program is an internship program:
 - i. there is an optional work component of at least eight consecutive months but not more than 16 consecutive months, and
 - ii. the total time spent in the work component is at least 30 per cent and not more than 75 per cent of the time spent in required academic study.
 - The education program calls for both academic terms and work components.
 - All optional work placements must be completed before the start of the final academic term and must be recorded in the student's transcripts.
 - The educational program provides credit towards a post-secondary degree, diploma or certificate by an eligible educational institution.
 - The appropriate governing body of the eligible educational institution, through its authorized delegate, has provided to the Ministry of Revenue, or the ministry's authorized delegate, a list of programs that meets the requirements enumerated above.
19. An eligible educational institution must keep proper documentation to prove that its governing body or its authorized delegate has stated that the submitted list of programs to the ministry meets the above requirements.

What is an eligible educational institution?

20. The following institutions are eligible education institutions for purposes of a qualifying co-operative education program:
- A university or college of applied arts and technology in Ontario whose enrolment is counted for the purposes of calculating annual operating grants entitlements from the Government of Ontario.
 - The Michener Institute of Applied Health Sciences.
 - The Ontario College of Art and Design.
 - Redeemer University College

What is an eligible expenditure?

21. Eligible expenditures are the following expenditures made by a business in respect of a qualifying work placement:
- Salaries and wages including taxable benefits (i.e., the amounts reported on the T-4 slip) paid or payable to the student in respect of the qualifying work placement. The student's remuneration must be attributable to an Ontario permanent establishment (place of business).
 - Fees paid or payable to an employment agency in respect of the qualifying work placement for the services of a student carried out primarily at an Ontario place of business.
 - Where the student in respect of whom the above payments are made is a student of Redeemer University College, any amount paid or payable before June 1, 2007 to the student or to an employment agency as consideration for the provision of services carried out by that student in a qualifying work placement is not an eligible expenditure for CETC purposes.
22. In addition, a repayment of government assistance received for that student will also be entitled to the CETC tax credit, but only to the extent it affected a claim in a previous taxation year.

What is an eligible expenditure?
(continued)

23. Government assistance received by the business in respect of the work placement will reduce the amount of the expenditure eligible for the credit. Government assistance means assistance in any form from a government, municipality or other public authority, including a grant, subsidy, forgivable loan, deduction from tax or investment allowance, but does not include the following:
- An Ontario innovation tax credit under section 43.3 of the *Corporations Tax Act* (CTA).
 - A co-operative education tax credit under section 43.4 of the CTA or section 8 of the *Income Tax Act* (Ontario).
 - An Ontario film and television tax credit under section 43.5 of the CTA.
 - An Ontario book publishing tax credit under section 43.7 of the CTA.
 - An Ontario computer animation and special effects tax credit under section 43.8 of the CTA.
 - An Ontario business-research institute tax credit under section 43.9 of the CTA.
 - A workplace accessibility tax credit under section 8 of the *Income Tax Act* (Ontario).
 - For corporations, a Canadian film or video production tax credit under section 125.4 of the *Income Tax Act* (Canada).
 - An investment tax credit under section 127 of the *Income Tax Act* (Canada).

While claiming the CETC does not reduce eligible expenditures, it must be reported as income in the taxation year the claim is made.

How do eligible employers support their tax credit claims?

24. Eligible employers must have a certified document from an eligible educational institution confirming that the employer has provided a placement to a student in respect of a qualifying co-operative education program. To help reduce compliance costs, the document could be the contract or memorandum of agreement between the employer and the institution. The document must, however, contain the name of the student, the employer, the institution, the term of the work placement and the name/discipline of the co-op program.

How do eligible educational institutions participate in this tax credit program?

25. The eligible educational institution will be responsible for certifying the placement document discussed above. The institution certifies that the student is enrolled in a qualifying co-operative education program, that the work performed with the employer is compatible with the objectives of that program and that the student has completed the minimum employment requirements e.g., 10 weeks. This can be done by a simple declaration in the document, i.e., **The University of XXX certifies that this is a qualifying co-op work placement for purposes of the co-operative education tax credit in respect of Ontario students.** A signature from the appropriate faculty member, e.g., Director Co-operative Education, will form part of the declaration.

**For More
Information**

For general tax enquiries regarding this tax credit, corporations may write or telephone:

Ministry of Revenue
Tax Compliance and Regional Operations Branch
Specialty Assessments Unit
PO Box 629, 33 King St W
Oshawa, ON L1H 8X4
Telephone: (905) 837-3814
Fax: (905) 837-3824

To obtain further information, unincorporated businesses may contact the Ministry Information Centre toll-free at:

English	1 800 263-7965	(Canada/U.S.)
Français	1 800 668-5821	(Canada/É.-U.)
TTY (Teletypewriter)	1 800 263-7776	(Ontario only)

Write to the ministry at:

Ministry of Revenue
Tax Advisory Services Branch
Income Tax Related Programs Section
PO Box 624, 33 King St W
Oshawa ON L1H 8H8

Visit the ministry's website at: www.rev.gov.on.ca

Appendix 1

What are the phase-out rules for qualifying leading-edge technology work placements extending beyond May 18, 2004?

Qualifying Leading-Edge Technology Program

1. The 2004 Ontario Budget announced the phase-out of the qualifying leading-edge technology program component of the CETC. The elimination of the leading-edge technology program from the CETC has two phases:
 - The first component to be phased out is for otherwise eligible expenditures paid to students and to apprentices who are not in the first 36 months of an apprenticeship program on May 19, 2004.
 - The second component to be phased out is for otherwise eligible expenditures paid to apprentices who are in their first 36 months of an apprenticeship program on May 19, 2004. Apprentices in this component may be eligible for the apprenticeship training tax credit.

First Phase

2. The CETC is available until December 31, 2004 for eligible expenditures paid or payable to students and to apprentices who are **not** in the first 36 months of an apprenticeship program on May 19, 2004 if the qualifying leading-edge technology work placement commenced after December 31, 1997 and before October 26, 2004. The CETC is no longer available for amounts paid or payable for services performed by the student or the apprentice for the employer after December 31, 2004.

Second Phase

3. The CETC is also available to apprentices who are in the first 36 months of a program on May 19, 2004 if the qualifying leading-edge technology work placement commenced after January 19, 2004 and before May 19, 2004, and ended after May 18, 2004. For such apprentices, eligible expenditures paid for services performed before May 19, 2004 qualify for the CETC. The January 19, 2004 date is relevant because qualifying work placements are deemed by regulation to be a maximum of four months. If a work placement begins on or before January 19, 2004 it would end before May 19, 2004 and would be eligible for the CETC as a separate work placement.
4. The CETC is not available for otherwise eligible expenditures paid to these apprentices in respect of services performed after May 18, 2004. However, otherwise eligible expenditures paid to apprentices with trade codes listed in Appendix 3 that match with a trade code in Appendix A of Interpretation Bulletin 3020R—“*Apprenticeship Training Tax Credit*”, dated May 2006, may qualify for the apprenticeship training tax credit. Please see Interpretation Bulletin 3020R for a complete list of trade names and trade codes eligible for that credit.
5. For further information on the phase out rules, corporations may contact the Ministry of Finance at the following address:

Ministry of Revenue
Tax Advisory Services Branch
Corporations Tax Section
PO Box 622, 33 King St W
Oshawa ON L1H 8H6

Telephone: (905) 433-6513 Fax: (905) 433-6747

Unincorporated businesses should contact the Ministry Information Centre toll-free to obtain more information at:

English	1 800 263-7965	(Canada/U.S.)
Français	1 800 668-5821	(Canada/É.-U.)
TTY (Teletypewriter)	1 800 263-7776	(Ontario only)

Or write to the ministry at:

Ministry of Revenue
 Tax Advisory Services Branch
 Income Tax Related Programs Section
 P.O. Box 624, 33 King St W
 Oshawa ON L1H 8H8

Who is an eligible employer for the purposes of this tax credit?

6. The same rules that apply to a co-op work placement apply to a leading-edge technology work placement.

What is a qualifying leading-edge technology work placement?

7. A qualifying leading-edge technology work placement is one which commenced after December 31, 1997 in which a student enrolled at an eligible educational institution in a qualifying program or an apprentice in an approved program performs employment duties for an eligible employer. The work placement must meet the following conditions:
- For a work placement other than an apprenticeship:
 - i. The work placement commences before October 26, 2004; however, no portion of a work placement that is after December 31, 2004 is a qualifying work placement.
 - ii. The employer has attached a detailed job description to the voucher outlining the student's specific duties to be performed and the responsibilities to be assumed. (The voucher is the certification document needed to support the tax credit claim. See Appendix 2.)
 - iii. The placement as described in the voucher has been certified by an eligible employer as providing training or work experience that is primarily and directly related to and reinforces the learning experience of the student in the program in which the student is enrolled.
 - iv. The student confirms his/her enrolment in the leading-edge technology education program and his/her employment with the eligible employer.
 - For a work placement that is an apprenticeship that is **not** in the first 36 months of an apprenticeship program on May 19, 2004:
 - i. The work placement commences before October 26, 2004; however, no portion of the work placement that is after December 31, 2004 is a qualifying work placement.
 - ii. The Contract of Apprenticeship has been registered by the Ministry of Training Colleges and Universities as an approved apprenticeship program under the authority of the *Apprenticeship and Certification Act*, 1998 or the *Trades Qualification and Apprenticeship Act*.

What is a
qualifying leading-
edge technology
work placement?
(continued)

- For a work placement that is an apprenticeship and is in the first 36 months of the apprenticeship program on May 19, 2004:
 - i The work placement commences before May 19, 2004; however, no portion of the work placement that is after May 18, 2004 is a qualifying work placement.
 - ii The Contract of Apprenticeship has been registered by the Ministry of Training, Colleges and Universities as an approved apprenticeship program under the authority of the *Apprenticeship and Certification Act*, 1998 or the *Trades Qualification and Apprenticeship Act*.
- The student or apprentice must be engaged in productive work during the placement and not be just an observer.
- The work placement (i.e., the employment period) must be a minimum of 10 weeks with an average of 24 hours of employment per week. Where the work placement is an apprenticeship and the apprentice is in the first 36 months of the apprenticeship program on May 19, 2004, any work placement commencing after March 10, 2004 but before May 19, 2004 is deemed to be a qualifying work placement even though the work placement is less than 10 weeks.
- The period of employment eligible for the credit may not exceed 16 months with the same employer, except that for employment beginning after May 4, 1999 under an apprenticeship program, the 16 month maximum period is extended to 24 months.
- The eligible employment must be completed before the start of the final academic term of the education program, or for an apprenticeship program, it must end before the earliest of the actual date the employment ends or when the apprentice receives his/her certificate under the *Apprenticeship and Certification Act*, 1998 or the *Trade Qualifications and Apprenticeship Act*.
- The student or apprentice is paid for the work performed during the placement.
- The student or apprentice has performed duties and assumed responsibilities directly related to and reinforcing the learning experience described in the voucher or in the Contract of Apprenticeship for an approved program under the authority of the *Apprenticeship and Certification Act*, 1998 or the *Trades Qualification and Apprenticeship Act*.

Is there more than
one placement if
the student is
employed for more
than four months?

8. The same rules that apply to a qualifying co-operative education work placement apply to a qualifying leading-edge technology work placement.

What is a qualifying leading-edge technology program?

9. A qualifying leading-edge technology education program means an educational program, course of study or apprenticeship program that meets the following requirements:
- The program, course of study or apprenticeship program has been approved by the Ministry of Training, Colleges and Universities as being in an approved leading-edge technology field of study.
 - The educational program or course of study (other than an apprenticeship program) provides credit towards a post-secondary degree, diploma or certificate by an eligible educational institution.
 - The apprenticeship program has been approved by the Director of Apprenticeship under the *Apprenticeship and Certification Act*, 1998 or the *Trades Qualifications and Apprenticeship Act* and, on completion, the apprentice is entitled to receive the appropriate certificate under these acts.
 - Where the program or course of study is a general arts and science or business program or course of study, the eligible educational institution has advised the Ministry of Training, Colleges and Universities that it has determined by a review of the courses taken by the student that the student:
 - i. is meeting the requirements for a degree with a principal or joint concentration in a program that has been approved by the Ministry of Training, Colleges and Universities as being in a leading-edge technology field of study in the respective year of study, and
 - ii. has completed at least two full-year courses (or equivalents) in programs that have been so approved.
10. An additional requirement is the completion of a voucher by the eligible institution in a manner or form approved by the minister.
11. The educational institution must keep proper documentation to prove that its program or course of study has been approved by the Ministry of Training, Colleges and Universities as being in an approved field of study.

What is an approved leading-edge technology field of study?

12. An approved leading-edge technology field of study means, in respect of a qualifying leading-edge technology education program, a field of study that, in the opinion of the Minister of Revenue, leads to a knowledge-based, high value-added activity that contributes to economic growth by improving Ontario's competitive position in the global economy or by creating new jobs or export activities and that:
- Involves applied or theoretical research for the advancement of scientific knowledge, but does not include:
 - i. market research or sales promotion
 - ii. quality control or routine testing of materials, devices products or processes
 - iii. research in the social sciences or humanities
 - iv. prospecting, exploring or drilling for or producing minerals, petroleum or natural gas
 - v. style changes, or
 - vi. routine data collection.

What is an approved leading-edge technology field of study?
(continued)

- Requires the development or application of technology and technological processes, and
 - i. promotes continuous innovation, improvement or advancement with the goal of leading to new or improved products or services, or
 - ii. develops more efficient and effective use of time and resources to improve the way things are done.

How will an eligible educational institution know whether a particular program or course of study is in the field of leading-edge technology and qualifies for this tax credit?

13. The Ministry of Revenue, in conjunction with the Ministry of Training, Colleges and Universities, will maintain a list of the fields of study that are considered to be leading-edge technology. (See Appendix 3.)
14. The Ministry of Training, Colleges and Universities will provide a list of educational programs that are in an approved field of study to each educational institution. If an educational institution has programs that are not on that list, the institution may submit those programs to the Ministry of Training, Colleges and Universities for approval.
15. If the program is on the list prepared by the Ministry of Training, Colleges and Universities or receives a favorable notification from that ministry, the institution will be permitted to issue a voucher to a student enrolled in the program who is employed by an eligible employer.
16. Since apprenticeship programs are registered with the Ministry of Training, Colleges and Universities, that ministry will review and determine which apprenticeship programs are in an approved field of study.

What is an eligible educational institution?

17. The following institutions are eligible education institutions for purposes of a qualifying leading-edge technology education program:
 - A university or college of applied arts and technology in Ontario whose enrolment is counted for the purposes of calculating annual operating grants entitlements from the Government of Ontario.
 - The Michener Institute of Applied Health Sciences.
 - Private career colleges registered under the *Private Career Colleges Act*.

What is an eligible expenditure?

18. The same definition of eligible expenditures applies to a co-op work placement and to a leading-edge technology work placement. Please note that the rule for a repayment of government assistance received for a student applies equally for an apprentice.

How do eligible employers support their tax credit claims?

19. For leading-edge technology programs, employers must keep either a duly completed voucher that has been issued by an eligible educational institution or a copy of the Contract of Apprenticeship. The employer is responsible for completing the job description that is attached to the voucher. The voucher must contain the name of the student, the employer, the institution, the term of the work placement, the name/discipline of the leading-edge technology program, a job description that outlines the student's duties and responsibilities and the educational program outline supplied by the educational institution.
20. It is the employer's responsibility to ensure that the duties and responsibilities assumed by the student provide training and/or engage the student to provide a practical work experience related to the program as described in the program outline, and advance the student's education.
21. Advancement is normally accomplished when students use knowledge they gained from their courses in the performance of employment duties, along with supervision to ensure that objectives have been met. The student's educational institution should be consulted if the employer needs advice on whether the particular placement would advance the student's education in the leading-edge technology program.
22. Employers need not attach the certified document or voucher to their tax return. It must, however, be retained by the employer and be available during any subsequent review of the tax credit claim by the Canada Revenue Agency or by the Ontario Ministry of Revenue. Eligible employers will be required to provide summary information with respect to their claims as indicated on the tax return.

How do eligible employers claim the tax credit?

23. The same rules that apply to a co-operative education placement apply to a leading edge technology work placement.

How do eligible educational institutions participate in this tax credit incentive program?

24. An eligible educational institution will be responsible for issuing a voucher to a qualified student. The institution will certify that the student is enrolled in a leading-edge technology program. It will prepare and attach to the voucher an outline of the student's course to assist the employer in ensuring that the work placement will advance the student's education in the program.
25. The institution has the choice of using the sample voucher attached to this bulletin (see Appendix 2) or of designing its own voucher as long as it contains the information outlined in Appendix 2. For apprenticeships, a Contract of Apprenticeship registered with the Ministry of Training Colleges and Universities will be the corresponding documentation.

Appendix 2

Ontario Jobs Opportunity Voucher

For students in a qualifying Leading-Edge Technology Program

See reverse for important information

Ontario businesses are eligible for a 10 per cent refundable tax credit (15 per cent for small business) on the salary costs of providing an eligible Ontario post-secondary educational student, enrolled in a qualifying leading-edge technology program in Ontario, training or practical experience related to his or her program. The credit is capped at \$1,000 per four-month work placement.

To qualify for this tax credit, this voucher must be completed by all parties and kept with a detailed job description on record by the business.

Certification by post-secondary educational institution

The student is registered with

and is currently enrolled in the following program.

Contact person for educational institution	▼First name		Last name	Phone number
	<input type="text"/>			

An outline of the program is attached to this voucher and has been recognized by the Ministry of Training, Colleges and Universities as a leading-edge technology educational program. *The program outline must be attached by the educational institution before the voucher is certified by the employer.*

Authorized officer of educational institution	▼Name	Signature	Date
	<input type="text"/>		

Certification by the business

I certify that the attached detailed job description accurately describes the specific duties to be performed and the responsibilities to be assumed by the student, and that these duties and responsibilities

- provide training and/or
- engage the student in productive work

providing practical experience in leading-edge technology related to the educational program in which the student is enrolled as described in the attached program outline, and advances the student's education in that program.

Authorized signing officer of the business	▼Name	Signature	Date
	<input type="text"/>		

Certification by student

I certify that I am registered with the above named educational institution, am currently enrolled in the above named program and that I will be employed by above named business to perform the duties and assume the responsibilities outlined in the attached job description.

▼First name	Last name	Social Insurance number
	<input type="text"/>	
▼Signature		Date
<input type="text"/>		<input type="text"/>

Important Information To Educational Institutions

The certification by the educational institution **must** include an outline of the educational program that the student is attending.

To Employers

The certification by the business (including the job description outlining the student's duties and responsibilities) and the certification by the student **must be completed**.

Other information

How do I claim the tax credit?

For 1998 and subsequent taxation years, eligible businesses will claim the tax credit on their Ontario income tax returns. Corporations will claim the tax credit on the Schedule 113 of the CT23 or CT8 tax return. Employers operating unincorporated businesses will claim the tax credit Form ON479 "Ontario Credits", included in their personal income tax return. Members of a partnership claim their share of the tax credit on their own corporate or personal tax returns.

What are the requirements for LET placements?

A qualifying placement must provide at least an average of 24 hours of employment per week for a ten-week period with an Ontario employer. A business will be able to claim the tax credit in respect of employment of each student for a maximum of 16 months. For employment beginning after May 4, 1999 under an apprenticeship program, the 16 month maximum period is extended to 24 months.

The work placement must be recognized by an eligible educational institution as providing training or work experience that is directly relevant to and reinforces the in-class learning of the educational program in which the student is enrolled.

Am I eligible for the enhanced credits for small business?

An eligible business's tax credit for a taxation year in respect of a qualifying employment is determined under the following rules:

- If the total of all salaries or wages paid by the employer in the previous taxation year is more than \$600,000, and the qualifying employment commenced after December 31, 1997, the credit is 10 per cent of the total of all eligible expenditures in respect of the qualifying employment.
- If the total of all salaries or wages paid by the employer in the previous taxation year is \$400,000 or less, and the qualifying employment commenced after

December 31, 1997, the credit is 15 per cent of the total of all eligible expenditures in respect of the qualifying employment.

- If the total of all salaries or wages paid by the employer in the previous taxation year is more than \$400,000 but less than \$600,000, and the qualifying employment commenced after December 31, 1997, the credit is the amount determined in accordance with the following formula:

$$A = 10\% \times B + [(5\% \times B) \times (1 - C/\$200,000)]$$

A is the amount of the tax credit in respect of the qualifying employment;

B is the amount of salaries, wages and benefits paid by the business in respect of the qualifying employment; and

C is the amount by which the total of all salaries and wages paid by the business in the previous taxation year exceeds \$400,000.

- The maximum credit available will be \$1,000 per work placement with a maximum of four work placements per student.

How do I get more information?

The Educational Institution

See the contact person and phone number on the front of this Voucher.

The Ministry of Revenue

A **corporation** should write or telephone:

Tax Compliance and Regional Operations Branch
Specialty Assessments Unit
PO Box 629, 33 King St W
Oshawa, ON L1H 8X4
Telephone (905) 837-3812 Fax (905) 837-3824

An **unincorporated business** should contact:

Ministry of Finance Information Centre
English 1 800 263-7965 (Canada/U.S.)
Français 1 800 668-5821 (Canada/É.-U.)
TTY (Teletypewriter) 1 800 263-7776 (Ontario only)

Or write to:

Ministry of Revenue
Tax Advisory Services Branch
Income Tax Related Programs Section
P.O. Box 624, 33 King Street West
Oshawa ON L1H 8H8

Ministry of Revenue website: www.rev.gov.on.ca

Ministry of Training, Colleges and Universities

Training Hot-line 1 888 562-4769

Appendix 3

List of Approved Leading-edge Technology Fields for the Co-operative Education Tax Credit

Non-Apprenticeship Programs

Mathematical and computer sciences

Mathematics/Applied math

Statistics

Actuarial science

Computing/Computer science/studies

Software development

Computer graphics/animation

Computer systems technology/technician

Computer programmer/analyst

Information systems

Industrial/technological sciences

Industrial design

Materials science

Automated Manufacturing

Motive power technician

Instrumentation engineering technology/technician

Plastics engineering technician

Robotics technology

Telecommunications technology

Aerospace science

Aviation engineering technology/technician

Aviation flight technology

Aviation maintenance

Natural sciences

Biology/Microbiology/Molecular biology

Biophysics

Biomedical science

Biomedical physics

Biotechnology

Biological chemistry

Biochemistry

Chemistry/Applied chemistry

Pharmacology/Toxicology

Physics/Applied physics

Chemical physics

Geology

Geophysics

Geochemistry

Environmental science

Resources/environmental technology/technician

Geographic information processing/systems/technology/technician

Forestry

Engineering, engineering technology and engineering technician programs

Apprenticeship Programs

Computer-aided design and automated manufacturing processes apprenticeships

429A General machinist

430A Tool and die maker

443A Pattern maker

431A Mould maker

433A Industrial mechanic millwright

442A Industrial electrician

410K Motive power machinist

447A Industrial instrument mechanic

416E Electronic service technician

310C Fuel and electrical systems technician

Aeronautical engineering apprenticeships

610C Aircraft maintenance engineer (including Rotocraft and Avionics maintenance specialist)

Telecommunication and information technology programs apprenticeships

634A, B, C Help desk or Network or Hardware information technology support analyst

630A Micro-electronics manufacturer

631A Network cabling specialist

630B Surface mount assembler