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Federal tax credit for WGRF checkoff

The Western Grains Research Foundation is reminding producers that they are eligible for the Scientific Research and Experimental Development (SR&ED) tax credit on their checkoff investments.

The tax credit percentages in 2010 are 74 per cent for wheat and 69 per cent for barley.

Barley in Alberta is collected by the Alberta Barley Commission and will be subject to a different tax credit rate.

The tax credit is earned at a rate of 20 per cent for individuals and 35 per cent for corporate producers that are Canadian controlled private corporations (CCPC).

Producers who choose to opt out of the program are not eligible for the tax credit.

The percentages above are calculated by looking at the amount of the checkoff dollars spent directly on research, this is then determined to be the eligible portion. Each checkoff organization may vary, as they will have their own eligible percentage.

Wheat example: If a producer contributed \$300 in 2010, the eligible amount would be calculated by taking 74 per cent (the wheat percentage) of the \$300 = \$222.

If the producer files taxes as an individual they would take the \$222 and would earn 20 per cent of this amount as a tax credit = \$44.40.

For producers who file as a corporation, they would earn 35 per cent of the \$222 as a tax credit = \$77.70

Producers can visit the WGRF website at www.westerngrains.com for more information.

