

# Alberta Investor Tax Credit

**The Government of Alberta is investing \$90 million towards an Alberta Investor Tax Credit (AITC) to encourage investment in non-traditional sectors with strong job creation potential.**

## **WHAT IS THE AITC?**

The three year AITC is applicable across sectors, offering a 30 per cent tax credit to investors who provide capital to Alberta small businesses doing research, development or commercialization of new technology, new products or new processes. It is also applicable to businesses engaged in interactive digital media development, video post-production, digital animation or tourism.

By encouraging private investment in Alberta businesses, the AITC will support innovation, job growth and small business success during the current economic situation.

## **WHO WILL BENEFIT FROM THE AITC?**

The investor tax credit will benefit Alberta investors, small and medium-sized businesses, employees and Albertans who enjoy new innovative products and services.

Aside from the capital they receive, businesses will also benefit from the creation of a community of investors and access to mentorship and expertise.

The program will assist Alberta small and medium-sized businesses in acquiring equity financing from individual and corporate investors who will help them grow their businesses. The government will not endorse any businesses and investors will have to perform their own due diligence before investing.

## **WHY HAS ALBERTA CREATED AN AITC?**

Over the last 10 years, Alberta has consistently lagged behind British Columbia, Ontario and Quebec, key comparator provinces, in terms of venture capital dollars.

The AITC will aid in building a market and community for venture capital in Alberta, make investing in the province more attractive, and level the playing field with other jurisdictions that offer investor tax credits as incentives to attract investment.

Small enterprises often face financial constraints that banks do not usually address. The AITC encourages venture capitalists and business angels to fill this gap by providing valuable

capital to companies – now when the province needs it most.

**Investment supported by the AITC is expected to support 2,200 to 4,400 direct and indirect jobs over the length of the program.**

Providing local businesses with access to smart and affordable capital will help them expand, innovate and create jobs.

**HOW DOES IT WORK?**

Before seeking investors, business applicants are required to register with the AITC program as either a Venture Capital Corporation (VCC) or an Eligible Business Corporation (EBC).

Once registration is approved, the registered VCC or EBC will apply for approval to raise equity capital and, once granted, will proceed with seeking investors.

Once the capital has been raised and the investment has been made, the registered VCC or EBC will submit an application to request a Tax Credit Certificate on behalf of their investor.

For investors, eligibility is limited to Alberta investors who pay corporate or personal taxes in Alberta.

More information on specific requirements for eligible investors and companies, including

investment and tax credit limits, can be found in the AITC program guidelines.

**WHAT IS THE APPLICATION PROCESS?**

The AITC will be available for three years starting January 16, 2017, and will be offered on a first-come, first-served basis

Investments made as of April 14, 2016, may be retroactively eligible for the AITC.

Sample application forms will be made available on the [AITC program webpage](#) starting January 3, 2017. Applicants will then be able to fill out and submit their applications through an online application portal that will be accessible through the [AITC program webpage](#) starting January 16, 2017.

Before gaining access to the online portal, applicants will be prompted to create and login with a user profile.

*For more information on the program's eligibility criteria, application process and reporting requirements please refer to the [AITC program guidelines](#) or contact [AITC.program@gov.ab.ca](mailto:AITC.program@gov.ab.ca).*