

SASKATCHEWAN BUSINESS INCENTIVES 2010



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TAX INCENTIVES

Manufacturing and Processing Profits Tax Reduction

Saskatchewan-based manufacturing and processing firms can have their corporate income tax rate reduced to as low as 10% depending on their allocation of income to Saskatchewan.

Contact:

Ministry of Finance
Revenue Division
2350 Albert Street
Regina, SK S4P 4A6

Telephone: 800-667-6102
306-787-6978
Fax: 306-787-0241
E-mail: sask.tax.info@finance.gov.sk.ca

Links:

Manufacturing and Processing Profits Tax Reduction
<http://www.publications.gov.sk.ca/details.cfm?p=8026>

Manufacturing and Processing Investment Tax Credit

The Saskatchewan Investment Tax Credit for Manufacturing and Processing is available to manufacturing and processing corporations filing a Corporate Income Tax Return with some allocation of taxable income to Saskatchewan. This is a refundable income tax credit, which is designed to encourage plant and equipment investment for manufacturing and processing activities in Saskatchewan. The income tax credit applies as 5% (equal to the PST rate) of the total capital cost of eligible new and used manufacturing and processing building, machinery, and equipment purchases made during the year, including installation costs. Credits earned prior to April 7, 2006, are not refundable, but can be carried forward for 10 years.

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2350 Albert Street
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306-787-6978
Fax: 306-787-0241
E-mail: sask.tax.info@finance.gov.sk.ca

Links:

Manufacturing and Processing Investment Tax Credit
<http://www.gov.sk.ca/finance/revenue/mfg/mfg.htm>

Research and Development Tax Credit

The Research and Development Tax Credit encourages research and development activity in Saskatchewan. It is a fully refundable credit equal to 15% of qualifying research and development expenditures incurred in Saskatchewan. Activities such as operations research, engineering or design, and computer programming are generally eligible if they are undertaken directly in support of basic or applied research or experimental development. This program complements the federal Scientific Research and Experimental Development (SR&ED) program, which offers up to a 35% tax credit based on the same criteria.

Contact:

Ministry of Finance
Revenue Division
2350 Albert Street
Regina, SK S4P 4A6

Telephone: 800-667-6102
306-787-6978
Fax: 306-787-0241
E-mail: sask.tax.info@finance.gov.sk.ca

Links:

Research and Development Tax Credit

<http://www.finance.gov.sk.ca/Default.aspx?DN=7210d60f-4263-4bf8-9f59-dbbbd8d64f7a>

Scientific Research and Experimental Development Program

http://www.cbsc.org/servlet/ContentServer?pagename=CBSC_FE/display&c=Finance&c_id=1097152945354&lang=en

Film Employment Tax Credit

The Saskatchewan Film Employment Tax Credit is intended to assist Saskatchewan's film industry in creating new employment opportunities for Saskatchewan residents involved in this industry. The credit is equal to 45% of qualified Saskatchewan labour costs. A 5% "key position" bonus is available if Saskatchewan residents are employed in prescribed positions. An additional 5% tax credit will also apply for qualifying productions completed in locations more than 40 kilometres from Regina or Saskatoon, bringing the total possible credit to 55% of eligible labour costs. Eligible labour expenditures will be limited to 50% of the total cost of a film production.

Contact:

SaskFilm and Video Development Corp.
1831 College Avenue
Regina, SK S4P 4V5

Telephone: 306-798-9800
Fax: 306-798-7768
E-mail: general@saskfilm.com

Links:

Film Employment Tax Credit

<http://www.saskfilm.com/1456036?PAGEID=4&G=2>

Royalty Tax Rebate

The Royalty Tax Rebate (RTR) helps to offset the provincial portion of income taxes that are payable as a result of the federal government's decision to disallow provincial royalties and similar taxes as deductions in determining taxable income. As a consequence of the federal government's initiative to re-introduce full deductibility of provincial resource royalties for federal and provincial income tax purposes, the Saskatchewan Royalty Tax Rebate is no longer necessary and will be allowed to wind down. Commencing January 1, 2007, the carry forward period for any outstanding Royalty Tax Rebate balances will be limited to seven years.

Contact:

Ministry of Finance
Revenue Division
2350 Albert Street
Regina, SK S4P 4A6

Telephone: 800-667-6102
306-787-6978
Fax: 306-787-0241
E-mail: sask.tax.info@finance.gov.sk.ca

Links:

Royalty Tax Rebate

<http://www.finance.gov.sk.ca/Default.aspx?DN=f29f0583-c327-44ac-ae3c-e723cbff5b53>

Saskatchewan Petroleum Research Incentive

The Saskatchewan Petroleum Research Incentive is intended to encourage research, development, and demonstration of new technologies that facilitate the expanded production of Saskatchewan's oil and natural gas resources. Credits towards the remission of royalties and taxes are available for 50% of eligible research costs directly involving the Petroleum Technology Research Centre (PTRC) (maximum of \$1 million per project), plus 30% of any remaining costs directly involving the PTRC and all other eligible research costs (maximum of \$3 million per project).

Contact:

Ministry of Energy and Resources
2nd Floor, #300 – 2103-11th Avenue
Regina, SK S4P 3Z8

Telephone: 306-787-3378
Fax: 306-787-2198
E-mail: BWilhelm@ir.gov.sk.ca

Links:

Saskatchewan Petroleum Research Incentive

<http://www.er.gov.sk.ca/Default.aspx?DN=059233c9-ab12-44e1-8e15-2db5f624f15a>

Incentives for Enhanced Oil Recovery (EOR)

Substances injected into oil-bearing formations for EOR purposes are exempt from Provincial Sales Tax and Fuel Tax.

Contact:

Ministry of Finance
Revenue Division
2350 Albert Street
Regina, SK S4P 4A6

Telephone: 800-667-6102
306-787-6978
Fax: 306-787-0241
E-mail: sask.tax.info@finance.gov.sk.ca

Potash Production Incentives

Retroactive to January 1, 2005, there is a 10-year tax holiday from base payments on expansions of potash mines that exceed productive capacity of 200,000 tonnes of potassium chloride (KCl) per year. The province is also providing a capital investment incentive to promote expansion of production. The depreciation rate on capital expenditures in excess of the base (defined as 90% of 2002 capital expenditures) is set at 120%.

Contact:

Ministry of Energy and Resources
2nd Floor, #300 – 2103-11th Avenue
Regina, SK S4P 3Z8

Telephone: 306-787-2524
Fax: 306-787-2198
E-mail: rod.fink@gov.sk.ca

Links:

Potash Production Incentives

<http://www.qp.gov.sk.ca/documents/English/Regulations/Regulations/M17-1R6.pdf>

Mineral Processing Tax Incentive

Companies operating exclusively in the processing of imported minerals or mineral concentrate to the prime metal stage of development are eligible for a five-year Corporate Income Tax holiday. In order to qualify for the tax incentive, an eligible corporation must maintain a minimum capital investment of \$125 million in its Saskatchewan operation and maintain minimum incremental employment of 75 full-time employees in Saskatchewan.

The initial year of eligibility for the tax incentive by an eligible corporation will be the first year Saskatchewan Corporate Income Tax is payable and will extend for the following four consecutive taxation years.

Contact:

Ministry of Finance
Revenue Division
2350 Albert Street
Regina, SK S4P 4A6

Telephone: 800-667-6102
306-787-6978
Fax: 306-787-0241
E-mail: sask.tax.info@finance.gov.sk.ca

Links:

Mineral Processing Tax Incentive

<http://www.gov.sk.ca/news?newsId=62ebd669-9706-4fba-a16f-b103cdf1f093>

Municipal Property Tax Abatement

Saskatchewan municipalities are able to offer discretionary five-year property tax abatements. For example, the City of Saskatoon offers property tax abatements on incremental property tax increases for new commercial construction or renovations within an eight district “Enterprise Zone.” Total funding for the program is \$500,000 and the maximum abatement period is five years.

The City of Regina offers three tax abatement programs: the Inner City Housing Stimulation Strategy (ICHSS) to encourage infill development for new home construction in specified areas designated as inner city; the Regina Housing Incentives Program - Warehouse District (RHIP), which provides a tax exemption of up to \$7,500 over five years for new residential construction and the conversion of surplus commercial space in Regina's Old Warehouse District to residential units; and the Inner City Program, which offers abatements of varying amounts for up to five years. Municipal tax abatements and other incentives are managed by individual municipalities.

Contact:

Regina

Regina Regional Opportunities Commission
255, 1919 Rose Street
Regina, SK S4P 3P1

Telephone: 306-522-0227
Fax: 306-352-1630
E-mail: jwaller@rreda.com

Saskatoon

One and Two Unit Residential Buildings

Building Standards Branch
222 – 3rd Avenue North
Saskatoon, SK S7K 0J5

Telephone: 306-975-3236
Fax: 306-975-7712
E-mail: building_standards@saskatoon.ca

Multi-unit Residential Buildings

City Planning Branch
222 – 3rd Avenue North
Saskatoon, SK S7K 0J5

Telephone: 306-975-3340
Fax: 306-975-7712
E-mail: city_planning@saskatoon.ca

Commercial/Façade Appearance Projects

City Planning Branch
344 – 20th Street West
Saskatoon, SK S7M 0X2

Telephone: 306- 242-2711
Fax: 306- 242-3012
E-mail: riversdalebid@sasktel.net

Industrial Projects

Saskatoon Regional Economic Development
Authority
345 – 3rd Avenue South
Saskatoon, SK S7K 1M6

Telephone: 800-706-1977
306-664-0720
Fax: 306-244-5033
E-mail: info@sreda.com

Links:

Saskatoon Municipal Property Tax Abatement

http://www.city.saskatoon.sk.ca/org/city_planning/enterprise/index.asp

City of Regina Property Tax Exemption

http://www.rreda.com/doingbusiness/Business_Incentives/

FINANCIAL INCENTIVES

Saskatchewan Agri-Value Initiative

The mandate of the Saskatchewan Agri-Value Initiative is to assist the development and expansion of small- to medium-sized enterprises and/or producer/processor organizations involved in value-added processing of agricultural products.

Saskatchewan-based companies involved in the value-added processing of agricultural products can apply for project funding to a maximum of \$50,000 over a four-year period for the following activities:

- prototype and product development;
- systems improvements;
- marketing/marketing opportunities; and
- skills and training.

There is a 50% matching criteria for all components.

Contact:

Agriculture Knowledge Centre
45 Thatcher Drive East
Moose Jaw, SK S6J 1L8

Telephone: 866-457-2377
306-694-3727
Fax: 306-694-3938
E-mail: aginfo@agr.gov.sk.ca

Links:

Saskatchewan Agri-Value Initiative

<http://www.agriculture.gov.sk.ca/Default.aspx?DN=32683c21-0c63-4c34-a1ed-1cb22ce19fdf>

Canadian Agricultural Adaptation Program (CAAP)

CAAP Program: The Government of Canada is launching a five-year, \$163-million Canadian Agricultural Adaptation Program (CAAP). CAAP will help farm families to respond and adapt to challenges in their operations and will build on the successes of the previous program, Advancing Canadian Agriculture and Agri-Food (ACAAF).

Projects funded under CAAP will be proposal-based and originate from industry. The program encourages the agricultural industry to work in partnerships across the value chain—farmers, processors, distributors, and retailers—to develop and use innovative solutions and to explore new market opportunities. Projects will address a range of challenges and opportunities including the areas of traceability, environment, pests and diseases.

There are national, regional and multi-regional components of the program. Eligible recipients for any of the three components of CAAP must be legal Canadian entities capable of entering into a contract. This includes, but is not limited to, individuals, organizations, associations, co-operatives, marketing boards, corporations, Aboriginal groups, non-profit organizations and for-profit companies. Federal, provincial and territorial government departments or agencies, universities and colleges are not eligible.

The regional aspect of CAAP will be delivered by Industry Councils across the country. The national aspect, delivered by Agriculture and Agri-Food Canada, will fund eligible projects that are national in scope.

Under the regional component of CAAP, the Industry Councils will help farmers across the country exercise leadership in advancing the agricultural sector and provide them with opportunities to work with others to find solutions to shared challenges.

Contact:

Agriculture Council of Saskatchewan
P.O. Box 21038
Saskatoon, SK S7H 5N9

Telephone: 800-641-8265
306-975-6847
Fax: 306-975-6850
E-mail: info@agcouncil.ca

Link:

Canadian Agricultural Adaptation Program (CAAP)

<http://www.agcouncil.ca/caap.htm>

CAAP Application Form

<http://www.agcouncil.ca/documents/CAAPApp.doc>

Saskatchewan Biofuels Investment Opportunity (SaskBIO) Program

The SaskBIO Program is a four-year, \$80-million provincial program that provides repayable contributions of up to \$10 million per project for the construction or expansion of transportation biofuels production facilities in Saskatchewan. Corporations (including co-operatives), individuals or partnerships are eligible to apply for funding. The funding contribution from SaskBIO is repayable by the applicant under conditions of profit. To be eligible for funding, the minimum annual production of the new facility or increased capacity of an existing facility must be two million litres per year for biodiesel and ethanol. The amount of the contribution is determined on a sliding scale based on the percentage of Saskatchewan ownership ranging from 5% to 20%.

Contact:

Sandra Stanger
Ministry of Agriculture

Telephone: 306-787-6425
E-mail: sandra.stanger@gov.sk.ca

Link:

SaskBIO Program

<http://www.agriculture.gov.sk.ca/SaskBIO>

Small Business Loans Association (SBLA) Program

The program's objectives are to provide business development opportunities to entrepreneurs that have difficulties in obtaining traditional and/or sufficient financing; financing beyond the traditional lenders' scope is often extended to these clients in order to contribute to the success of small entrepreneurs. The program also promotes the growth and diversification of Saskatchewan by involving existing businesses and associations to assist small start-up or existing businesses in their communities. Monies are disbursed interest free to Small Business Loans Associations to a maximum credit line of \$200,000. Associations in turn then determine eligibility criteria for entrepreneurs in their area and locally approve loans up to a maximum of \$15,000 for an individual business with an interest rate of no higher than 10%.

Contact:

Enterprise Saskatchewan
Investment Programs
200 – 3085 Albert Street
Regina, SK S4S 0B1

Telephone: 306-787-7154
Fax: 306-798-0796
E-mail: Linda.Welk@enterprisesask.ca

Links:

Small Business Loans Association Program \

<http://www.enterprisesaskatchewan.ca/SBLA>

Ethanol Grant Program

In March 2002, the Government of Saskatchewan published *Greenprint for Ethanol Production in Saskatchewan*. The document stated the government's intention to mandate the use of ethanol and to build Saskatchewan production. The mandate was for 1% provincial pool volume beginning November 1, 2005, and increased to 7.5% in January 2007. The ethanol program provides a 15 cent per litre grant to eligible distributors who blend Saskatchewan produced ethanol within Saskatchewan for sale in Saskatchewan.

Contact:

Enterprise Saskatchewan
Investment Programs
200 – 3085 Albert Street
Regina, SK S4S 0B1

Telephone: (306) 787-2618
Fax: (306) 798-0796
E-mail: Steeves.Tremblay@enterprisesask.ca

Links:

Ethanol Grant Program
www.saskethanolnow.ca

Domestic Meat Inspection Program

Plants that are inspected under the program pay 17% of the cost of Canadian Food Inspection Agency (CFIA) inspection fees with the Saskatchewan Ministry of Agriculture paying the remainder of the fees. Under the Domestic Meat Inspection Program, abattoirs and meat processing plants can request inspection. Domestic inspected plants can sell meat only in Saskatchewan. The CFIA is contracted to provide the meat inspection service.

Contact:

Market Development and Food Branch
Saskatchewan Agriculture
Room 226, 3085 Albert Street
Regina, Saskatchewan S4S 0B1

Telephone: 306-787-8525
Fax: 306-787-0271
E-mail: Jim.Laturnas@gov.sk.ca

Links:

Meat Inspection Program
<http://www.agriculture.gov.sk.ca/Meat-Inspection-Program>

FIRST NATIONS / MÉTIS INCENTIVES

First Nations Trust

Through the First Nations Trust, 25% of profits generated by the two casinos of the Saskatchewan Gaming Corporation and 50% of profits generated by the five casinos of the Saskatchewan Indian Gaming Authority (SIGA) are distributed to Saskatchewan First Nations on a per capita basis. Beneficiary First Nations have discretionary spending authority within 12 broadly-defined criteria, one of which is economic development.

Contact:

First Nations Trust
202E Joseph Okemasis Drive
Saskatoon, SK S7N 1B1

Telephone: 306-931-4424
Fax: 306-931-4425
E-mail: admin@firstnationstrust.com

Links:

First Nations Trust
<http://firstnationstrust.com/index2.html>

Community Development Corporations

The Community Development Corporations (CDC) were created pursuant to the 2002 Gaming Framework Agreement signed between the Government of Saskatchewan and the Federation of Saskatchewan Indian Nations (FSIN). On an annual basis, the CDCs, in total, receive 25% of the net profits generated by the five casinos operated by SIGA. Currently, there are four CDCs, each of which is associated with a SIGA casino located on-reserve. They are Northern Lights – Prince Albert, Gold Eagle – North Battleford, Painted Hand – Yorkton, Bear Claw – Kenosee Lake, and Dakota Dunes – Saskatoon. CDCs may make payments to First Nation and non-First Nations organizations within a defined catchment area determined by the Board of each CDC based on 10 criteria, including economic development.

Contact:

Individual CDC Boards

Links:

<http://www.fnmr.gov.sk.ca/Default.aspx?DN=fb09d405-3531-4b34-9452-5595d63cc908>

Clarence Campeau Development Fund

The Clarence Campeau Development Fund (CCDF) provides funding support for Métis businesses, community economic development initiatives and assistance for the development of the management skills of new and existing Métis business owners and entrepreneurs. Assistance may be in the form of equity participation, interest-free loans, and repayable or non-repayable contributions. Six programs are administered by the fund, with varying levels of financial support available under each.

1. Loan/Equity Contribution Program:

CCDF can provide financial assistance of up to the lesser of \$200,000 per project or 35% of the value of the fixed assets identified in the program costs in order to increase applicants' ability to leverage funds from other financial institutions.

2. Community Business Development Program:

Under this program, CCDF can provide a one-time, non-repayable contribution up to the lesser of \$100,000 or 35% of the value of the fixed assets as identified in the program costs. As well, CCDF can contribute up to the lesser of \$200,000 or 35% of the value of the fixed assets as a repayable contribution, preferred shares, convertible preferred shares or convertible debentures. Total funding under this program will not exceed 50% of the value of fixed assets.

3. Large Scale or Joint Venture Projects Program

Equity funding is available under this program for up to the lesser of \$1,000,000 or 50% of the value of the total project costs. Minimum funding under this program will be \$201,000. Projects funded under this program must be for-profit and commercially viable with total project costs in excess of \$500,000. Priority will be given to, but not restricted to, higher-end value-added projects.

4. Development of Management and Marketing Skills Program

Funding support for up to 75% of direct costs associated with approved business management and marketing courses is available to new and existing Métis entrepreneurs under this program.

5. Business Plan Assistance Program

This program allows Métis entrepreneurs to engage the services of a professional consultant in order to undertake the quality of research and planning necessary to develop a business plan and attract financing. CCDF can consider funding up to 75% of costs to a maximum of \$10,000 in the form of a non-repayable contribution.

6. Support for Aftercare Program

This program is intended to provide professional support to new businesses in order to help improve the opportunity for success. Funding under this program is intended to allow the business to engage the services of a professional consultant to examine the operations of the business in order to identify areas that may require special attention. CCDF can consider a non-repayable contribution of up to 100% of costs, to a maximum of \$10,000 over the life of the contribution.

Contact:

Clarence Campeau Development Fund
2158 Airport Drive
Saskatoon, SK S7L 6M6

Telephone: 888-657-4870
306-657-4870
Fax: 306-657-4890
E-mail: info@clarencampeau.com

Links:

Clarence Campeau Development Fund
<http://www.clarencampeaudevelopmentfund.com/aboutus.htm>

First Nations and Métis Fund

The First Nations and Métis Fund has been established to help stimulate Saskatchewan's economy by investing in Saskatchewan-based First Nations and Métis businesses. The fund makes investments of between \$1 million and \$3 million in new or expanding businesses that are majority-owned or controlled by First Nations or Métis people. The First Nations and Métis Fund is focused on making investments in Saskatchewan's key strategic growth sectors: value-added agriculture; advanced technology; energy; mining; forestry and forestry developments; and manufacturing, as well as Aboriginal-themed tourism.

Contact:

Westcap Management Ltd.
1300-410 22nd Street
Saskatoon, SK S7K 5T6

Telephone: 306-665-0200
Fax: 306-652-8186
Email: fnmf@sasktel.net

Links:

First Nations and Métis Fund
www.fnmf.ca

REGIONAL INCENTIVES

Northern Development Fund

Saskatchewan Northern Affairs administers three grant programs under the Northern Development Fund: Youth Entrepreneurship Fund; Marketing, Promotion, Research and Development Program; and Business Skill and Organizational Development Program. The maximum grant available to any single organization under these programs is \$25,000 per year.

1. The Youth Entrepreneurship Fund provides cost-shared financial assistance up to 70% of eligible costs to a maximum of \$10,000 for projects, training and other opportunities that encourage the development of entrepreneurial and business skills for residents of Northern Saskatchewan under the age of 30.
2. The Marketing, Promotion, Research and Development Program provides cost-shared financial assistance up to 70% of eligible costs to a maximum of \$10,000 per project. The program is aimed at supporting northern residents in new business development, diversification and business expansion. Eligible projects include activities such as applied research and development, purchase of capital equipment and inventories for pilot or demonstration projects, market research, promotions, bid preparation and assistance costs for establishing joint ventures.
3. The Business Skill and Organizational Development Program provides cost-shared financial assistance up to 70% of eligible costs to a maximum of \$2,500 for workshops and seminars designed to help Northerners develop business and community organization management skills.

Contact:

Northern Affairs Division
Ministry of First Nations and Métis Relations
P.O. Box 5000
La Ronge, SK S0J 1L0

Telephone: 866-663-4065
306-425-4200
Fax: 306-425-4267
E-mail: connie.hunter@gov.sk.ca

Links:

Northern Development Fund Grant Programs
<http://www.fnmr.gov.sk.ca/northern>

Commercial Fishing and Freight Subsidy and Price Support Program

The program provides financial support for the commercial fishing industry in northern Saskatchewan through two components: a freight subsidy and a price support mechanism. The freight subsidy helps equalize transportation costs for fishers throughout the North. The price support mechanism compensates for reduced market prices or increased operating costs for some species.

Licensed commercial fishers in northern Saskatchewan are eligible for assistance on fish delivered to Freshwater Fish Marketing Corporation (FFMC) agents and other recognized buyers.

Contact:

Northern Affairs Division	Telephone:	306-425-4261
Ministry of First Nations and Métis Relations	Fax:	306-425-4267
P.O. Box 5000	E-mail:	
La Ronge, SK S0J 1L0		

Links:

Commercial Fishing and Freight Subsidy and Price Support Program
<http://www.fnmr.gov.sk.ca/commercial-fishing>