

# Alberta Corporate Tax Act

## Guide to Claiming the Alberta Innovation Employment Grant

Last updated: April 7, 2025

### Important information

This information circular is intended to explain legislation and provide specific information. Every effort has been made to ensure the contents are accurate. However, if a discrepancy should occur in interpretation between this information circular and governing legislation, the legislation takes precedence.

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## **Overview**

The Alberta Innovation Employment Grant (IEG) is a refundable tax credit that a qualified corporation may deduct from tax otherwise payable for a taxation year in accordance with Division 7 of Part 6 of the *Alberta Corporate Tax Act*. In general, the IEG is equal to 8 per cent of the lesser of the corporation's eligible expenditures in respect of scientific research and experimental development (SR&ED) carried out in Alberta after December 31, 2020, and the corporation's maximum expenditure limit for the year. The corporation will be eligible to claim an additional amount equal to 12 per cent of any such amount in excess of a base amount, or an allowed amount, if the corporation is associated with one or more corporations.

For additional information on the IEG, refer to [Information Circular IEG-1, Alberta Innovation Employment Grant](#).

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## **How to Prepare "Listing of SR&ED Projects Carried Out in Alberta (Form AT4970)"**

[Form AT4970](#) lists, on a project-by-project basis, the portion of federal qualified SR&ED expenditures at the end of the taxation year (as entered on line 559 of federal Form T661) that were in respect of SR&ED carried out in Alberta by the corporation during the year. Form AT4970 should be completed before [Form AT29](#) is completed.

Form AT4970 does not have to be filed but must be provided to TRA upon request.

The total of column 105 plus the total of column 107 should equal the total amount of federal qualified SR&ED expenditures reported on line 559 of federal Form T661 (before IEG) for the taxation year. The amounts reported on lines 135 to 161 are the total federal qualified SR&ED expenditures reported on line 559 of federal Form T661 (after IEG), notwithstanding that some of the expenditures carried out in Alberta may not qualify for the IEG.

Refer to [Example 4](#) for a demonstration of how amounts should be reported in these circumstances.

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- **Identifying information**

Enter the name, corporate account number and the date the taxation year ends for the qualified corporation in respect of which Form AT29 is being filed.

- **Column 101: Project title**

For each SR&ED project carried out in Alberta during the qualified corporation's taxation year, enter the project title. This title should be consistent with the project title entered on line 200 of federal Form T661.

- **Column 103: Project code**

For each SR&ED project carried out in Alberta during the qualified corporation's taxation year, enter the project code. This code should be consistent with the field of science or technology code entered on line 206 of federal Form T661.

- **Column 105: Portion of line 559 of federal T661 carried out in Alberta**

For each SR&ED project carried out in Alberta during the qualified corporation's taxation year, enter the portion of federal qualified SR&ED expenditures (before IEG) from line 559 of federal Form T661 that were in respect of SR&ED carried out in Alberta.

- **Column 107: Portion of line 559 of federal T661 not carried out in Alberta**

For each SR&ED project carried out in Alberta during the qualified corporation's taxation year, enter the portion of federal qualified SR&ED expenditures (before IEG) from line 559 of the federal Form T661 that were in respect of SR&ED carried out in a jurisdiction other than Alberta, if any.

- **Column 109: Total salaries and wages paid in respect of SR&ED carried out in Alberta**

For each SR&ED project carried out in Alberta during the qualified corporation's taxation year, enter the portion of the federal salary base from line 818 of federal Form T661 that was in respect of SR&ED carried out in Alberta. In general, this amount is the salaries and wages for employees directly engaged in SR&ED carried out in Alberta. The amount excludes bonuses, remuneration based on profits and taxable benefits.

- **Column 111: Total prescribed proxy amount included in Alberta portion of line 559 of federal T661**

For each SR&ED project carried out in Alberta during the qualified corporation's taxation year, enter the portion of the federal prescribed proxy included in line 559 of federal Form T661 that is in respect of SR&ED carried out in Alberta. Leave this column blank if the corporation did not use the prescribed proxy method for federal tax purposes.

- **Column 113: Alberta proxy amount for each project**

For each SR&ED project carried out in Alberta during the qualified corporation's taxation year, enter the project's Alberta proxy amount. An Alberta proxy amount must be claimed if the corporation used the prescribed proxy method for federal tax purposes. The Alberta proxy calculation has the same limits as the federal prescribed proxy calculation, and is calculated by multiplying the amount in the respective line of column 109 by 55 per cent.

- **TOTAL**

Calculate and enter the totals of all entries in each of columns 105, 107, 109, 111 and 113 of Form AT4970. The sum of the totals entered for columns 105 and 107 on Form AT4970 should equal the amount entered on line 559 of federal Form T661 before deducting the IEG as provincial government assistance on federal line 513.

- **Lines 135 to 161: Jurisdictions where federal qualified expenditures were incurred**

Enter the total federal qualified SR&ED expenditures entered on line 559 of federal Form T661 in respect of each jurisdiction. Provincial government assistance deducted on line 513 of federal Form T661 should be allocated to the respective provincial line. For example, the amount reported on line 135 is the portion of line 559 of federal Form T661 carried out in Alberta net of the IEG deducted on federal line 513.

- **Line 170: Total of all jurisdictions**

Enter the total sum of the amounts entered on lines 135 to 161 of Form AT4970. The amount entered on line 170 should equal the amount entered on line 559 of federal Form T661 (after deducting provincial government assistance on federal line 513).

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## **How to Prepare "Innovation Employment Grant – AT1 Schedule 29" (Form AT29)**

The calculation of the IEG is a two-step process:

- In Step 1, calculate the IEG based on the federal expenditures before deducting the IEG as provincial government assistance on federal Form T661. Once the IEG has been calculated, enter the amount of the IEG on line 513 of federal Form T661 and recalculate the respective federal amounts.
- In Step 2, ensure the recalculated federal amounts are entered on federal Form T661 and, to prevent a circular calculation, add back on [Form AT29](#) the IEG that was calculated in Step 1.

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### **Claimant Information**

Enter the corporation's legal name, Alberta corporate account number and the date the corporation's taxation year ends in the spaces provided.

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## **STEP 1: Preliminary Calculation of the IEG**

### **Determining the eligible expenditures for IEG purposes**

#### **Line 003: Federal amount of total qualified SR&ED expenses**

Leave this line blank until Step 2.

#### **Line 005: Portion of line 559 of federal T661 carried out in Alberta**

Enter the portion of line 559 of federal Form T661 that is in respect of SR&ED that was carried out in Alberta. This amount should equal the sum of amounts entered in column 105 of Form AT4970 that are in respect of SR&ED carried out in Alberta after December 31, 2020. In order to be considered "carried out in Alberta", the SR&ED must have actually been executed or performed in Alberta.

#### **Line 007: Federal prescribed proxy amount**

Enter the amount of the federal prescribed proxy, if any, included in the portion of line 559 of federal Form T661 that was in respect of SR&ED carried out in Alberta. This amount should equal the total entered for column 111 of Form AT4970. Leave this line blank if the corporation did not use the prescribed proxy method for federal purposes.

#### **Line 009: Alberta proxy amount**

Enter the Alberta proxy amount. This amount should equal the total entered for column 113 of Form AT4970. There will be an Alberta proxy amount if there was a prescribed proxy amount included in the federal qualified SR&ED expenditures. In general, the Alberta proxy amount is 55 per cent of the salaries and wages used in the calculation of the prescribed proxy amount included in the federal expenditures of the corporation for the taxation year that were paid in respect of SR&ED carried out in Alberta.

#### **Line 011: IEG that reduced the federal expenditures in line 559 of federal T661**

Leave this line blank until Step 2.

#### **Line 025: Alberta portion of any repayment of government assistance or a contract payment**

Enter the Alberta portion of any repayment of government assistance (other than an IEG) or a contract payment made in the taxation year that relates to amounts included in line 005 of Form AT29 made in the taxation year or any preceding taxation year. This is the portion of line 560 of federal Form T661 that relates to Alberta other than an IEG.

#### **Line 031: Total Eligible Expenditures for Alberta purposes**

Calculate the corporation's eligible expenditures for the purposes of claiming the IEG. This amount is the sum of line 005 minus line 007, plus line 009, plus line 011 (which is zero under Step 1), plus line 025. Enter this amount on line 031.

#### **Line 040: Primary field of science or technology**

Enter the corporation's primary field of science or technology. This field should be consistent with the field of science or technology code entered on line 206 of federal Form T661.

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### **Determining the maximum expenditure limit**

#### **Line 100: Association with one or more corporations**

The corporation is required to share the maximum expenditure limit with one or more associated corporations that also claim the IEG in taxation years within the same calendar year. If the corporation is associated with one or more other corporations for IEG purposes, page 3 of Form AT29 should be completed before proceeding further. For information on completing page 3, refer to the [Agreement Among Associated Corporations](#) section.

If the corporation is associated with one or more other corporations for IEG purposes, check 'YES' on line 100 and proceed to line 102. If the corporation is not associated with one or more corporations for IEG purposes, check 'NO' on line 100 and proceed to line 104. Note, if the corporation is not associated with one or more corporations for IEG purposes; however, the corporation is associated with one or more corporations as indicated on the federal form T2 SCH 9, the corporation must complete column 265 for each associated corporation on page 3 of Form AT29.

**Line 102: Corporation is associated**

If the corporation is associated with one or more other corporations for IEG purposes, enter the amount of the maximum expenditure limit allocated to the corporation, as entered on the respective line in column 240 on page 3.

If the corporation is not associated with one or more corporations for IEG purposes, leave this line blank.

**Line 104: Corporation is not associated**

If the corporation is not associated with one or more other corporations for IEG purposes, calculate the corporation's maximum expenditure limit for the year by multiplying \$4,000,000 by the ratio of the number of days in the taxation year to 365 (or 366 if the taxation year includes February 29). The maximum days in the year (after December 31, 2020) should be 365 (or 366, if the taxation year includes February 29.)

If the corporation is associated with one or more other corporations for IEG purposes, leave this line blank.

**Line 108: Maximum expenditure limit for the year**

Enter the amount from either line 102 or line 104, as applicable.

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Calculating the IEG

Part I Calculation: Non-Associated and Associated at 8%

**Line 110: IEG on lesser of eligible expenditures and maximum expenditure limit**

Calculate the corporation's IEG using the lesser of line 031 (from page 1 of Form AT29) and line 108, then multiply the amount by 8 per cent. Enter this amount on line 110.

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Part II Calculation: Non-Associated and Associated at 12%

*Calculating the Base Amount for Non-Associated Corporation*

**Line 112: IEG on amounts in excess of base amount**

Calculate the corporation's additional IEG by subtracting the corporation's base amount entered on line 118 (refer to lines 114 and 116, below), from the lesser of line 031 and line 108, then multiply the resulting amount, if any, by 12 per cent. Enter this amount on line 112. If the amount is negative, enter zero on line 112.

The base amount for a taxation year of a qualified corporation that is not associated with any other corporation (non-associated corporation) in that particular taxation year is the amount that is the average of the eligible expenditures of the non-associated corporation for the two taxation years immediately preceding that particular taxation year.

**Line 114: Eligible expenditures for the first preceding year**

Enter the amount of the non-associated corporation's eligible expenditures for the first preceding taxation year. If the corporation did not have any eligible expenditures in the first preceding taxation year, enter zero on line 114.

**Line 116: Eligible expenditures for the second preceding year**

Enter the amount of the non-associated corporation's eligible expenditures for the second preceding taxation year. If the corporation did not have any eligible expenditures in the second preceding taxation year, enter zero on line 116.

**Line 118: Base amount**

Calculate the average of line 114 and line 116. If the non-associated corporation did not have any eligible expenditures in the preceding two years, the base amount is zero. If the corporation had eligible expenditures in only one of the two preceding taxation years, including a corporation that only had one preceding taxation year, the sum of the eligible expenditures is still divided by two for the purpose of calculating the base amount.

*Calculating the Allowed Amount for Associated Corporations*

**Line 125: Allocated allowed amount**

To calculate line 125, first enter the relevant amounts for the qualified corporation claiming the IEG in the first row of the section titled "Allocation of the Maximum Expenditure Limit" on page 3 of Form AT29. Then, enter the relevant amounts for the corporations associated with the qualified corporation claiming the IEG in the rows below. Note, as stated above, if a corporation is associated with the qualified corporation claiming the IEG as indicated on the federal form T2 SCH 9, the corporation's taxable capital for the first preceding year must be entered in column 265 on page 3 of Form AT29, even if the corporation does not have eligible expenditures.

To determine the qualified corporation claiming the IEG's allocated allowed amount (first row of column 268) and its associated corporation(s)' allocated amount (other rows in column 268), consider the following:

- The allocated allowed amount (applicable row in column 268) cannot exceed the lesser of:
  - the individual corporation maximum allowed amount (applicable row in column 267) (if this amount is negative, then "zero" should be reported for the applicable row in column 268), and
  - the allocated expenditure limit (applicable row in column 240).

Other considerations for determining the allocated allowed amount (column 268 from page 3 of Form AT29):

- if an associated corporation has eligible expenditures in the particular taxation year or in either the first or second preceding taxation years, but the associated corporation does not have a permanent establishment in Alberta, then the allowed amount to be allocated to the associated corporation on the applicable row in column 268 should be "zero". This is because to claim the IEG, a corporation has to have both eligible expenditures in Alberta and a permanent establishment in Alberta.
- the aggregate total of column 268 from page 3 of Form AT29 is then recorded on line 320 from page 3 of Form AT29. The total recorded on line 320 cannot exceed the total recorded on line 310. As noted above, if the amount reported on a row in column 267 is negative, then "zero" should be reported for the respective corporation in the applicable row in column 268. As this results in an aggregate total on line 320 that is greater than the amount on line 310, the amount that can be allocated for a corporation in column 268 must be reduced by the negative amount reported in column 267, such that the aggregate total on line 320 is equal to the total on line 310. Refer to [Example 4](#) for additional details.

Line 310 is determined by the formula:

$$X - [(Y + Z) / 2]$$

where

X equals line 275 (which is the aggregate total of column 245) from page 3 of Form AT29. This is the total of the eligible expenditures of the claiming qualified corporation and its associated corporation(s) for each of its taxation years that ended in the calendar year of the claiming qualified corporation's taxation year.

Y equals line 280 (which is the aggregate total of column 250) from page 3 of Form AT29. This is the total of the eligible expenditures of the claiming qualified corporation and its associated corporation(s) for each taxation year that ended in the last calendar year that ended before the calendar year in X.

Z equals line 290 (which is the aggregate total of column 260) from page 3 of Form AT29. This is the total of the eligible expenditures for the claiming qualified corporation and its associated corporation(s) for each taxation year that ended in the calendar year that immediately preceded the calendar year in Y.

Note, eligible expenditures for the first and second preceding years are calculated in the same way as line 031 from page 1 of Form AT29.

Then, for the qualified corporation claiming the IEG, that is associated with one or more corporations, the allocated allowed amount as shown on the first row of column 268 should be reported on line 325 of page 3 of Form AT29.

The lesser of the amount from line 108 (page 2 of the Form AT29) and from line 325 (page 3 of the Form AT29) is then multiplied by twelve per cent and the result is recorded on line 125 (page 2 of the Form AT29).



*Calculating the Grind for Taxable Capital Employed in Canada*

**Line 126: Taxable capital**

Enter the corporation's amount of taxable capital, if any, on line 126.

If the corporation is associated with one or more corporations, the taxable capital is the total of all amounts, each of which is the taxable capital employed in Canada, as entered on line 690 of federal Form T2 SCH 33, "Taxable Capital Employed in Canada – Large Corporations", of the corporation for its, or of one of the other corporations for its, last taxation year that ended in the last calendar year that ended before the end of the taxation year in which the corporation was associated with one or more corporations.

If the corporation is not associated with one or more corporations, the taxable capital is the amount of its taxable capital employed in Canada, as entered on line 690 of federal Form T2 SCH 33 of the corporation for its immediately preceding taxation year, if any.

Note, if the corporation is not associated with one or more corporations for IEG purposes; however, the corporation is associated with one or more corporations as indicated on federal form T2 SCH 9, the corporation must complete column 265 for each associated corporation on page 3 of Form AT29.

**Line 128: Calculation of the taxable capital grind**

If the amount of taxable capital entered on line 126 is greater than \$10 million, calculate the taxable capital grind to the corporation's IEG by deducting from \$40 million any taxable capital from line 126 in excess of \$10 million, and dividing the resulting amount, if any, by \$40 million. Enter the amount on line 128. If taxable capital is less than or equal to \$10 million, enter 1 on line 128.

*Calculating the Net IEG*

**Line 130: IEG before recapture**

Calculate the IEG before recapture. This amount is the sum of line 110 and either line 112 (if not associated) or line 125 (if associated with one or more corporations), multiplied by line 128. Enter this amount on line 130.

The IEG is considered to be provincial government assistance. The amount entered on line 130 should be included in the amount entered on line 513 of federal Form T661.

**Line 132: Recapture**

Enter the amount of recapture in respect of property that is sold or converted to commercial use during the taxation year. For additional information on how to calculate recapture, including examples, refer to Information Circular IEG-1, *Alberta Innovation Employment Grant*.

Recapture is considered to be a 'repayment of assistance' and should be included in the amount entered on line 560 of federal Form T661.

**Line 134: Net IEG**

Leave this line blank until Step 2.

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**STEP 2: Final Calculation of the IEG**

Before beginning Step 2, ensure that the amount calculated at line 130 of Form AT29 has been included in the amount entered on line 513 of federal Form T661 as 'provincial government assistance.'

Also ensure that the amount calculated at line 132 of Form AT29, if any, has been included in the amount entered on line 560 of federal Form T661 as 'repayments of assistance and contract payments made in the year.' This amount affects the total qualified SR&ED expenditures for federal investment tax credit purposes.

This section refers only to the amounts on Form AT29 that change in Step 2.

**Line 003: Federal amount of total qualified SR&ED expenses**

Enter the amount of federal qualified SR&ED expenditures shown on line 559 of federal Form T661 after the amount of IEG entered on line 130 of Form AT29 from Step 1 has been included in the amount entered on line 513 of federal Form T661.

**Line 005: Portion of line 559 of federal T661 carried out in Alberta**

Recalculate the portion of line 559 of federal Form T661 that is in respect of SR&ED that was carried out in Alberta. The recalculated amount is the amount entered on line 005 from Step 1 minus the amount of IEG entered on line 130 from Step 1 (the amount entered on line 130 should agree to the amount included as provincial government assistance on line 513 of federal Form T661). Enter this difference on line 005.

**Line 011: IEG that reduced the federal expenditures in line 559 of federal T661**

Enter the amount of IEG entered on line 130 from Step 1.

**Line 031: Total Eligible Expenditures for Alberta purposes**

Recalculate the corporation's eligible expenditures for the purposes of claiming the IEG. This amount is the sum of line 005 minus line 007, plus line 009, plus line 011 (which is no longer zero as it was under Step 1), plus line 025. Enter this amount on line 031.

**Line 134: Net IEG**

Calculate the net IEG. This amount is the difference of line 130 minus line 132. Enter this amount on line 134 of Form AT29, as well as on line 129 of the Alberta Corporate Income Tax Return – AT1 (AT1 return).

If the amount entered on line 134 is positive, it will reduce the corporation's Alberta Tax Payable for the year, or it may be applied against any other amount owing to the Government of Alberta before the remaining balance, if any, is refunded to the corporation. If the amount entered on line 134 is negative, it will increase the corporation's Alberta Tax Payable for the year.

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**Agreement Among Associated Corporations**

A qualified corporation is required to share the maximum expenditure limit with one or more associated corporations that claim an IEG in taxation years within the same calendar year. If the corporation checked 'YES' at line 100 on page 2 of Form AT29, then the Agreement Among Associated Corporations on page 3 of Form AT29 must be completed. One copy of the agreement must be filed by each corporation of the associated group with its AT1 return for the taxation year. A new agreement must be filed for each taxation year. Use additional pages if the spaces provided on page 3 of Form AT29 are insufficient.

If the corporation is not associated with one or more other corporations for IEG purposes, the first two sections on page 3 of Form AT29 should be left blank.

**Identifying Information**

Enter the corporate account number and date the taxation year ends for the qualified corporation identified at the top of page 1 of Form AT29 in the spaces provided.

**Allocation of the Maximum Expenditure Limit**

**Line 200: Alberta corporate account number of associated corporation with longest taxation year**

Enter the corporate account number of the associated corporation with the longest taxation year.

**Line 202: Taxation year beginning**

Enter the date the taxation year begins for the associated corporation with the longest taxation year.

**Line 204: Taxation year ending**

Enter the date the taxation year ends for the associated corporation with the longest taxation year.

**Line 206: Number of days in the longest year**

Enter the number of days in the taxation year of the associated corporation with the longest taxation year. The maximum number of days is 365 (or 366 if the associated corporation's taxation year includes February 29).

**Line 208: Maximum expenditure limit**

Calculate the maximum expenditure limit to be allocated among the corporations associated for the purposes of the IEG by multiplying \$4,000,000 by the ratio of the number of days in the longest taxation year (entered on line 206) to 365 (or 366 if the taxation year includes February 29).

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Allocation of the Maximum Expenditure Limit

**Column 220: Federal business number**

For each corporation associated for the purposes of the IEG, enter the federal business number of the corporation.

**Column 230: Alberta corporate account number**

For each corporation associated for the purposes of the IEG, enter the corporate account number of the corporation.

**Column 235: Current taxation year end**

For each corporation associated for the purposes of the IEG, enter the corporation's taxation year end that ends in the same calendar year end as the claiming qualified corporation's taxation year end.

**Column 240: Allocated expenditure limit**

For each corporation associated for the purposes of the IEG, enter the amount of maximum expenditure limit that is allocated to each of the corporations. Enter on line 102 the amount allocated to the claiming corporation in respect of which Form AT29 is being filed.

**Column 245: Current year's eligible expenditures**

For each corporation associated for the purposes of the IEG, enter the current year's eligible expenditures, if any.

**Column 250: Eligible expenditures for the first preceding year**

For each corporation associated for the purposes of the IEG, enter the eligible expenditures, if any, from its first preceding taxation year.

**Column 260: Eligible expenditures for the second preceding year**

For each corporation associated for the purposes of the IEG, enter the eligible expenditures, if any, from its second preceding taxation year.

**Column 265: Taxable capital for the first preceding year**

For each corporation associated with one or more corporations, enter the taxable capital of the corporation for its last taxation year that ended in the last calendar year that ended before the end of the particular taxation year of the claiming qualified corporation.

**Column 267: Individual corporation maximum allowed amount**

For each corporation associated for the purposes of the IEG, enter the amount calculated from line 245 – [(line 250 + line 260) / 2].

**Column 268: Allocated allowed amount to each corporation**

For each corporation associated for the purposes of the IEG, enter the allocated allowed amount. The allocated allowed amount for each corporation cannot exceed the lesser of:

- the qualified corporation's allowed amount, as calculated in the applicable row in column 267
- the aggregate total of the individual corporations' maximum allowed amount, as calculated on line 310,
- the amount determined if the qualified corporation was not associated with one or more corporations in the taxation year; calculated as:
  - (the lesser of the qualified corporation's eligible expenditures and maximum expenditure limit for the taxation year) - ((the eligible expenditures of the qualified corporation for the first preceding year + the eligible expenditures of the qualified corporation for the second preceding year) / 2), and
- the qualified corporation's maximum expenditure limit for the taxation year.

If the amount calculated in column 267 is negative, enter "zero" for column 268.

**Line 270: Total allocated expenditure limit**

Calculate the total allocated maximum expenditure as the sum of all entries in column 240. The total allocated maximum expenditure limit calculated on line 270 cannot exceed the maximum expenditure limit entered on line 208.

**Line 275: Aggregate total of current year's eligible expenditures**

Calculate the total of the current year's eligible expenditures of all entries in column 245.

**Line 280: Aggregate total of eligible expenditures for the first preceding year**

Calculate the total of eligible expenditures from the first preceding taxation year of all entries in column 250.

**Line 290: Aggregate total of eligible expenditures for the second preceding year**

Calculate the total eligible expenditures from the second preceding taxation year of all entries in column 260.

**Line 300: Aggregate total of taxable capital for the first preceding year**

Calculate the total taxable capital for the first preceding year of all entries in column 265.

**Line 310: Aggregate total of individual corporation maximum allowed amount**

Calculate the total of the individual corporation maximum allowed amount of all entries in column 267. For more information on how line 310 is calculated, see the instructions for line 125 above.

**Line 320: Aggregate total of allocated allowed amount to each corporation**

Calculate the total of the allowed amount allocated to each corporation of all entries in column 268. The total for line 320 cannot be greater than the total for line 310.

**Line 325: Corporation allocated allowed amount**

Enter the allocated allowed amount for the claiming qualified corporation from the first line of column 268 into line 325.

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**Name of Person or Firm Who Prepared Form AT29**

Enter the name, title, firm name (if applicable), and telephone number of the person or firm who prepared Form AT29, and the date it was prepared, in the spaces provided.

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## **Appendix of Examples**

### **Example 1**

This example shows the two-step calculation of the IEG in a taxation year in which a qualified corporation was not associated with any other corporations, had eligible expenditures in only one of the preceding two taxation years, and whose taxable capital employed in Canada for the immediately preceding taxation year was less than \$10 million.

The assumptions made in Example 1 include:

- The corporation's taxation year begins January 1, 2022 and ends December 31, 2022.
- The corporation is a Canadian-controlled private corporation (CCPC) not associated with any other corporations for the purposes of the IEG.
- The corporation had federal qualified SR&ED expenditures of \$1,000,000 during the taxation year ended December 31, 2022, as reported on line 559 of federal Form T661 for that year before deducting the IEG as provincial government assistance on federal line 513. Of this amount, \$400,000 was eligible expenditures in respect of SR&ED carried out in Alberta, and the balance of \$600,000 was incurred in Ontario.
- The corporation had eligible expenditures of \$300,000 in respect of SR&ED carried out in Alberta during the first preceding taxation year ended December 31, 2021.
- The corporation did not have any eligible expenditures in respect of SR&ED carried out in Alberta during the second preceding taxation year ended December 31, 2020.
- The corporation paid total salaries and wages of \$100,000 in respect of SR&ED carried out in Alberta during the taxation year ended December 31, 2022.
- The corporation used the prescribed proxy method for federal tax purposes.
- The corporation had taxable capital employed in Canada of \$5,000,000 for the taxation year ended December 31, 2021, as reported on line 690 of federal Form T2 SCH 33 for that year.

See next four pages for sample forms.

## LISTING OF INNOVATION EMPLOYMENT GRANT PROJECTS CARRIED OUT IN ALBERTA

Name: ABC Research Inc.

Corporate Account Number: 1 2 3 4 5 6 7 8 9 0

Taxation Year Ending: YYYY MM DD  
2 0 2 2 1 2 3 1

This form is to be filed with the Alberta Innovation Employment Grant Schedule 29. Report all monetary values in dollars; DO NOT include cents.

For each Alberta SR & ED project, provide the following information.

101 Project title (use same information as line 200 from part 2 of federal T661)	103 Project code (line 206 of federal T661)	105 Portion of federal T661 line 559 incurred in Alberta for each project before IEG for the taxation year	107 Portion of federal T661 line 559 not carried out in Alberta for each project for the taxation year	109 Total salaries and wages paid in respect of SR&ED carried out in Alberta for each project (excluding bonuses, remuneration based on profits and taxable benefits)	111 Total prescribed proxy amount included in Alberta portion of federal line 559 (if claimed federally)	113 Alberta proxy amount for each project (if field 111 is applicable)
Project 1	2.11.03	400,000	600,000	100,000	55,000	55,000
TOTAL:		400,000	600,000	100,000	55,000	55,000

If there are more projects, please use additional forms as necessary.

Jurisdiction(s) where federal qualified expenditures (line 559 of federal T661) were incurred.

Jurisdiction	Amount Incurred	Jurisdiction	Amount Incurred
Alberta	135 338,000	Nunavut	149
British Columbia	137	Ontario	151 600,000
Manitoba	139	Prince Edward Island	153
New Brunswick	141	Quebec	155
Newfoundland and Labrador	143	Saskatchewan	157
Northwest Territories	145	Yukon	159
Nova Scotia	147	Other	161
Total of all Jurisdictions:		170	938,000



# ALBERTA INNOVATION EMPLOYMENT GRANT AT1 SCHEDULE 29

*The Alberta Corporate Tax Act*

<p>Name: ABC Research Inc.</p> <p>CAN: 1 2 3 4 5 6 7 8 9 0      Taxation Year Ending: <span style="margin-left: 20px;">2 0 2 2</span> <span style="margin-left: 20px;">1 2</span> <span style="margin-left: 20px;">3 1</span></p> <p><small>For use by a corporation for a taxation year in which the corporation is claiming the <b>Innovation Employment Grant (IEG)</b>. Schedule 29 must be received by Alberta Treasury Board and Finance, Tax and Revenue Administration <b>within 15 months after the day on or before</b> which the corporation is required to file its AT1 for the year. For additional information on completing Schedule 29, see the Guide to Claiming the Innovation Employment Grant (the Guide).</small></p> <p><small>Report all monetary values in dollars; DO NOT include cents.</small></p>	<p>For Department Use</p> <p><b>001</b></p>
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		Step 1	/	Step 2	
Federal amount of qualified SR&ED expenditures at line 559 of federal T661 .....	003		/	938,000	Note 1
Portion of line 559 of federal T661 carried out in Alberta .....	005	400,000	/	338,000	Note 2
Deduct: Federal prescribed proxy amount (if any) included in the Alberta portion of line 559 .....	007	55,000	/	55,000	
Add: Alberta proxy amount .....	009	55,000	/	55,000	
Add: IEG that reduced the federal expenditure in line 559 of federal T661 in the taxation year .....	011		/	62,000	
Add: Alberta portion of any repayment of government assistance (other than an IEG) or a contract payment made in the taxation year that relates to amounts included in line 005 above made in the taxation year or any preceding taxation year (portion of line 560 of federal T661 that relates to Alberta other than an (IEG)) .....	025	-	/	-	
<b>Total: Eligible Expenditures for Alberta Purposes</b> (lines 005 - 007 + 009 + 011 + 025) .....	031	400,000	/	400,000	

Select the primary field of science or technology the corporation is involved in:			
1 = Natural and formal sciences	3 = Medical and health sciences	040	2
2 = Engineering and technology	4 = Agricultural sciences		

Note 1: Federal amount reported on line 559 of federal Form T661 in Step 2 is the amount from Step 1 (1,000,000) less the amount of the IEG (62,000) entered as provincial government assistance on line 513 of federal Form T661.

Note 2: Portion of line 559 of federal form T661 in Step 2 is the amount from Step 1 (400,000) less the amount of IEG (62,000) entered as provincial government assistance on line 513 of federal Form T661.

Maximum Expenditure Limit	
Is the corporation associated with one or more corporations for IEG purposes?	<div> <div>100</div> <div>Yes</div> <div>No</div> </div> <div>X</div>
If "Yes", complete page 3.	
If the corporation is associated (line 100 = Yes), enter the allocated expenditure limit amount from applicable line 240 on page 3	102
If the corporation is not associated (line 100 = No), calculate the following and enter the amount on line 104	104 4,000,000
\$4,000,000 X days in tax year *	
365 **	
Maximum expenditure limit for the year (line 102 or line 104 as applicable)	108 4,000,000
* After December 31, 2020 to a maximum of 365, or 366 if the taxation year includes February 29	
** 366 days if the taxation year includes February 29	

Alberta Innovation Employment Grant Calculation	
<b>Part I calculation: Non-Associated and Associated at 8%</b>	
Calculate: (Lesser of line 031 and line 108) X 8%	110 32,000
<b>Part II calculation: Non-Associated and Associated at 12%</b>	
<b>(a) Non-Associated</b>	
Calculate: ((Lesser of line 031 and line 108) - Base Amount* from line 118) X 12%	112 30,000
*If the corporation is NOT associated with one or more corporations in the taxation year, the Base Amount is the amount that is the average of the eligible expenditures of the corporation for the two immediately preceding taxation years.	
Eligible expenditures for the first preceding year	114 300,000
Eligible expenditures for the second preceding year	116
Base amount: average of line 114 + line 116	118 150,000
<b>(b) Associated</b>	
Calculate: (Lesser of line 108 or the allocated allowed amount** from line 325) x 12%	125
**If the qualified corporation is associated with one or more corporations in the taxation year (referred to as the particular taxation year), the Allowed Amount is: $X - ((Y + Z) / 2)$ Where X equals line 275 in page 3, the aggregated total of all the rows of line 245 in page 3. This is the total of the current year's eligible expenditures of the claiming corporation and its associated corporation(s). Y equals line 280 in page 3, the aggregated total of all the rows of line 250 in page 3. This is the total of the eligible expenditures for the first preceding year of the claiming corporation and its associated corporation(s). Z equals line 290 in page 3, the aggregated total of all the rows of line 260 in page 3. This is the total of the eligible expenditures for the second preceding year of the claiming corporation and its associated corporation(s). For the purposes of determining either the Base Amount or the Allowed Amount for a taxation year, eligible expenditures for a preceding year are calculated in the same way as line 031 on page 1.	
Taxable Capital***	126 5,000,000
*** If the corporation is associated with one or more corporations in the taxation year, regardless of whether the other corporation(s) has eligible expenditures in Alberta or not, enter on line 126 the total of all taxable capital employed in Canada of all associated corporations for their last taxation year ending in the previous calendar year. (The total of all amounts reported on line 690 of federal form T2SCH33 for each corporation in the associated group.) If the corporation is NOT associated with one or more corporations in the taxation year, enter on line 126 the amount of taxable capital employed in Canada from line 690 of federal form T2SCH33 for the corporation's immediately preceding taxation year.	
$((\$40,000,000 - (\text{line } 126 - \$10,000,000))^{****} / \$40,000,000)$	128 1.00000000
**** If Taxable Capital is less than or equal to \$10,000,000, enter 1 on line 128	
IEG $((\text{line } 110 + (\text{line } 112 \text{ or line } 125)) \times \text{line } 128)$	130 62,000
If the corporation has received an IEG in respect of property that is sold or converted to commercial use during the taxation year, enter the amount of recapture	132
NET IEG (line 130 - line 132)	134 62,000
Enter amount from line 134 on AT1 page 2, line 129	

Note 3: Lesser of line 031 and line 108 (400,000), less line 118 (150,000) multiplied by 12 per cent  
 Note 4: Average of eligible expenditures in 2020 and 2021:  $(0 + 300,000) / 2$   
 Note 5: If taxable capital (5,000,000) is less than 10,000,000 enter 1 on line 128  
 Note 6: Line 110 plus line 112, multiplied by 1 from line 128





## Example 2

This example expands the fact situation in Example 1 in order to demonstrate the two-step calculation of the IEG in a taxation year in which a qualified corporation was not associated with any other corporations, but had eligible expenditures in both of the preceding two taxation years, and whose taxable capital employed in Canada for the immediately preceding taxation year was greater than \$10 million.

The assumptions made in Example 2 include:

- The corporation's taxation year begins January 1, 2022 and ends December 31, 2022.
- The corporation is a Canadian-controlled private corporation not associated with any other corporations for the purposes of the IEG.
- The corporation had federal qualified SR&ED expenditures of \$1,000,000 during the taxation year ended December 31, 2022, as reported on line 559 of federal Form T661 for that year before deducting the IEG as provincial government assistances on federal line 513. Of this amount, \$400,000 was eligible expenditures in respect of SR&ED carried out in Alberta, and the balance of \$600,000 was incurred in Ontario.
- The corporation had eligible expenditures of \$300,000 in respect of SR&ED carried out in Alberta during the first preceding taxation year ended December 31, 2021.
- The corporation had eligible expenditures of \$200,000 in respect of SR&ED carried out in Alberta during the second preceding taxation year ended December 31, 2020.
- The corporation paid total salaries and wages of \$100,000 in respect of SR&ED carried out in Alberta during the taxation year ended December 31, 2022.
- The corporation used the prescribed proxy method for federal tax purposes.
- The corporation had taxable capital employed in Canada of \$12,000,000 for the taxation year ended December 31, 2021, as reported on line 690 of federal Form T2 SCH 33 for that year.

See next four pages for sample forms.

## LISTING OF INNOVATION EMPLOYMENT GRANT PROJECTS CARRIED OUT IN ALBERTA

Name: ABC Research Inc.

Corporate Account Number: 1 2 3 4 5 6 7 8 9 0

Taxation Year Ending: YYYY MM DD  
2 0 2 2 1 2 3 1

This form is to be filed with the Alberta Innovation Employment Grant Schedule 29. Report all monetary values in dollars; DO NOT include cents.

For each Alberta SR & ED project, provide the following information.

101 Project title (use same information as line 200 from part 2 of federal T661)	103 Project code (line 206 of federal T661)	105 Portion of federal T661 line 559 incurred in Alberta for each project before IEG for the taxation year	107 Portion of federal T661 line 559 not carried out in Alberta for each project for the taxation year	109 Total salaries and wages paid in respect of SR&ED carried out in Alberta for each project (excluding bonuses, remuneration based on profits and taxable benefits)	111 Total prescribed proxy amount included in Alberta portion of federal line 559 (if claimed federally)	113 Alberta proxy amount for each project (if field 111 is applicable)
Project 1	2.11.03	400,000	600,000	100,000	55,000	55,000
TOTAL:		400,000	600,000	100,000	55,000	55,000

If there are more projects, please use additional forms as necessary.

Jurisdiction(s) where federal qualified expenditures (line 559 of federal T661) were incurred.

Jurisdiction	Amount Incurred	Jurisdiction	Amount Incurred
Alberta	135 352,500	Nunavut	149
British Columbia	137	Ontario	151 600,000
Manitoba	139	Prince Edward Island	153
New Brunswick	141	Quebec	155
Newfoundland and Labrador	143	Saskatchewan	157
Northwest Territories	145	Yukon	159
Nova Scotia	147	Other	161
Total of all Jurisdictions:		170	952,500



# ALBERTA INNOVATION EMPLOYMENT GRANT AT1 SCHEDULE 29

The Alberta Corporate Tax Act

<p>Name: ABC Research Inc.</p> <p>CAN: 1 2 3 4 5 6 7 8 9 0      Taxation Year Ending: <span style="margin-left: 20px;">YYYY</span> 2 0 <span style="margin-left: 10px;">MM</span> 2 2 <span style="margin-left: 10px;">DD</span> 1 2 3 1</p> <p>For use by a corporation for a taxation year in which the corporation is claiming the <b>Innovation Employment Grant (IEG)</b>. Schedule 29 must be received by Alberta Treasury Board and Finance, Tax and Revenue Administration <b>within 15 months after the day on or before</b> which the corporation is required to file its AT1 for the year. For additional information on completing Schedule 29, see the Guide to Claiming the Innovation Employment Grant (the Guide).</p> <p>Report all monetary values in dollars; DO NOT include cents.</p>	<p>For Department Use</p> <p><b>001</b></p>
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Eligible Expenditures for IEG Purposes	Step 1 / Step 2	
Federal amount of qualified SR&ED expenditures at line 559 of federal T661 .....	<b>003</b> / 952,500	Note 1
Portion of line 559 of federal T661 carried out in Alberta .....	<b>005</b> 400,000 / 352,500	Note 2
Deduct: Federal prescribed proxy amount (if any) included in the Alberta portion of line 559 .....	<b>007</b> 55,000 / 55,000	
Add: Alberta proxy amount .....	<b>009</b> 55,000 / 55,000	
Add: IEG that reduced the federal expenditure in line 559 of federal T661 in the taxation year .....	<b>011</b> / 47,500	
Add: Alberta portion of any repayment of government assistance (other than an IEG) or a contract payment made in the taxation year that relates to amounts included in line 005 above made in the taxation year or any preceding taxation year (portion of line 560 of federal T661 that relates to Alberta other than an (IEG)) .....	<b>025</b> - / -	
<b>Total: Eligible Expenditures for Alberta Purposes</b> (lines 005 - 007 + 009 + 011 + 025) .....	<b>031</b> 400,000 / 400,000	

<p>Select the primary field of science or technology the corporation is involved in:</p> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> <p>1 = Natural and formal sciences</p> <p>2 = Engineering and technology</p> </div> <div> <p>3 = Medical and health sciences</p> <p>4 = Agricultural sciences</p> </div> </div>	<p><b>040</b> 2</p>
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Note 1: Federal amount reported on line 559 of federal Form T661 in Step 2 is the amount from Step 1 (1,000,000) less the amount of the IEG (47,500) entered as provincial government assistance on line 513 of federal Form T661

Note 2: Portion of line 559 of federal form T661 in Step 2 is the amount from Step 1 (400,000) less the amount of IEG (47,500) entered as provincial government assistance on line 513 of federal Form T661.

### Maximum Expenditure Limit

Is the corporation associated with one or more corporations for IEG purposes? \_\_\_\_\_

100	Yes	No
		X

If "Yes", complete page 3.

If the corporation is associated (line 100 = Yes), enter the allocated expenditure limit amount from applicable line 240 on page 3 \_\_\_\_\_

102	
-----	--

If the corporation is not associated (line 100 = No), calculate the following and enter the amount on line 104 \_\_\_\_\_

104	4,000,000
-----	-----------

\$4,000,000 X days in tax year \*

365 \*\*

Maximum expenditure limit for the year (line 102 or line 104 as applicable) \_\_\_\_\_

108	4,000,000
-----	-----------

\* After December 31, 2020 to a maximum of 365, or 366 if the taxation year includes February 29

\*\* 366 days if the taxation year includes February 29

### Alberta Innovation Employment Grant Calculation

#### Part I calculation: Non-Associated and Associated at 8%

Calculate: (Lesser of line 031 and line 108) X 8% \_\_\_\_\_

110	32,000
-----	--------

#### Part II calculation: Non-Associated and Associated at 12%

##### (a) Non-Associated

Calculate: ((Lesser of line 031 and line 108) - Base Amount\* from line 118) X 12% \_\_\_\_\_

112	18,000
-----	--------

\* If the corporation is NOT associated with one or more corporations in the taxation year, the Base Amount is the amount that is the average of the eligible expenditures of the corporation for the two immediately preceding taxation years.

Eligible expenditures for the first preceding year \_\_\_\_\_

114	300,000
-----	---------

Eligible expenditures for the second preceding year \_\_\_\_\_

116	200,000
-----	---------

Base amount: average of line 114 + line 116 \_\_\_\_\_

118	250,000
-----	---------

##### (b) Associated

Calculate: (Lesser of line 108 or the allocated allowed amount\*\* from line 325) x 12% \_\_\_\_\_

125	
-----	--

\*\* If the qualified corporation is associated with one or more corporations in the taxation year (referred to as the particular taxation year), the Allowed Amount is:  $X - ((Y + Z) / 2)$

Where X equals line 275 in page 3, the aggregated total of all the rows of line 245 in page 3. This is the total of the current year's eligible expenditures of the claiming corporation and its associated corporation(s).

Y equals line 280 in page 3, the aggregated total of all the rows of line 250 in page 3. This is the total of the eligible expenditures for the first preceding year of the claiming corporation and its associated corporation(s).

Z equals line 290 in page 3, the aggregated total of all the rows of line 260 in page 3. This is the total of the eligible expenditures for the second preceding year of the claiming corporation and its associated corporation(s).

For the purposes of determining either the Base Amount or the Allowed Amount for a taxation year, eligible expenditures for a preceding year are calculated in the same way as line 031 on page 1.

Taxable Capital\*\*\* \_\_\_\_\_

126	12,000,000
-----	------------

\*\*\* If the corporation is associated with one or more corporations in the taxation year, regardless of whether the other corporation(s) has eligible expenditures in Alberta or not, enter on line 126 the total of all taxable capital employed in Canada of all associated corporations for their last taxation year ending in the previous calendar year. (The total of all amounts reported on line 690 of federal form T2SCH33 for each corporation in the associated group.)

If the corporation is NOT associated with one or more corporations in the taxation year, enter on line 126 the amount of taxable capital employed in Canada from line 690 of federal form T2SCH33 for the corporation's immediately preceding taxation year.

$((\$40,000,000 - (\text{line } 126 - \$10,000,000))^{****} / \$40,000,000)$  \_\_\_\_\_

128	0.9500000
-----	-----------

\*\*\*\* If Taxable Capital is less than or equal to \$10,000,000, enter 1 on line 128

IEG ((line 110 + (line 112 or line 125)) x line 128 \_\_\_\_\_

130	47,500
-----	--------

If the corporation has received an IEG in respect of property that is sold or converted to commercial use during the taxation year, enter the amount of recapture \_\_\_\_\_

132	
-----	--

NET IEG (line 130 - line 132) \_\_\_\_\_

134	47,500
-----	--------

Enter amount from line 134 on AT1 page 2, line 129

Note 3: Lesser of line 031 and line 108 (400,000), less line 118 (250,000) multiplied by 12 per cent

Note 4: Average of eligible expenditures in 2020 and 2021:  $(200,000 + 300,000) / 2$

Note 5:  $((40,000,000 - (12,000,000 - 10,000,000)) / 40,000,000)$

Note 6: Line 110 plus line 112, multiplied by 0.95 from line 128

Note 3

Note 4

Note 5

Note 6



### Example 3

This example further expands the fact situations in Examples 1 and 2 in order to demonstrate the two-step calculation of the IEG in a taxation year in which a qualified corporation was associated with another corporation, had eligible expenditures in both of the preceding two taxation years, and whose taxable capital employed in Canada for the immediately preceding taxation year was greater than \$10 million.

The assumptions made in Example 3 include:

#### Qualified Corporation

- The corporation's taxation year begins January 1, 2022 and ends December 31, 2022.
- The corporation is a Canadian-controlled private corporation that is associated with another corporation for the purposes of the IEG.
- The corporation had federal qualified SR&ED expenditures of \$1,000,000 during the taxation year ended December 31, 2022, as reported on line 559 of federal Form T661 for that year before deducting the IEG as provincial government assistance on federal line 513. Of this amount, \$400,000 was eligible expenditures in respect of SR&ED carried out in Alberta, and the balance of \$600,000 was incurred in Ontario.
- The corporation had eligible expenditures of \$300,000 in respect of SR&ED carried out in Alberta during the first preceding taxation year ended December 31, 2021.
- The corporation had eligible expenditures of \$200,000 in respect of SR&ED carried out in Alberta during the second preceding taxation year ended December 31, 2020.
- The corporation paid total salaries and wages of \$100,000 in respect of SR&ED carried out in Alberta during the taxation year ended December 31, 2022.
- The corporation used the prescribed proxy method for federal tax purposes.
- The corporation had taxable capital employed in Canada of \$12,000,000 for the taxation year ended December 31, 2021, as reported on line 690 of federal Form T2 SCH 33 for that year.

#### Associated Corporation

- The associated corporation's taxation year begins July 1, 2021 and ends June 30, 2022, and the associated corporation has a permanent establishment in Alberta.
- The associated corporation had eligible expenditures of \$400,000 in respect of SR&ED carried out in Alberta during the taxation year ended June 30, 2022.
- The associated corporation had eligible expenditures of \$150,000 in respect of SR&ED carried out in Alberta during the first preceding taxation year ended June 30, 2021.
- The associated corporation had eligible expenditures of \$100,000 in respect of SR&ED carried out in Alberta during the second preceding taxation year ended June 30, 2020.
- The associated corporation had taxable capital employed in Canada of \$13,000,000 for the taxation year ended June 30, 2021, as reported on line 690 of federal Form T2 SCH 33 for that year.

See next four pages for sample forms.

## LISTING OF INNOVATION EMPLOYMENT GRANT PROJECTS CARRIED OUT IN ALBERTA

Name: ABC Research Inc.

Corporate Account Number: 1 2 3 4 5 6 7 8 9 0

XXXX MM DD  
Taxation Year Ending: 2 0 2 2 1 2 3 1

This form is to be filed with the Alberta Innovation Employment Grant Schedule 29. Report all monetary values in dollars; DO NOT include cents.

For each Alberta SR & ED project, provide the following information.

101 Project title (use same information as line 200 from part 2 of federal T661)	103 Project code (line 206 of federal T661)	105 Portion of federal T661 line 559 incurred in Alberta for each project before IEG for the taxation year	107 Portion of federal T661 line 559 not carried out in Alberta for each project for the taxation year	109 Total salaries and wages paid in respect of SR&ED carried out in Alberta for each project (excluding bonuses, remuneration based on profits and taxable benefits)	111 Total prescribed proxy amount included in Alberta portion of federal line 559 (if claimed federally)	113 Alberta proxy amount for each project (if field 111 is applicable)
Project 1	2.11.03	400,000	600,000	100,000	55,000	55,000
TOTAL:		400,000	600,000	100,000	55,000	55,000

If there are more projects, please use additional forms as necessary.

Jurisdiction(s) where federal qualified expenditures (line 559 of federal T661) were incurred.

Jurisdiction	Amount Incurred	Jurisdiction	Amount Incurred
Alberta	135 368,750	Nunavut	149
British Columbia	137	Ontario	151 600,000
Manitoba	139	Prince Edward Island	153
New Brunswick	141	Quebec	155
Newfoundland and Labrador	143	Saskatchewan	157
Northwest Territories	145	Yukon	159
Nova Scotia	147	Other	161
Total of all Jurisdictions:		170	968,750





**ALBERTA INNOVATION EMPLOYMENT GRANT  
AT1 SCHEDULE 29**

*The Alberta Corporate Tax Act*

<p>Name: <u>ABC Research Inc.</u></p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"><div style="display: flex; align-items: center;"><p>CAN:</p><div style="border: 1px solid black; padding: 2px 5px; display: flex; gap: 2px;"><span>1</span><span>2</span><span>3</span><span>4</span><span>5</span><span>6</span><span>7</span><span>8</span><span>9</span><span>0</span></div></div><div style="text-align: right;"><p>Taxation Year Ending:</p><div style="border: 1px solid black; padding: 2px 5px; display: flex; gap: 2px;"><div style="text-align: center;">YYYY</div><div style="text-align: center;">MM</div><div style="text-align: center;">DD</div><span>2</span><span>0</span><span>2</span><span>2</span><span>1</span><span>2</span><span>3</span><span>1</span></div></div></div> <p>For use by a corporation for a taxation year in which the corporation is claiming the <b>Innovation Employment Grant (IEG)</b>. Schedule 29 must be received by Alberta Treasury Board and Finance, Tax and Revenue Administration <b>within 15 months after the day on or before</b> which the corporation is required to file its AT1 for the year. For additional information on completing Schedule 29, see the Guide to Claiming the Innovation Employment Grant (the Guide).</p> <p>Report all monetary values in dollars; DO NOT include cents.</p>	<p>For Department Use</p> <div style="border: 1px solid black; padding: 5px; display: inline-block;"><p>001</p></div>
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		Step 1	/	Step 2	
Federal amount of qualified SR&ED expenditures at line 559 of federal T661 .....	003			968,750	Note 1
Portion of line 559 of federal T661 carried out in Alberta .....	005	400,000		368,750	Note 2
Deduct: Federal prescribed proxy amount (if any) included in the Alberta portion of line 559 .....	007	55,000		55,000	
Add: Alberta proxy amount .....	009	55,000		55,000	
Add: IEG that reduced the federal expenditure in line 559 of federal T661 in the taxation year .....	011			31,250	
Add: Alberta portion of any repayment of government assistance (other than an IEG) or a contract payment made in the taxation year that relates to amounts included in line 005 above made in the taxation year or any preceding taxation year (portion of line 560 of federal T661 that relates to Alberta other than an (IEG)) .....	025	-		-	
<b>Total: Eligible Expenditures for Alberta Purposes</b> (lines 005 - 007 + 009 + 011 + 025) .....	031	400,000		400,000	

<p>Select the primary field of science or technology the corporation is involved in:</p> <div style="display: flex; justify-content: space-between; margin-top: 5px;"><div style="display: flex; gap: 20px;"><span>1 = Natural and formal sciences</span><span>3 = Medical and health sciences</span></div><div style="display: flex; gap: 20px;"><span>2 = Engineering and technology</span><span>4 = Agricultural sciences</span></div></div>	<div style="border: 1px solid black; padding: 5px; display: inline-block;"><p>040    2</p></div>
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Note 1: Federal amount reported on line 559 of federal Form T661 in Step 2 is the amount from Step 1 (1,000,000) less the amount of the IEG (31,250) entered as provincial government assistance on line 513 of federal Form T661

Note 2: Portion of line 559 of federal form T661 in Step 2 is the amount from Step 1 (400,000) less the amount of IEG (31,250) entered as provincial government assistance on line 513 of federal Form T661.

Maximum Expenditure Limit							
Is the corporation associated with one or more corporations for IEG purposes?	<table border="1"> <tr> <td>100</td> <td>Yes</td> <td>No</td> </tr> <tr> <td></td> <td>X</td> <td></td> </tr> </table>	100	Yes	No		X	
100	Yes	No					
	X						
If "Yes", complete page 3.							
If the corporation is associated (line 100 = Yes), enter the allocated expenditure limit amount from applicable line 240 on page 3	<table border="1"> <tr> <td>102</td> <td>3,000,000</td> </tr> </table>	102	3,000,000				
102	3,000,000						
If the corporation is not associated (line 100 = No), calculate the following and enter the amount on line 104	<table border="1"> <tr> <td>104</td> <td></td> </tr> </table>	104					
104							
\$4,000,000 X days in tax year *							
365 **							
Maximum expenditure limit for the year (line 102 or line 104 as applicable)	<table border="1"> <tr> <td>108</td> <td>3,000,000</td> </tr> </table>	108	3,000,000				
108	3,000,000						
* After December 31, 2020 to a maximum of 365, or 366 if the taxation year includes February 29							
** 366 days if the taxation year includes February 29							

Alberta Innovation Employment Grant Calculation			
<b>Part I calculation: Non-Associated and Associated at 8%</b>			
Calculate: (Lesser of line 031 and line 108) X 8%	<table border="1"> <tr> <td>110</td> <td>32,000</td> </tr> </table>	110	32,000
110	32,000		
<b>Part II calculation: Non-Associated and Associated at 12%</b>			
<b>(a) Non-Associated</b>			
Calculate: ((Lesser of line 031 and line 108) - Base Amount* from line 118) X 12%	<table border="1"> <tr> <td>112</td> <td></td> </tr> </table>	112	
112			
*If the corporation is NOT associated with one or more corporations in the taxation year, the Base Amount is the amount that is the average of the eligible expenditures of the corporation for the two immediately preceding taxation years.			
Eligible expenditures for the first preceding year	<table border="1"> <tr> <td>114</td> <td></td> </tr> </table>	114	
114			
Eligible expenditures for the second preceding year	<table border="1"> <tr> <td>116</td> <td></td> </tr> </table>	116	
116			
Base amount: average of line 114 + line 116	<table border="1"> <tr> <td>118</td> <td></td> </tr> </table>	118	
118			
<b>(b) Associated</b>			
Calculate: (Lesser of line 108 or the allocated allowed amount** from line 325) x 12%	<table border="1"> <tr> <td>125</td> <td>18,000</td> </tr> </table>	125	18,000
125	18,000		
**If the qualified corporation is associated with one or more corporations in the taxation year (referred to as the particular taxation year), the Allowed Amount is: $X - ((Y + Z) / 2)$ Where X equals line 275 in page 3, the aggregated total of all the rows of line 245 in page 3. This is the total of the current year's eligible expenditures of the claiming corporation and its associated corporation(s). Y equals line 280 in page 3, the aggregated total of all the rows of line 250 in page 3. This is the total of the eligible expenditures for the first preceding year of the claiming corporation and its associated corporation(s). Z equals line 290 in page 3, the aggregated total of all the rows of line 260 in page 3. This is the total of the eligible expenditures for the second preceding year of the claiming corporation and its associated corporation(s). For the purposes of determining either the Base Amount or the Allowed Amount for a taxation year, eligible expenditures for a preceding year are calculated in the same way as line 031 on page 1.			
Taxable Capital***	<table border="1"> <tr> <td>126</td> <td>25,000,000</td> </tr> </table>	126	25,000,000
126	25,000,000		
*** If the corporation is associated with one or more corporations in the taxation year, regardless of whether the other corporation(s) has eligible expenditures in Alberta or not, enter on line 126 the total of all taxable capital employed in Canada of all associated corporations for their last taxation year ending in the previous calendar year. (The total of all amounts reported on line 690 of federal form T2SCH33 for each corporation in the associated group.) If the corporation is NOT associated with one or more corporations in the taxation year, enter on line 126 the amount of taxable capital employed in Canada from line 690 of federal form T2SCH33 for the corporation's immediately preceding taxation year.			
$((\$40,000,000 - (\text{line } 126 - \$10,000,000))^{****} / \$40,000,000)$	<table border="1"> <tr> <td>128</td> <td>0.6250000</td> </tr> </table>	128	0.6250000
128	0.6250000		
**** If Taxable Capital is less than or equal to \$10,000,000, enter 1 on line 128			
IEG ((line 110 + (line 112 or line 125)) x line 128	<table border="1"> <tr> <td>130</td> <td>31,250</td> </tr> </table>	130	31,250
130	31,250		
If the corporation has received an IEG in respect of property that is sold or converted to commercial use during the taxation year, enter the amount of recapture	<table border="1"> <tr> <td>132</td> <td></td> </tr> </table>	132	
132			
NET IEG (line 130 - line 132)	<table border="1"> <tr> <td>134</td> <td>31,250</td> </tr> </table>	134	31,250
134	31,250		
Enter amount from line 134 on AT1 page 2, line 129			

Note 3: Lesser of line 108 or the allocated amount from line 325 (150,000), multiplied by 12 per cent

Note 4: Line 300 (25,000,000)

Note 5:  $((40,000,000 - (25,000,000 - 10,000,000)) / 40,000,000)$

Note 6: Line 110 plus line 125, the multiplied by line 128



#### Example 4

This example demonstrates the two-step calculation of the IEG in a taxation year in which a qualified corporation was associated with multiple corporations.

The assumptions made in Example 4 are as follows:

Corporation A is associated with Corporations B, C and D.

- Facts about Corporation A:
  - Corporation A is a qualified corporation and is claiming the IEG for its December 31, 2023 taxation year end.
  - For the December 31, 2023 taxation year end, Corporation A had federal qualified SR&ED expenditures of \$1,500,000 dollars as reported on line 559 of federal Form T661 before deducting the IEG as provincial government assistance on federal line 513. Of this amount, \$1,000,000 was in respect of SR&ED carried out in Alberta and \$500,000 was in respect of SR&ED carried out in British Columbia. Corporation A also paid total salaries and wages of \$400,000 in respect of SR&ED carried out in Alberta.
  - For the December 31, 2022 taxation year end, Corporation A had federal qualified SR&ED expenditures of \$1,000,000. Of this amount, \$750,000 was in respect of SR&ED carried out in Alberta and \$250,000 was in respect of SR&ED carried out in British Columbia.
  - For the December 31, 2021 taxation year end, Corporation A had federal qualified SR&ED expenditures of \$800,000. Of this amount, \$600,000 was in respect of SR&ED carried out in Alberta and \$200,000 was in respect of SR&ED carried out in British Columbia.
  - Corporation A used the prescribed proxy method for federal tax purposes.
  - Corporation A had taxable capital employed in Canada of \$10,000,000 for the taxation year ended December 31, 2022, as reported on line 690 of federal Form T2 SCH 33 for that year.
- Facts about Corporation B:
  - Corporation B has a permanent establishment in Alberta and its taxation year ended on June 30, 2023.
  - For the June 30, 2023 taxation year end, Corporation B had eligible expenditures of \$200,000, all of which was SR&ED carried out in Alberta.
  - For the June 30, 2022 taxation year end, Corporation B had no eligible expenditures.
  - For the June 30, 2021 taxation year end, Corporation B had eligible expenditures of \$500,000, all of which was SR&ED carried out in Alberta.
  - Corporation B had taxable capital employed in Canada of \$3,000,000 for the taxation year ended June 30, 2022, as reported on line 690 of federal Form T2 SCH 33 for that year.
- Facts about Corporation C:
  - Corporation C has a permanent establishment only in British Columbia and its taxation year end is September 30, 2023.
  - For the September 30, 2023 taxation year end, Corporation C had federal qualified SR&ED expenditures of \$300,000, of which \$100,000 was SR&ED carried out in Alberta and \$200,000 was SR&ED carried out in British Columbia.
  - For the September 30, 2022 taxation year end, Corporation C had federal qualified SR&ED expenditures of \$80,000, all of which was SR&ED carried out in Alberta.
  - For the September 30, 2021 taxation year end, Corporation C had federal qualified SR&ED expenditures of \$50,000, all of which was SR&ED carried out in British Columbia.
  - Corporation C had taxable capital employed in Canada of \$5,000,000 for the taxation year ended September 30, 2022, as reported on line 690 of federal Form T2 SCH 33 for that year.
- Facts about Corporation D:
  - Corporation D has a permanent establishment only in Ontario and its taxation year end is March 31, 2023.
  - Corporation D does not engage in any SR&ED activities.
  - Corporation D had taxable capital employed in Canada of \$2,000,000 for the taxation year ended March 31, 2022, as reported on line 690 of federal Form T2 SCH 33 for that year.

See next four pages for sample forms.

Name: XYZ Innovation Co.

Corporate Account Number: 1 1 1 1 2 2 2 2 3 3

Taxation Year Ending: 2023 12 31

**This form is to be filed with the Alberta Innovation Employment Grant Schedule 29. Report all monetary values in dollars; DO NOT include cents.**

For each Alberta SR & ED project, provide the following information.

If there are more projects, please use additional forms as necessary.

Jurisdiction(s) where federal qualified expenditures (line 559 of federal T661) were incurred.

<b>Total of all Jurisdictions:</b>	<b>170</b>	<b>1,410,750</b>
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**ALBERTA INNOVATION EMPLOYMENT GRANT  
AT1 SCHEDULE 29**

*The Alberta Corporate Tax Act*

<p>Name: XYZ Innovation Co.</p> <p>CAN: 1 1 1 1 2 2 2 2 3 3      Taxation Year Ending: <span style="margin-left: 20px;">YYYY</span> 2 0 <span style="margin-left: 20px;">MM</span> 2 3 <span style="margin-left: 20px;">DD</span> 1 2 3 1</p> <p>For use by a corporation for a taxation year in which the corporation is claiming the <b>Innovation Employment Grant (IEG)</b>. Schedule 29 must be received by Alberta Treasury Board and Finance, Tax and Revenue Administration <b>within 15 months after the day on or before</b> which the corporation is required to file its AT1 for the year. For additional information on completing Schedule 29, see the Guide to Claiming the Innovation Employment Grant (the Guide).</p> <p>Report all monetary values in dollars; DO NOT include cents.</p>	<p>For Department Use</p> <p><b>001</b></p>
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Eligible Expenditures for IEG Purposes		Step 1	/	Step 2	
Federal amount of qualified SR&ED expenditures at line 559 of federal T661 .....	003			1,410,750	Note 1
Portion of line 559 of federal T661 carried out in Alberta .....	005	1,000,000		910,750	Note 2
Deduct: Federal prescribed proxy amount (if any) included in the Alberta portion of line 559 .....	007	220,000		220,000	
Add: Alberta proxy amount .....	009	220,000		220,000	
Add: IEG that reduced the federal expenditure in line 559 of federal T661 in the taxation year .....	011			89,250	
Add: Alberta portion of any repayment of government assistance (other than an IEG) or a contract payment made in the taxation year that relates to amounts included in line 005 above made in the taxation year or any preceding taxation year (portion of line 560 of federal T661 that relates to Alberta other than an (IEG)) .....	025	-		-	
<b>Total: Eligible Expenditures for Alberta Purposes</b> (lines 005 - 007 + 009 + 011 + 025) .....	031	1,000,000		1,000,000	

Select the primary field of science or technology the corporation is involved in:			
1 = Natural and formal sciences      3 = Medical and health sciences 2 = Engineering and technology      4 = Agricultural sciences	<table border="1" style="margin: auto;"><tr><td style="width: 20px;">040</td><td style="width: 20px;">2</td></tr></table>	040	2
040	2		

Note 1: Federal amount reported on line 559 of federal Form T661 in Step 2 is the amount from Step 1 (1,500,000) less the amount of the IEG (89,250) entered as provincial government assistance on line 513 of federal Form T661

Note 2: Portion of line 559 of federal form T661 in Step 2 is the amount from Step 1 (1,000,000) less the amount of IEG (89,250) entered as provincial government assistance on line 513 of federal Form T661

### Maximum Expenditure Limit

Is the corporation associated with one or more corporations for IEG purposes? \_\_\_\_\_

100	Yes	No
	X	

If "Yes", complete page 3.

If the corporation is associated (line 100 = Yes), enter the allocated expenditure limit amount from applicable line 240 on page 3 \_\_\_\_\_

102	3,000,000
-----	-----------

If the corporation is not associated (line 100 = No), calculate the following and enter the amount on line 104 \_\_\_\_\_

104	
-----	--

\$4,000,000 X days in tax year \*  
365 \*\*

Maximum expenditure limit for the year (line 102 or line 104 as applicable) \_\_\_\_\_

108	3,000,000
-----	-----------

\* After December 31, 2020 to a maximum of 365, or 366 if the taxation year includes February 29

\*\* 366 days if the taxation year includes February 29

### Alberta Innovation Employment Grant Calculation

#### Part I calculation: Non-Associated and Associated at 8%

Calculate: (Lesser of line 031 and line 108) X 8% \_\_\_\_\_

110	80,000
-----	--------

#### Part II calculation: Non-Associated and Associated at 12%

##### (a) Non-Associated

Calculate: ((Lesser of line 031 and line 108) - Base Amount\* from line 118) X 12% \_\_\_\_\_

112	
-----	--

\*If the corporation is NOT associated with one or more corporations in the taxation year, the Base Amount is the amount that is the average of the eligible expenditures of the corporation for the two immediately preceding taxation years.

Eligible expenditures for the first preceding year \_\_\_\_\_

114	
-----	--

Eligible expenditures for the second preceding year \_\_\_\_\_

116	
-----	--

Base amount: average of line 114 + line 116 \_\_\_\_\_

118	
-----	--

##### (b) Associated

Calculate: (Lesser of line 108 or the allocated allowed amount\*\* from line 325) x 12% \_\_\_\_\_

125	39,000
-----	--------

Note 3

\*\*If the qualified corporation is associated with one or more corporations in the taxation year (referred to as the particular taxation year), the Allowed Amount is:  $X - ((Y + Z) / 2)$

Where X equals line 275 in page 3, the aggregated total of all the rows of line 245 in page 3. This is the total of the current year's eligible expenditures of the claiming corporation and its associated corporation(s).

Y equals line 280 in page 3, the aggregated total of all the rows of line 250 in page 3. This is the total of the eligible expenditures for the first preceding year of the claiming corporation and its associated corporation(s).

Z equals line 290 in page 3, the aggregated total of all the rows of line 260 in page 3. This is the total of the eligible expenditures for the second preceding year of the claiming corporation and its associated corporation(s).

For the purposes of determining either the Base Amount or the Allowed Amount for a taxation year, eligible expenditures for a preceding year are calculated in the same way as line 031 on page 1.

Taxable Capital\*\*\* \_\_\_\_\_

126	20,000,000
-----	------------

Note 4

\*\*\* If the corporation is associated with one or more corporations in the taxation year, regardless of whether the other corporation(s) has eligible expenditures in Alberta or not, enter on line 126 the total of all taxable capital employed in Canada of all associated corporations for their last taxation year ending in the previous calendar year. (The total of all amounts reported on line 690 of federal form T2SCH33 for each corporation in the associated group.)

If the corporation is NOT associated with one or more corporations in the taxation year, enter on line 126 the amount of taxable capital employed in Canada from line 690 of federal form T2SCH33 for the corporation's immediately preceding taxation year.

$((\$40,000,000 - (\text{line } 126 - \$10,000,000))^{****}) / \$40,000,000$  \_\_\_\_\_

128	0.75000000
-----	------------

Note 5

\*\*\*\* If Taxable Capital is less than or equal to \$10,000,000, enter 1 on line 128

IEG ((line 110 + (line 112 or line 125)) x line 128 \_\_\_\_\_

130	89,250
-----	--------

Note 6

If the corporation has received an IEG in respect of property that is sold or converted to commercial use during the taxation year, enter the amount of recapture \_\_\_\_\_

132	
-----	--

NET IEG (line 130 - line 132) \_\_\_\_\_

134	89,250
-----	--------

Enter amount from line 134 on AT1 page 2, line 129

Note 3: Lesser of line 108 or the allocated amount from line 325 (325,000), multiplied by 12 per cent

Note 4: Line 300 (20,000,000)

Note 5:  $((40,000,000 - (20,000,000 - 10,000,000)) / 40,000,000$

Note 6: Line 110 plus line 125, the multiplied by line 128

