

## Share Purchase Tax Credit

### Description

The Share Purchase Tax Credit provides a tax rebate on Prince Edward Island personal income tax in the amount of 35 per cent of the value of an eligible investment in an eligible PEI corporation. The maximum credit that an individual may claim in any taxation year is \$35,000.

### Who Can Apply

The application is made by the company issuing the eligible share (see User Guide for specific requirements). The company must be active in a strategic sector: export-focused manufacturing and processing; interactive, information and communications technology; aerospace; the life sciences; and renewable energy.

The company must maintain a permanent establishment on PEI and pay 75 per cent or more of its salary payroll to employees resident in Prince Edward Island. As well, there are limits as to what constitutes a qualified investment and how it may be used. For example, publicly traded companies are not eligible to apply. Eligible investors must be 19 years of age or older and resident in Prince Edward Island when the investment is made.

### Process

A company makes application to Innovation PEI for a Share Purchase Tax Credit certificate. If the application is found to meet the criteria, Innovation PEI issues a Share Purchase Tax Credit certificate to the company, in which is set out the cost of the qualified share and other information. The company provides the certificate to the individual upon receipt of compensation for the share. To claim the rebate, the investor submits the Share Purchase Tax Credit certificate, with the investor's income tax return, to Innovation PEI.

### For More Information

Innovation PEI specializes in one-on-one business counselling. Our qualified staff can also provide information regarding most business development programs offered by government agencies across the Island. Application forms and additional program information are available at Innovation PEI.

### Innovation PEI

94 Euston Street

PO Box 910

Charlottetown, PE C1A 7L9

Toll Free: 1-800-563-3734 Tel: (902) 368-6300 Fax: (902) 368-6301

Email: [business@gov.pe.ca](mailto:business@gov.pe.ca)

Website: [www.innovationpei.com](http://www.innovationpei.com)