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BRITISH COLUMBIA TRAINING TAX CREDIT



January 2011

Helping You Achieve Success

What is the British Columbia Training Tax Credit?

The British Columbia Training Tax Credit (TTC), introduced in 2007, is a program designed to attract people to apprenticeship programs and to encourage those enrolled in apprenticeship programs to complete them.

Apprentices may qualify for up to \$9,000 in tax credits as they progress through their training, with additional funding available to qualified apprentices under the Enhanced Tax Credit.

Employers may qualify for up to \$16,500 in tax credits as their apprentice progresses through training. Additional tax credits are available to employers whose apprentices qualify for the Enhanced Tax Credit.

For Apprentices

HOW THE TRAINING TAX CREDIT PROGRAM WORKS

There are two groups of programs: Red Seal/Inter-provincial (nationally recognized) programs and non-Red Seal (British Columbia recognized) programs. The federal government offers grants to apprentices for the first two levels and completion of a Red Seal program.

British Columbia offers a credit to apprentices for levels three and higher of a Red Seal program and for all levels of a non-Red Seal program.

The Enhanced Tax Credit is available if you are a First Nations person registered as an Indian under the *Indian Act* (Canada), or a person with a disability that qualifies for the federal disability tax credit.

Challengers may qualify for a tax credit when they meet specific requirements. For more information, please visit the British Columbia Training Tax Credit website at www.sbr.gov.bc.ca/business/Income_Taxes/TTC and click on the Challengers link.

HOW TO QUALIFY FOR THE TRAINING TAX CREDIT

You may claim the training tax credit if you resided in British Columbia at the end of December 31 of the taxation year in which the credit is being claimed, and are a registered apprentice in an eligible program with the Industry Training Authority (ITA). For a list of Red Seal and non-Red Seal programs, or to find out which tax credit level you can claim, please visit www.sbr.gov.bc.ca/individuals/Income_Taxes/Personal_Income_Tax/tax_credits/training-taxcredit.htm

TAX CREDIT TABLE FOR APPRENTICES

Tax Credit Level	Non-Red Seal		Red Seal	
	Regular	<i>Enhanced</i>	Regular	<i>Enhanced</i>
1	\$1,000	\$1,500	Federal	\$500*
2	\$1,000	\$1,500	Federal	\$500*
3	\$2,000	\$3,000	\$2,000	\$3,000
4 and higher	\$2,500	\$3,750	\$2,500	\$3,750

**This amount is in addition to the federal grant.*

HOW AND WHEN TO GET THE CREDIT

To claim the training tax credit, you complete a T1014 form and include it when filing your personal income tax return (T1). Forms are available online at www.cra-arc.gc.ca/E/pbg/tf/t1014/README.html

For more information on apprenticeship programs or to obtain a copy of your ITA transcript, please contact the ITA at 1 866 660-6011 or visit their website at www.itabc.ca

For Employers

HOW THE TRAINING TAX CREDIT PROGRAM WORKS

The federal government provides a credit to employers based on the wages paid to an apprentice for the first 24 months of a Red Seal program. British Columbia also provides a credit to employers based on the wages paid to an apprentice for the first 24 months of a non-Red Seal program. As well, British Columbia provides a credit to employers when an apprentice completes level three or higher of either a Red Seal or non-Red Seal program.

HOW TO QUALIFY FOR THE TRAINING TAX CREDIT

You may claim the training tax credit if you employed a person enrolled in an eligible program and you are subject to British Columbia income tax for the taxation year in which the credit is being claimed. You are subject to British Columbia income tax if you are either an individual who resided in British Columbia on the last day of the taxation year, or a corporation that maintained a permanent establishment at any time in the taxation year.

For a list of Red Seal and non-Red Seal programs, or to find out which tax credit level you can claim, please visit www.sbr.gov.bc.ca/business/Income_Taxes/Corporation_Income_Tax/tax_credits/training.htm

For more information about the ITA and eligible programs, please contact the ITA at 1 866 660-6011 or visit their website at www.itabc.ca

TAX CREDIT TABLE FOR EMPLOYERS

The rates in this table represent the percentage of applicable wages.

Tax Credit Level	Non-Red Seal		Red Seal	
	Regular	Enhanced	Regular	Enhanced
1 st 12 months	<i>Before July 1, 2009</i>		Federal	<i>Before June 3, 2010</i>
	10% Max \$2,000	15% Max \$3,000		15% Max \$1,000*
	<i>After June 30, 2009</i>			<i>After June 2, 2010</i>
	20% Max \$4,000	30% Max \$6,000		5.5% Max \$1,000*
2 nd 12 months	<i>Before July 1, 2009</i>		Federal	<i>Before June 3, 2010</i>
	10% Max \$2,000	15% Max \$3,000		15% Max \$1,000*
	<i>After June 30, 2009</i>			<i>After June 2, 2010</i>
	20% Max \$4,000	30% Max \$6,000		5.5% Max \$1,000*
Level 3	15% Max \$2,500	22.5% Max \$3,750	15% Max \$2,500	22.5% Max \$3,750
Level 4 and higher	15% Max \$3,000	22.5% Max \$4,500	15% Max \$3,000	22.5% Max \$4,500

*This amount is in addition to the federal credit.

HOW TO APPLY FOR THE TRAINING TAX CREDIT

If you are a proprietor claiming the credit, you complete a T1014-1 form and include it when filing your personal income tax return (T1). Forms are available online at www.cra-arc.gc.ca/E/pbg/tf/t1014-1/README.html

If you are a corporation claiming the credit, you complete a Schedule 428 form and include it when filing your corporate income tax return (T2). Forms are available online at www.cra-arc.gc.ca/formspubs/clntgrp/bsnss/crprtn-eng.html

More Information

Income Taxation Branch
PO Box 9444 Stn Prov Govt
Victoria BC V8W 9W8

ITB Help Line

Telephone (Victoria): 250 387-3332
Toll-free in Canada: 1 877 387-3332
Fax: 250 356-9243
E-mail: ITBTaxQuestions@gov.bc.ca
Website: www.fin.gov.bc.ca/rev.htm