

**INCENTIVES FOR INNOVATION IN QUÉBEC**

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## Tax incentives

### Tax Credit for Scientific Research and Experimental Development (R&D)

The Québec government offers multiple tax credits for scientific research and experimental development ("R&D") to companies paying income tax in Québec. These credits include tax credits for R&D wages.<sup>2</sup> The Québec regime is the most generous to small and medium businesses in Canada, and offers competitive advantages to big businesses. Moreover, there is no maximum amount of R&D tax credit claims.

R&D tax credits represent 36% of all tax credits and other tax assistance measures (such as tax holidays and accelerated depreciation measures) offered to businesses by the Québec government.<sup>3</sup> There are four such credits:

1. Tax credit for R&D salaries and wages;
2. Tax credit for research carried on in a private partnership;
3. Tax credit for university research or research carried out by a public research centre or a research consortium;
4. Tax credit for fees and dues paid to a research consortium

On December 2, 2014, the Québec government announced two changes to the tax credit regime for investment and R&D.<sup>4</sup> First, it introduced a minimum expenses threshold for taxpayers to meet in order to be eligible for R&D tax credits. Second, it harmonized its

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<sup>2</sup> However, tax credit for R&D wages reduces the amount of allowable expenses for the federal R&D regime. See *Income Tax Act*, RSC 1985 (5th Supp.), c. 1, s. 127(18) [ITA].

<sup>3</sup> See Québec, Finances Québec, *Québec's Corporate Taxation System*, (2014), at p. 39, table 16.

<sup>4</sup> Québec, Finances Québec, *Update on Québec's Economic and Financial Situation*, (2014), at pp. D.37-41, [Update on Québec's Economic and Financial Situation].

R&D tax credit rates,<sup>5</sup> at 30% for small and medium businesses and 14% for big businesses.<sup>6</sup> Furthermore, 50% of the amounts paid by a company to a subcontractor providing R&D services in Québec were allowed in the R&D tax credit computation. With these changes, the Québec government planned to save \$5 million in 2015-2016, and \$15 million in 2016-2017.<sup>7</sup>

The minimum expense threshold for the eligibility to R&D tax credits is adjusted to the size of the business. The threshold goes from \$50,000 for small businesses (those with 50M\$ in assets or less) to \$225,000 for big businesses (those with more than \$75 million in assets). The threshold increases linearly for medium businesses (those with \$50 million to \$75 million in assets) in proportion to their assets, resulting in a threshold increase of \$7,000 for each additional \$1 million in assets.<sup>8</sup> The introduction of this threshold constitutes an effective reduction of the amount of the R&D tax credits allowed. This reduction is compensated by the increase in equivalent federal tax credits<sup>9</sup>. The expense threshold aims to prevent the multiplication of tax credit claims for small amounts, because such claims are expensive to treat and they are more likely to be abusive. The amount eligible for the R&D tax credit corresponds to:

$$\text{Amount eligible (\$)} = [\text{Allowable R\&D expenses (\$)}] - [\text{Expense threshold (\$)}]^{10}$$

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<sup>5</sup> "Changes to Québec Provincial R&D Tax Credits", (2014) Scitax Tax Credit Bulletin No 56, at p. 2. [« Scitax Bulletin »].

<sup>6</sup> *Update on Québec's Economic and Financial Situation*, *supra* note 3, at p. D-40.

<sup>7</sup> *Ibid.*

<sup>8</sup> See section 2.1.1, *Update on Québec's Economic and Financial Situation*, *supra* note 3, at p. D.37-38.

<sup>9</sup> Art 127(18), *ITA*.

<sup>10</sup> Scitax Bulletin, *supra* note 4, at p. 3.

## Who is eligible?

To be eligible to the R&D tax credit, a business must be a Canadian Controlled Private Corporation carrying on business in Canada, and must conduct R&D activities in Québec.<sup>11</sup>

The amount paid to a subcontractor for a R&D project can be eligible to the tax credit for R&D wages and salaries if the business is not dealing at arm's length with the subcontractor. Where the business is dealing at arm's length with the subcontractor, only half of the amount paid is eligible to the tax credit. Also, half of the amount paid to a subcontractor who in turn subcontracts the R&D work is eligible if the subcontractors are not dealing at arm's length.<sup>12</sup>

The applicable R&D tax credit rate depends only on the size of the business : while small businesses benefit from an increased tax credit rate of 30% on their R&D investments up to \$3 million, and then 14% on exceeding amounts, big businesses only get 14% on all investments. The rate decreases linearly for medium businesses, resulting in a rate decrease of 0.64% for every additional \$1 million in assets.<sup>13</sup>

## Limitations

Exonerated businesses, and the businesses they control, are not eligible to the R&D tax credits. Businesses controlled by a prescribed research entity are not eligible either.<sup>14</sup>

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<sup>11</sup> *Taxation Act (Québec)*, RSQ, c. I-3., s. 1029.7 [TAQ].

<sup>12</sup> *Ibid.* See also Québec, Revenu Québec, *Crédit d'impôt relatif aux salaires – R-D*, online: <[http://www.revenuquebec.ca/fr/entreprises/impots/societes/credits/credits/recherche\\_scientifique/salaires/default.aspx](http://www.revenuquebec.ca/fr/entreprises/impots/societes/credits/credits/recherche_scientifique/salaires/default.aspx)>, consulted on March 5, 2016 [*Crédit d'impôt relatif aux salaires – R-D*].

<sup>13</sup> Section 1029.7.2 TAQ. See also Scitax Bulletin, *supra* note 4, at p. 2.

<sup>14</sup> Sections. 985, 1026.1, 1029.7, 1029.8.5.3 a)-e), TAQ.

Moreover, for all the R&D tax credits, the amount eligible to the increased rate is limited to \$3 million.<sup>15</sup>

In the specific case of the tax credit for university research or research carried out by a public research centre or a research consortium, where the business wishing to benefit from the tax credit is dealing at arm's length with the university, the public research center or the research consortium, the amount eligible is limited to 80% of all the eligible expenditures for this tax credit.<sup>16</sup>

### **Statutory provisions**

Sections 222 to 230.0.0.6, and sections 1029.6.1 to 1029.8.16.1 of the *Taxation Act (Québec)* ("TAQ") establish the tax credit regime applicable to experimental development and scientific research activities.

### **Statistics on the program and its beneficiaries**

Québec is one of the only provinces that offer increased tax credit for R&D activities.

Also, the tax credit for wages and salaries is the most expensive for the Québec government. The most recent data published by *Finances Québec* reveals that this tax credit represents 39% of the cost of all tax credits offered to businesses.<sup>17</sup>

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<sup>15</sup> Section 1029.7.7 *TAQ*. See also *Crédit d'impôt relatif aux salaires – R-D*, Revenu Québec, *supra* note 13.

<sup>16</sup> Québec, Revenu Québec, *Crédit d'impôt pour la recherche universitaire ou la recherche effectuée par un consortium de recherche*, online: <[http://www.revenuquebec.ca/fr/entreprises/impots/societes/credits/credits/recherche\\_scientifique/recherch\\_e-universitaire/default.aspx](http://www.revenuquebec.ca/fr/entreprises/impots/societes/credits/credits/recherche_scientifique/recherch_e-universitaire/default.aspx)>, consulted on March 6, 2016.

<sup>17</sup> *Québec's Corporate Taxation System*, *supra* note 2, at p. 40, Table 17.

## Tax credit for multimedia development

The Québec government offers two tax credits for multimedia development: the tax credit for corporations specialized in the production of multimedia titles and the tax credit for multimedia titles. The credit for multimedia titles was introduced in 1996. In 2013, it represented 7% of all tax credits offered to corporations by the Québec government (\$135 million).<sup>18</sup>

The tax credits for multimedia development were designed to stimulate the video games industry. It is competitive: only Ontario and Nova Scotia offer similar tax credits at better rates.<sup>19</sup> At the global scale, the tax credits for multimedia development offered in Québec are more advantageous than their French and US equivalent.

## Description

Businesses specialized in the production of multimedia titles can benefit from a 37.5 % tax credit rate, if at least 75 % of the eligible multimedia titles they created in the year are destined to be commercialized, are available in French, were not produced upon request, and so long as at least 75 % of the business' income for the year derives from the titles. The rate is 30 % if the titles were not produced in French. If the titles were not produced in French, and if less than 75% of the titles created by the business were destined to commercialization, the rate is 26,25 %.<sup>20</sup>

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<sup>18</sup> *Ibid.*

<sup>19</sup> Rates for multimedia tax credits can reach 40% in Ontario, and 60% in Nova Scotia.

<sup>20</sup> Section 1029.8.36.0.3.9 *TAQ*. See also, Québec, Revenu Québec, *Crédit d'impôt remboursable pour des titres multimédias*, online:

<<http://www.revenuquebec.ca/fr/entreprises/impots/societes/credits/credits/multimedia/titres-multimedias/default.aspx>>, consulted on March 5, 2016.

## Who is eligible?

A business with an establishment in Québec, holding a valid attestation of its multimedia titles delivered for the year by *Investissement Québec* for the year will be eligible to the tax credits. Eligible expenditures are also listed in the attestation delivered by *Investissement Québec*.<sup>21</sup>

Any wages or salary expense must have been incurred for the wage or salary of an employee working on the production of eligible multimedia title, in an establishment located in Québec. Expenses incurred for subcontracting the production of eligible multimedia titles are also eligible to the tax credits.<sup>22</sup>

## Limitations

Businesses certified as specialized in the production of multimedia titles are not eligible to the general multimedia tax credits.<sup>23</sup> Moreover, the multimedia tax credit regime will be modified in the next years so that wages or salary expenses eligible to the tax credit do not exceed 100,000 \$ a year. As such, the credit amount for a year will not exceed 37,500 \$, 30,000 \$ or 26,250 \$ per employee, depending on the criteria met by the business.

## Statutory provisions

Sections 1029.8.36.0.3.8 to 1029.8.36.0.3.26. *TAQ* establish the multimedia tax credit

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<sup>21</sup> 1029.8.36.0.3.8 *TAQ*.

<sup>22</sup> Sections 1029.8.36.0.3.8, 1029.8.36.0.3.9 *TAQ*. See also, Québec, Revenu Québec, *Crédit d'impôt pour une société spécialisée dans la production de titres multimédias*, Revenu Québec, online : <<http://www.revenuquebec.ca/fr/entreprises/impots/societes/credits/credits/multimedia/societe-production-titres-multimedias/default.aspx>>, consulted on February 27, 2016.

<sup>23</sup> Sections 1029.8.36.0.3.8, 1029.8.36.0.3.19 *TAQ*.

regime.

## **Tax credit for film production and Québec film production**

Tax credits for film production are part of the Québec government's intent to promote and support the implementation and development of cultural businesses, including the film industry. In 2013, tax incentives for the cultural industry represented \$205 million. 7 tax credits are available to the cultural businesses.

For the film industry, there is a tax credit for production, production services and dubbing. In 2013, tax credits for film production represented 7% of all tax credits granted by the Québec government.<sup>24</sup> The tax credit for film production aims to attract foreign productions to Québec.

### **Description**

The film production tax credit rate is 20 %.<sup>25</sup> It applies to the expenses incurred for an eligible production. The tax credits applicable to production wages and salaries and the tax credit for special effects and animation expenses offer a 16% rate.<sup>26</sup>

A special credit is offered to Québec film productions. The rate can be up to 45% if the production is in French and for giant format films.<sup>27</sup> Other productions benefit from a

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<sup>24</sup> *Québec's Corporate Taxation System*, supra note 2, at p. 40, Table 17.

<sup>25</sup> Section 1029.8.36.0.0.5 *TAQ*.

<sup>26</sup> Section 1029.8.35 *TAQ*. See also, Québec, Revenu Québec, *Crédit d'impôt pour des services de production cinématographique*, online:

<<http://www.revenuquebec.ca/fr/entreprises/impots/societes/credits/credits/culture/productioncinematographique/default.aspx>> , consulted on March 4, 2016.

35 % rate. 10 % can be added if the eligible production incurs expenses for special effects or animation, and another 10% if it is a “regional production”.<sup>28</sup> The rate is also increased if the production does not receive any public financial help. However, a business cannot benefit from a cumulative tax credit rate superior to 65% for a single production.<sup>29</sup>

### Who is eligible?

Any business with an establishment in Québec carrying on film production activities can be eligible for the tax credits for production expenses and production wages and salaries expenses. The business must also obtain a certificate from the SODEC for each production in order to claim the tax credits.<sup>30</sup>

### Limitations

In order to benefit from the film production tax credits, a business cannot hold a CRTC licence. The business must not be exonerated from income tax in Québec, or be controlled by an exonerated business.

If a production business is subcontracting production work to employees of a business with a CRTC licence, the production business expenses for these subcontracted services

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<sup>27</sup> Section 1029.8.35 *TAQ*.

<sup>28</sup> Film production in non metropolitan areas in the province.

<sup>29</sup> Section 1029.8.35 *TAQ*. See also, Québec, Revenu Québec, *Crédit d'impôt pour les productions cinématographiques québécoises*, online:

<<http://www.revenuquebec.ca/fr/entreprises/impots/societes/credits/credits/culture/prodcinequebecoises/default.aspx>>, consulted on March 4, 2016.

<sup>30</sup> For detailed eligibility criteria, see sections 1029.8.34, 1029.36.0.0.4 *TAQ* and Québec, Revenu Québec, "Production Admissible", online : <<http://www.revenuquebec.ca/fr/definition/productionadmissible-col7.aspx>>, consulted on February 27, 2016.

are not eligible to the film production tax credits.<sup>31</sup> Copyright acquisition expenses and financial fees are not eligible to the credits either.<sup>32</sup>

### **Statutory provision**

The tax credit regime for film production is established by sections 1029.8.34 to 1029.8.36 *TAQ*.

### **Provincial budget for 2016-2017: Overview**

On March 17, the provincial government released its budget for 2016-2017.<sup>33</sup> The budget is fiscally balanced and maintains debt reduction objectives. Nearly \$2,3 billion will be spent over the next five years to foster economic growth and job creation. The government will provide for incentives totalling \$600 million over the next five years to support innovation in key sectors of the economy. Measures to ease the tax burden of individuals and corporations are also implemented in order to stimulate private investment. Various incentives for innovation are enhanced. Québec's small-to-medium businesses ("**SMB**") and innovative start-ups will benefit from greater support.

### **Enhanced support for Québec SMBs in the manufacturing sector**

The enhanced support for Québec SMBs will cost \$280 million over the next five years. This support includes the reduction of the Health Services Fund Contribution rate for SMBs and additional support for SMB exportations.

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<sup>31</sup> Section 1029.8.34 *TAQ*.

<sup>32</sup> *Ibid.*

<sup>33</sup> Québec, Finances Québec, *The Québec Economic Plan 2016-2017*, (2016) [« *Québec Economic Plan* »].

## Development of the “Digital Strategy”

The development and implementation of the digital strategy will cost \$162 million over five years. The digital strategy includes the enhancement of the tax credit for integration of information technologies in manufacturing SMBs, and the introduction of a new tax credit for major digitalization projects.

As part of the development of the digital strategy, the tax credit rate for the integration of information technologies ("IT") in Québec SMBs will be increased. The government will spend \$33,5 million over the next five years to improve the tax credit for the integration of IT in SMBs. This measure is projected to benefit close to 1500 SMBs.<sup>34</sup>

## New measures to support start-up and growth of innovative companies

New tax incentives are offered to support start-up and growth of innovative companies.

### *Increased support for tax-advantaged funds*

The support for tax-advantaged funds will be increased to facilitate the financing of Québec SMBs. Tax-advantaged funds, such as the Fondation CSN, the Fonds de solidarité FTQ or the CRDC Fund, invest in all sectors of activity. They provide tax credits to their investors (most of whom are workers), and an important contribution to the financing of Québec businesses. The tax credit rates of the tax-advantaged funds will be increased, which will cost the government \$41,4 million over five years. The following table<sup>35</sup> illustrates the impact of these measures :

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<sup>34</sup> For the main parameters of the tax credit for the integration of IT in SMBs, see *Québec Economic Plan*, *ibid*, at B. 113, table B.44.

<sup>35</sup> *Québec Economic Plan*, *supra* note 37, at p. 220, table B. 69.

TABLE B.69

**Financial impact of the measures to increase tax-advantaged funds support for Québec businesses**

(millions de dollars)

	2016- 2017	2017- 2018	2018- 2019	2019- 2020	2020- 2021	Total
Increase CRCD's participation in regional economic development	-8.9	-8.9	—	—	—	-17.8
Increase from 15% to 20% in the tax credit rate for Fondation	-6.9	-11.8	-4.9	—	—	-23.6
Implementation of a new strategic plan for the Fonds de solidarité FTQ	—	—	—	—	—	—
<b>TOTAL</b>	<b>-15.8</b>	<b>-20.7</b>	<b>-4.9</b>	<b>—</b>	<b>—</b>	<b>-41.4</b>

*Tax reduction to support commercialization of Québec IP*

Support for innovative start-ups also includes a tax reduction to support the commercialization of Québec intellectual property. The government is instituting an “Innovative Company Deduction” (“ICD”) to promote the marketing and manufacturing *in Québec* of innovations designed here. As of January 2017, the ICD will give manufacturing firms that market products that include a patent protecting an invention developed in Québec a lower tax rate on the revenue attributable to that patent.<sup>36</sup> The 11.8% tax rate that would have applied will be lowered to 4%. This incentive will represent a reduction of the tax burden on innovative companies totalling \$135 million over the next 5 years. The following table<sup>37</sup> shows the impact of this new deduction :

<sup>36</sup> *Québec Economic Plan*, *supra* note 37, at p. B.78.

<sup>37</sup> *Québec Economic Plan*, *supra* note 37, at p. B.78, table B.34.

TABLE B.34

**Financial impact of instituting the innovative companies deduction**  
(millions of dollars)

	2016- 2017	2017- 2018	2018- 2019	2019- 2020	2020- 2021	Total
Innovative companies deduction	-2.7	-16.6	-30.3	-38.5	-47.1	-135.2

In order to be eligible to the ICD, a company must carry on business in Québec, have a minimum of \$15 million paid-up capital and its activities must primarily consist in manufacturing and processing.<sup>38</sup> When such a business markets a product that incorporates an invention protected by a Québec patent, it is eligible to a tax relief that is calculated as shown in the following example<sup>39</sup>:

**Innovative companies income tax reduction – 2017**  
(dollars, unless otherwise indicated)

	Before Budget 2016-2017	After Budget 2016-2017
<b>Taxable income</b>	<b>15 000 000</b>	<b>15 000 000</b>
Income attributable to the patent	7 500 000	7 500 000
Tax rate	11.8%	4.0%
Other income	7 500 000	7 500 000
Tax rate	11.8%	11.8%
<b>TAX PAYABLE</b>	<b>1 770 000</b>	<b>1 185 000</b>
Difference	—	-585 000
Per cent	—	-33%

*Reduction in HSF contribution for SMBs*

The budget also introduces an additional reduction in the Health and Services Fund ("HSF") contribution for SMBs. For SMBs in the primary and manufacturing sector with a payroll of \$1 million or less, the rate will be reduced from 1.6% to 1.45%. This measure represents a large part of the tax burden reduction measures offered to SMBs. The

<sup>38</sup> *Québec Economic Plan, supra note 37, at p. B.80.*

<sup>39</sup> *Québec Economic Plan, supra note 37, at p. B.80.*

following table<sup>40</sup> illustrates the impact for the company of the HSF contribution reduction:

**Illustration of the impact of HSF contribution rate reduction for SMBs in all sectors**

Payroll	Before Jan. 1, 2015	Primary and manufacturing as of Jan. 1, 2021		Service and construction as of Jan. 1, 2021	
	Rate (%)	Rate (%)	Gain (\$)	Rate (%)	Gain (\$)
\$1 M	2.70	1.45	12 500	2.00	7 000
\$2 M	3.09	2.15	18 800	2.57	10 400
\$3 M	3.48	2.86	18 600	3.13	10 500
\$4 M	3.87	3.56	12 400	3.70	6 800
\$5 M	4.26	4.26	—	4.26	—

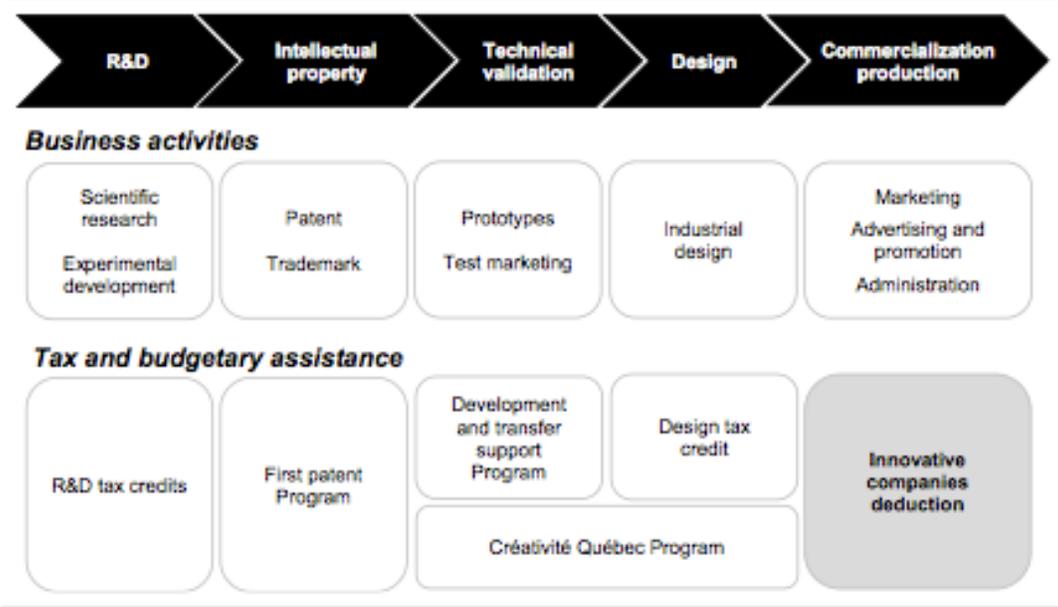
The following illustration<sup>41</sup> summarizes all the tax and budgetary assistance measures for corporations carrying on innovative business in Québec. The table shows how the government supports businesses through every phase of innovative projects.

<sup>40</sup> *Québec Economic Plan*, *supra* note 37, at p. B.96.

<sup>41</sup> *Québec Economic Plan*, *supra* note 37, at p. B.81, illustration B.1.

ILLUSTRATION B.1

**Principal tax and budgetary innovation assistance measures**



**Simplification of the tax credit for Qu bec film and television production**

For companies in the cultural sector, the government will simplify the tax credit for Qu bec film and television productions. The adjustments to the tax credit for Qu bec film and television production will increase the financial assistance by \$3,8 million over five years.<sup>42</sup> This enhancement of financial assistance will be achieved by broadening the eligibility criteria to the tax credit for film and television production.<sup>43</sup>

<sup>42</sup> *Qu bec Economic Plan*, *supra* note 37, at p. B.202.

<sup>43</sup> For television production, the « prime time concept » will be eliminated, which required some productions to be broadcast in prime time to be eligible to the tax credit. The age criteria for youth productions will also be changed to include more productions.

## Cost of incentives for innovation in 2015

### *Tax-funded expenditures for 2015 - all portfolios*

Table D.27 of the *Québec Economic Plan* presents the consolidated expenditures, including tax-funded expenditures, by portfolio and sector, for 2015. We note that in its budget, the government includes the refundable tax credits for individuals and corporations as *expenditures* rather than as *reduction of revenues*.

In the *Economics, Science and Innovation* portfolio, which includes all the tax incentives for innovation we are examining, tax-funded expenditures represent \$1,49 billion in 2015. This portfolio has the second most important amount of tax-funded expenditures (*Family* portfolio comes first with \$2,8 billion in tax-funded expenditures). The *Economics, Science and Innovation* portfolio has such a large amount of tax-funded expenditures because it includes the funding of the *Ministère de l'Économie, de la Science et de l'Innovation*, the *Conseil du statut de la femme*, the *Fonds de recherche du Québec* for *Nature et technologies*, *Santé*, and *Société et culture*, the *Economic Development Fund* and the *Centre de recherche industrielle du Québec*.

The total tax-funded expenditures from all portfolios decreased in 2015-2016 (-4,8%) and will decrease again in 2016-2017 (-0,9%). This is explained mainly by the revision of the tax credit rates granted to corporations (2014-2015 budget) and the December 2014 *Update on Québec's Economic and Financial Situation*, in which a minimum eligible expenditure threshold for the R&D and investment tax credits was introduced. In the last five years, tax-funded expenditures aimed at fostering business development generally

decreased. Between 2010 and 2015, the total cost of corporate tax incentives went from \$2,5 billion to \$1,7 billion. Nevertheless, in 2015, 10.1% of all tax-funded expenditures were attributed to the corporate tax regime.<sup>44</sup> The following table<sup>45</sup> shows the distribution of tax-funded expenditures for 2015:

**Coût global des dépenses fiscales – 2015<sup>(1)</sup>**

	Particuliers (en M\$)	Sociétés (en M\$)	Total	
			(en M\$)	(répartition en %)
Régime d'imposition des particuliers	18 060	—	18 060	67,0
– En % de l'impôt des particuliers <sup>(2),(3)</sup>	—	—	46,3	—
Régime d'imposition des sociétés	—	2 738	2 738	10,1
– En % de l'impôt des sociétés <sup>(3),(4)</sup>	—	—	20,1	—
Taxes à la consommation	4 729	1 439	6 168	22,9
– En % des taxes à la consommation <sup>(3)</sup>	—	—	25,6	—
<b>TOTAL</b>	<b>22 789</b>	<b>4 177</b>	<b>26 966</b>	<b>100,0</b>
– En % des revenus fiscaux <sup>(3)</sup>	—	—	35,2	—

(1) Sont comprises les dépenses fiscales annoncées en date du 31 octobre 2015.

(2) Est incluse la contribution des particuliers au Fonds des services de santé.

(3) Avant les dépenses fiscales.

(4) Sont compris, notamment, l'impôt sur le revenu et la cotisation au Fonds des services de santé.

*Tax-funded incentives for innovation in 2015*

In 2015, the R&D tax credit alone cost the government \$469 million. It represented 53% of all tax-funded expenditures for business development and innovation.<sup>46</sup> The tax credit for multimedia titles cost \$144 million, and the tax credit for film and television production cost \$110 million.

As we know, the R&D tax credit is subdivided into four categories (tax credit for R&D salaries and wages; tax credit for research carried on in a private partnership; tax credit

<sup>44</sup> Québec, Finances Québec, *Dépenses fiscales du gouvernement du Québec – Édition 2015*, (2016) [*Dépenses fiscales 2015*].

<sup>45</sup> *Dépenses fiscales 2015*, at p. v.

<sup>46</sup> All numbers for this section come from the *Dépenses fiscales 2015*.

for university research; tax credit for fees and dues paid to a research consortium). The tax credit for the researchers' salaries cost the government \$449 million in 2015 (\$641 million in 2010). The tax credit for university research cost \$5 million (\$8 million in 2010) and the “other” R&D tax credit cost \$15 million altogether (\$39 million in 2010). The tax credit for the *Cité du multimedia* went from \$15 million in 2010 to \$5 million in 2015. The only tax credit for innovation that cost more in 2015 than in 2010 is the refundable tax credit for electronic business development (\$242 million to \$253 million).