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|--------------------------|--|-------------------|
| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|--------------------------|--|-------------------|

Instructions for completing the GTTC Claim Form

- See the reverse for a detailed description of the Graduate Transitions Tax Credit and for important changes introduced in the 2004 Ontario Budget.
- Enter the relevant details for each eligible graduate, including the amount of tax credit.
- Your total tax credit for the taxation year is equal to the sum of the tax credits for each eligible graduate.
- Enter the total tax credit claimed on line 195, page 7 of the CT23 Long, or page 4 of the CT23 Short, or page 4 of the CT8.
- Enter the total number of graduates hired on line 194, page 7 of the CT23 Long, or page 4 of the CT23 Short, or page 4 of the CT8.
- The credit can only be claimed **once in respect of each eligible graduate**.
- The maximum amount of credit that can be claimed in respect of each eligible graduate is \$4,000.
- The credit is **considered government assistance** and is therefore **to be included in income** in the year the credit is claimed.

Summary of Graduate Transitions Tax Credit Claimed

Complete a separate entry for each graduate, that is unrelated to the employer, that has worked full-time for a minimum of a six-month period. This credit applies to new hires for a maximum credit of \$4,000 each and may only be claimed once.

Example: A taxpayer, with a December 31, 2001 taxation year end, hires an otherwise eligible graduate on June 1, 2001 who is still employed on December 31, 2002 at a salary of \$3,500 per month. The salaries and wages in the taxpayer's

preceding taxation year was \$700,000. The taxpayer may only make one tax credit claim for each graduate employed. Although the graduate is employed for 7 months during the 2001 taxation year, the taxpayer must claim the full credit in the taxation year in which the first 12 months of employment falls or when employment is ended if less than 12 months. In this example, the credit must be claimed in the 2002 taxation year. The credit claimed is the lesser of 10% of salary for the maximum 12 months of employment (10% x \$3,500 x 12 = \$4,200) or \$4,000.

Qualifying Employment

| Name of University/College and Date Program Completed | Name of Graduate | Social Insurance No. of Graduate | Employment Period | | | Qualified Eligible Expenditures (QEE) | * Credit Claimed (See notes below) (max. \$4,000 per graduate) |
|---|------------------|----------------------------------|-------------------|-------|-----|---------------------------------------|--|
| | | | year | month | day | | |
| | | | From | | | 6551 | 6576 |
| | | | To | | | | |
| | | | From | | | 6552 | 6577 |
| | | | To | | | | |
| | | | From | | | 6553 | 6578 |
| | | | To | | | | |
| Totals | | | | | | 6574 | 6596 |

If insufficient space, attach schedule

Transfer to 195 on Page 7 of the CT23 Long
or Page 4 of the CT23 Short,
or Page 4 of the CT8

Note: Enter corporation's salaries & wages paid in the preceding taxation year **A** \$

If **A** is \$600,000 or greater use 10%. If A is \$400,000 or less use 15%.

If **A** is over \$400,000 but less than \$600,000 use the following formula to calculate the rate: Rate = .15 - [.05 (From **A** - \$400,000) ÷ \$ 200,000]

Indicate rate used: %. * Credit claimed equals QEE multiplied by rate.

Total Number of Graduates = 6596

Transfer to 194 on Page 7 of the CT23 Long
or Page 4 of the CT23 Short,
or Page 4 of the CT8

Graduate Transitions Tax Credit (GTTC)

The GTTC, introduced in the 1997 Ontario Budget, is a refundable tax credit that applies to qualifying expenditures incurred after May 6, 1997 in hiring unemployed post secondary graduates for positions in Ontario.

The 2004 Ontario Budget announced that the GTTC will expire for eligible expenditures paid or payable after December 31, 2004 and for employment commencing after July 5, 2004.

Eligible employers

- The credit is available to businesses who:
 - have **permanent establishments** in Ontario
 - are **subject to Ontario Income Tax**
 - **incur eligible expenditures** in respect of a qualifying post-secondary graduate.
- When a post-secondary graduate is hired by two or more associated corporations, the associated corporations are considered to be one employer for the purposes of claiming this tax credit. Only one qualifying employer may claim the tax credit.

Eligible expenditures

- Include all wages and salaries, including taxable benefits, paid by your corporation to the post-secondary graduate in respect of qualifying employment.
- Wages and salaries paid must be:
 - for the first 12 months of employment. The credit must be claimed in the taxation year in which the last day of the twelve-month period of employment falls.
 - attributable to an Ontario permanent establishment of the employer's business
- Eligible expenditures must be reduced by any government assistance received, including assistance received by associated corporations in respect of the qualifying employment.

Amount of tax credit

- Once the qualifying expenditures have been determined, apply the applicable tax credit rate to the eligible expenditures.
- The applicable tax credit rate varies between 10% and 15% depending on the salaries and wages paid in the immediately preceding taxation year.

- For qualifying employment commencing after December 31, 1997:
 - If the corporation's salaries and wages in the previous taxation year were \$600,000 or greater, the GTTC rate is 10%.
 - If the corporation's salaries and wages in the previous taxation year were \$400,000 or less, an enhanced GTTC rate of 15% applies.
 - If the corporation's salaries and wages paid in the previous taxation year were over \$400,000, but less than \$600,000, the enhanced GTTC rate is progressively reduced.
- If the qualifying employment commenced after May 6, 1997, but before January 1, 1998, the GTTC rate is 10%.
- The maximum credit for each qualifying placement is \$4,000, regardless of the rate claimed in calculating the credit.

Qualifying employment

- The minimum employment period to qualify for the GTTC is six consecutive months. Consecutive periods of employment by two or more associated corporations is considered to be one continuous period of employment.
- Qualifying employment is considered to be working an average of more than 24 hours per week during the employment period.

Qualifying program of study

Includes:

- a program in a post-secondary institution that is funded by the Ontario Government; and
- a private vocational school prescribed in the *Private Vocational Schools Act* (Ontario).