

## Aerospace Tax Holiday

There are approximately 900 employees in the aerospace industry across Prince Edward Island - the majority of these jobs are at Slemon Park.

[Slemon Park](#) is a 1,500 acre business park located just outside of Summerside, Prince Edward Island which includes an airport with two runways and numerous well maintained hangars ranging in size from 25,000 to 300,000 square feet. Additionally, the Park has an on-site residential community with a full range of recreational facilities.

Slemon Park is the only aerospace business park in Canada that offers on-site training. [Holland College's Aerospace Technology Centre](#) has been an asset in the development of the aerospace industry with its ability to tailor training programs to meet existing tenants' needs or the specific requirements of new tenants.

A Tax Rebate Incentive Program for all eligible aviation-related companies provides a full rebate annually on all corporate income tax paid to the province for operations conducted in Prince Edward Island. There's also a full rebate annually of all sales tax paid to the government attributed to the purchase of goods and services, and a full rebate annually of all real property tax attributable to ownership or rental of facilities in Prince Edward Island. The vibrant aerospace industry in Prince Edward Island holds promise for creating new employment opportunities and wealth for the province well into the future.

### Eligibility

- New Aerospace firms to Prince Edward Island
- Existing firms already operating in the Province of Prince Edward Island
- Aerospace companies in eligible activities that have 20 or more employees or a payroll in excess of \$500,000
- Companies engaged in eligible activities that categorize them in the "Aerospace" sector as defined by the Province of Prince Edward Island

### Tax Rebate Incentive Program

A 20 year tax rebate incentive program took effect on January 1, 1993 and applies to eligible companies which establish operations at Slemon Park, Prince Edward Island. Eligible companies are defined as those engaged in aviation or aerospace-related businesses, which may include, but is certainly not limited to, original equipment manufacturers, strip and paint shops, repair and overhaul operations, training and various aviation support businesses.

The tax rebate incentive program includes the following three taxes:

- **Corporate Income Tax** - A full rebate annually on all Corporate Income Tax paid to the government of Prince Edward Island by aviation-related businesses for operations conducted at Slemon Park, Prince Edward Island.
- **Sales Tax** - A full rebate annually of all sales tax paid to the Government of Prince Edward Island attributed to the purchase of goods and services related to aviation-related activities at Slemon Park, Prince Edward Island.
- **Real Property Tax** - A full rebate annually of all real property tax attributable to ownership or rental of facilities at Slemon Park, Prince Edward Island.

### Tax Advantage

<b>Net Income Before Taxes</b>	<b>Slemon Park, Prince Edward Island</b>	<b>Canada (excluding PEI) (1)</b>	<b>USA (2)</b>
Net Income Before Taxes	\$1,000,000	\$1,000,000	\$1,000,000
Federal Corporate Tax	\$221,200	\$221,200	\$340,000
Provincial/State Corporate Tax	\$75,000	\$139,300	\$62,200
Total Taxes	\$296,200	\$360,500	\$402,200
Net Income After Tax (3)	\$703,800	\$639,500	\$597,800
Rebate - Provincial/State Corporate Tax	\$75,000	\$0	\$0
Rebate - Provincial/State Sales Tax (4)	\$142,000	\$0	\$0
Rebate - Provincial/State Property Tax (5)	\$15,000	\$0	\$0
Total Rebate	\$232,000	\$0	\$0
Net Income	\$935,800	\$639,500	\$597,800
Percentage Increase In Net Income From Rebates	33%	0%	0%