

## WINNIPEG RESEARCH and DEVELOPMENT ENVIRONMENT

### Why Winnipeg, Manitoba for R&D?

- Some of the lowest business costs associated with R&D, software and corporate services (KPMG Study, 2016)
- A large pool of students enrolled in a wide variety of leading, ICT-related programming at Manitoba's post-secondary research facilities
- Growing clusters of research and business expertise in areas of bioinformatics, nanotechnology, applied electromagnetic, high performance computing, embedded systems
- A productive, well-educated ICT workforce available at competitive wage rates
- A sophisticated telecommunications infrastructure across the province
- A strategic mid-continent location offering key distribution advantages for ICT manufacturers and distributors, as well as access to markets coast-to-coast for both travel and communications

### Winnipeg Research and Development Programs

Research and development (R&D) programs and incentives in Winnipeg help researchers to discover knowledge, expertise and technologies that will have direct benefits to society.

Winnipeg is proud of the accomplishments and the strong reputation of the ICT research community. Coupled with Winnipeg's strategic geographical location and skilled and growing ICT workforce, research support provides the additional edge for R&D intensive operations in today's global economy. The University of Manitoba Technology Transfer Office provides a wide range of Intellectual Property and technology commercialization services to students, researchers and companies; the sound technology advice and financial assistance of the IRAP program; or tax incentive programs such as SR&ED and the Manitoba R&D tax credit.

Some of the programs available to conduct and commercialize world-class research:

- The Scientific Research and Experimental Development Program (SR&ED)
- Manitoba Research and Development Tax Credit
- Natural Sciences and Engineering Research Council (NSERC)
- Virtual Reality Centre
- The Mathematics of Information Technology and Complex Systems (MITACS) Internship Program
- Commercialization Support for Business Program
- University of Manitoba Technology Transfer Office
- Industrial Research Assistance Program (IRAP)

### Scientific Research & Experimental Development (SR&ED) Program

Administered by Canada Customs and Revenue Agency, The Scientific Research and Experimental Development (SR&ED) Program is a federal tax incentive program to encourage Canadian businesses of all sizes and in all sectors to conduct research and development (R&D) in Canada that will lead to new, improved, or technologically advanced products or processes.

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Generally, a Canadian-controlled private corporation (CCPC) can earn a refundable investment tax credit (ITC) at the enhanced rate of 35% on qualified SR&ED expenditures, up to a maximum threshold of \$3 million. This 35% ITC is 100% refundable on qualified SR&ED expenditures and 40% refundable on qualified SR&ED capital expenditures incurred before 2014. A CCPC can also earn a non-refundable ITC at the basic rate of 15% on an amount over the \$3 million threshold. A CCPC that meets the definition of a qualifying corporation can earn a refundable ITC at the basic rate of 15% on an amount over the \$3 million threshold, of which 40% can be refunded. Other corporations can earn a non-refundable ITC at the basic rate of 15% on qualified SR&ED expenditures. The ITC can be applied to reduce tax payable.

### **Manitoba Research and Development Tax Credit**

This program targets scientific research and experimental development (as defined for federal purposes) carried on in Manitoba. Corporations may earn a tax credit which can be applied against Manitoba corporate income tax payable in the year earned, with unused credits available for a 20-year carry-forward (previously 10 years) and a three-year carry-back. This income tax credit is administered by the Canada Revenue Agency on behalf of Manitoba. The tax credit rate is 20% for eligible expenditures made before April 12, 2017 and 15% for eligible expenditures made after April 11, 2017.

The credit is refundable for eligible expenditures incurred after 2009 by a corporation with a permanent establishment in Manitoba and where the research and experimental development is carried on in Manitoba under an eligible contract with a qualifying research institute.

The 2013 federal budget removed capital expenditures from the federal investment tax credit base, but Manitoba Budget 2013 protected the Manitoba credit from this federal tax cutting measure. The federal budget also reduced to 80% the claimable portion of contract payments; Manitoba retained full eligibility for contract payments to eligible institutes only. Manitoba reflected the further federal change reducing the prescribed proxy amount to recognize overhead costs attributable to eligible projects, from 65% to 60% of direct labour costs in 2013, and to 55% starting in 2014.

### **Potential Research Partners**

Winnipeg has abundant ICT research expertise and resources. There are a number of potential opportunities for collaboration with our research institutions. A profile of our university/research institutions and their specific areas of focus can be found below.

### **University of Manitoba**

The University of Manitoba (U of M) is Western Canada's oldest university. Founded nearly 140 years ago and located in the heart of the country, the U of M is the region's largest and only research intensive university offering over 100 academic programs, including professional disciplines such as medicine, law and engineering.

The energetic university community is comprised of nearly 30,000 students, over 8,900 faculty and staff, and 133,000 living alumni. Over 16 per cent of current students are international, representing 115 countries.

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The University stimulates over \$1.8 billion in economic activity in the province, and are leaders in Winnipeg's knowledge economy with groundbreaking research in nanotechnology, functional foods and nutraceuticals, HIV/AIDS, and climate change.

For more information on the U of M's research program please visit <http://www.umanitoba.ca/research>

### **University of Winnipeg**

Located in the heart of Winnipeg, The University of Winnipeg (UWinnipeg) is a compact, diverse, multicultural undergraduate academic community committed to access and excellence which is attended by approximately 9,300 undergraduate and graduate students. The UWinnipeg offers high-quality undergraduate and graduate programs including several that are unique in Western Canada, for example, a Bachelor of Arts in Human Rights, and a Master's degree in Development Practice with a focus on Indigenous Development. The university is a community of scholars and scientists who pursue basic research that inquires into fundamental questions in each of the academic disciplines. At the same time, the institution is vitally engaged in applied research that engages with and transforms local, national, and international communities.

UWinnipeg is a campus full of innovative and diverse research programs. UWinnipeg proudly hosts the Cisco Research Chair in Collaborative Technologies, the Richardson College for the Environment, the Canadian Oral History Centre, five Canada Research Chairs and numerous other research chairs, institutes and centres.

The Richardson College for the Environment & Science Complex accommodates over 2,000 students, faculty, staff and visitors daily. As one of the most innovative Science Complexes in Canada their renowned professors, graduate and undergraduate students are researching and studying the most challenging issues we face: climate change, isotope productions and cancer tests, and pollutants in our air and lakes.

For more information please visit <http://www.uwinnipeg.ca/research>

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