



Tax Incentives and Funding Programs for Business

Profit from generous tax incentives and industry support

Ontario wants your business and proves it, with generous tax incentives and funding programs to help businesses innovate, commercialize and stay competitive on the world stage.



QUICK FACT

Ontario, Canada is the place to be for R&D. In fact in 2012 KPMG Competitive Alternatives ranked Canada ahead of most major industrialized countries in a comparison of R&D costs, citing a Canadian cost advantage of close to 11% over the U.S.

Find detailed information on Ontario's R&D Tax programs [here](#).

Please [contact](#) Halton Region Economic Development to discuss particular incentives or programs that may be a fit for your business.

The Province of Ontario and the Federal Government offer a variety of incentives and funding programs, for a range of industries and operations; including Hiring Incentives, Research and Innovation, Commercialization, and Export.

| Name | Origin | Type | Description | Support/Industry |
|---|----------------|---------------------|--|--|
| Apprenticeship Job Creation Tax Credit (AJTCT) | Federal | Tax Credit | A non-refundable tax credit equal to 10% of the eligible salaries and wages payable up to a maximum of \$2000/eligible apprentice. | Hiring Incentive – Skilled Trades |
| Apprenticeship Job Training Tax Credit (ATTC) | Provincial | Tax Credit | Qualifying businesses can claim 35% of eligible expenditures (45% for small businesses) made during the first 48 months of an apprenticeship program. The maximum credit for each apprenticeship is \$10,000 per year. The maximum credit over the first 48-month period of the apprenticeship is \$40,000. | Hiring Incentive – Skilled Trades |
| Internship Program with Innovative Small and Medium-sized Enterprises | Federal | Funding | This Program provides financial assistance to innovative small and medium-sized enterprises in Canada to hire post-secondary science, engineering, technology, business and liberal arts graduates. Graduates work on innovative projects within the small and medium-sized enterprise environment and may participate in research, development and commercialization of technologies. | Hiring Incentive – Research and Innovation |
| Mitacs Accelerate Internship Program | Not for profit | Financial Incentive | Through Mitacs Accelerate, graduate students and postdoctoral apply their specialized expertise to business-related research challenges. MITACS matches an organizations contribution of \$7,500 per 4 month internships which can be extended. | Hiring Incentive |
| Ontario Co-op Education Tax Credit | Provincial | Tax Credit | The Co-operative Education Tax Credit is a refundable tax credit. It is available to employers who hire students enrolled in a co-operative education program at an Ontario university or college. | Hiring Incentive |

| Name | Origin | Type | Description | Support/Industry |
|--|------------|----------------------------|---|-------------------------|
| International Science and Technology Partnerships (ISTP) Program | Federal | Funding | If a business collaborates with universities, colleges or research institutes to conduct research in the science and technology industry, this financing could cover up to 50% of the costs of approved joint research projects with partner countries. | Research and Innovation |
| Scientific Research and Experimental Development (SR&ED) | Federal | Tax credit or cash refunds | The SR&ED Program gives claimants cash refunds and / or tax credits for their expenditures on eligible R&D work done in Canada. It is one of the world's most lucrative R&D tax incentives. | Research and Innovation |
| Ontario Business Research Institute Tax Credit | Provincial | Tax Credit | Eligible corporations can claim a 20 per cent refundable tax credit for qualified expenditures on scientific research and experimental development work performed in Ontario under contract with eligible research institutes. | Research and Innovation |
| Ontario Innovation Tax Credit | Provincial | Tax Credit | Eligible corporations can claim a 10 per cent refundable tax credit for qualified expenditures on scientific research and experimental development performed in Ontario. This tax credit and the Ontario research and development tax credit may be claimed on the same scientific research and experimental development expenditures. | Research and Innovation |
| Ontario Research and Development Tax Credit | Provincial | Tax Credit | Qualifying corporations can claim a 4.5 per cent non-refundable tax credit on eligible scientific research and experimental development expenditures performed in Ontario to reduce their Ontario corporate income tax payable. This tax credit and the Ontario innovation tax credit may be claimed on the same scientific research and experimental development expenditures. | Research and Innovation |
| Matching Investment Fund | Federal | Funding | The MIF is designed to help eligible companies and Food Technology Centres (FTC) with product development initiatives that help stimulate demand for Canadian dairy products and ingredients. | Research and Innovation |
| Strategic Aerospace and Defence Initiative (SADI) | Federal | Funding | The Strategic Aerospace and Defence Initiative (SADI) provides repayable contributions to support research and development (R&D) projects in the aerospace, space, defence and security (A&D) sectors. SADI is available to firms of all sizes to support product, service or process innovation. | Research and Innovation |

| Name | Origin | Type | Description | Support/Industry |
|---|------------|-----------------|--|---|
| Ontario Venture Capital Fund | Provincial | Venture Capital | The \$205 million Ontario Venture Capital Fund (OVCF) is a joint initiative between the Government of Ontario and leading institutional investors to invest primarily in Ontario-based and Ontario-focused venture capital and growth equity funds that support innovative, high growth companies. | Research and Innovation |
| Ontario Emerging Technologies Fund | Provincial | Venture Capital | The OETF will co-invest — with qualified venture capital funds and other private investors — directly into companies working within clean technology, life sciences and advanced health technologies, digital media and information and communications technology sectors. | Research and Innovation – Clean Technology, Life Sciences, Digital Media, ICT |
| HTX Health Technology Exchange | Provincial | Funding | HTX supports emerging and established Ontario-based companies to develop, produce and commercialize innovative market-leading advanced health technologies. | Commercialization – Medical Devices |
| Innovation Demonstration Fund | Provincial | Funding | The IDF provides funding to support pilot demonstrations that will lead to commercialization of processes and/or products in Ontario that are globally competitive innovative Green technologies. The funding potential available under IDF ranges from a minimum of \$100,000 CAD to a maximum of 4,000,000 CAD per project. | Commercialization – Green Technologies |
| MaRS Investment Accelerator Fund | Provincial | Funding | The IAF looks for companies that demonstrate the potential to achieve high-growth, and that are enabled by truly innovative technologies that provide a sustainable competitive advantage. The IAF invests up to \$500,000 in companies that are privately held, and at an early stage with no significant revenue or institutional investment. | Commercialization |
| Ontario Tax Exemption for Commercialization (OTEC) | Provincial | Tax Refund | Eligible corporations in the following sectors may obtain a refund of the corporate income tax and corporate minimum tax paid in their first 10 taxation years. <ul style="list-style-type: none"> • Advanced health • Bioeconomy (including clean energy technologies) • Telecommunications, computer or digital technologies production <i>* must be commercializing intellectual property developed at a Canadian university or college.</i> | Commercialization |
| Sustainable Development Technology Canada (SDTC) Fund | Federal | Funding | Finance and support for the development and demonstration of clean technologies. | Commercializing Clean Technology, Natural Gas, Nextgen Biofuels |

| Name | Origin | Type | Description | Support/Industry |
|---|------------|------------------------|---|---|
| Automotive Innovation Fund | Feddev | Repayable Contribution | Under the AIF, Industry Canada will consider funding proposals that provide for private sector investment in Canada of more than \$75 million over five years. Eligible projects will include vehicle and powertrain assembly operations associated with significant automotive innovation and R&D initiatives | Innovation – Automotive |
| Advanced Manufacturing Fund | Feddev | Repayable Contribution | Repayable funding is available for manufacturing companies that are either undertaking manufacturing activities or conducting research and development in Ontario. | Innovation – Advanced Manufacturing |
| Industrial Research Assistance Program (IRAP) | Federal | Funding | IRAP provides financial support to qualified small and medium-sized enterprises in Canada to help them undertake technology innovation. | Technology Innovation |
| Ontario Flagship Program | Provincial | 15% Project Funding | Large scale funding to support anchoring MNE led global research and development mandates in Ontario. Amount: 15% of project costs, with projects estimated at around \$1,500,000 to \$2,000,000. Funding is performance-based loans or grants. <i>Must be an Ontario-based SME in the health sector.</i> | R&D – Life Sciences and Medical Devices |
| Export Market Access | Federal | Financial | The EMA assists SME's to access and expand their growth in new international markets beyond the US. Companies may be eligible for grants of 50%, up to a program maximum of \$150,000. | Export |
| Tourism Development Fund | Provincial | Funding | The Tourism Development Fund supports projects that encourage three key streams: tourism investment, tourism product development and industry capacity building. The Tourism Development Fund program provides non-capital, project-based funding to: <ul style="list-style-type: none"> • develop research-based innovative and emerging tourism sectors; • support tourism organizations' capacity building; • encourage new private sector tourism investment attraction; and • enhance Ontario's overall economic competitiveness and opportunities for the Ontario tourism industry. | Tourism |

Contact Us

Economic Development Division: Your Source for Business Information in Halton Region

With a strong and robust economy, Halton Region is one of the best places in Canada to do business. Ask us about the region's market accessibility, our skilled and educated work force, growth potential, above average lifestyle, competitive costs, business properties and any other topic related to business opportunities throughout Halton.

Halton Region Economic Development Division

1151 Bronte Road – [view map](#)
Oakville, Ontario
L6M 3L1 Canada

Telephone: 905-825-6000
Toll Free: 1-866-4HALTON
TTY: 905-827-9833
Fax: 905-825-8839
Email: ecdev@halton.ca
Website: halton.ca/business

Hours of Operation:
Monday to Friday 8:30am - 4:30pm

We welcome your inquiries and look forward to connecting with you.

Note: This is not a comprehensive list of available programs in Ontario. The information in this document is accurate as of the date published.

