

Clean Economy Investment Tax Credits



Beginning in 2021, the Federal Government announced a series of six refundable Clean Economy Investment Tax Credits (ITCs). These ITCs will help Canada transition to clean energy while growing the economy and supporting green innovation. They will also provide businesses and other investors with the certainty they need to invest and build in Canada.

These ITCs are expected to result in the Government of Canada providing more than \$93 billion in tax incentives by 2034.

In total, the government has announced six Clean Economy ITCs:

- Carbon Capture, Utilization and Storage
- Clean Technology
- Clean Hydrogen
- Clean Technology Manufacturing
- Clean Electricity
- Electric Vehicle Supply Chain

ITCs are specific tax credits that qualified taxpayers can claim after they have incurred expenses and/or outlay. An ITC will reduce the income tax payable owed by a taxpayer and any remaining amount may also be refundable.

Carbon Capture, Utilization, and Storage



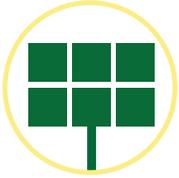
- **Purpose:** Related to the acquisition of carbon capture equipment using direct ambient air, other capture equipment, and qualified carbon transportation, storage or usage equipment
- **Rate:** Up to 60%
- **Who can claim:** Corporations, partnerships with corporations as members
- **Labour Requirements:** Yes

Clean Hydrogen



- **Purpose:** Related to eligible projects' costs to produce clean hydrogen within Canada
- **Rate:** Up to 40%
- **Who can claim:** Corporations, partnerships with corporations as members
- **Labour requirements:** Yes

Clean Technology



- **Purpose:** Related to eligible clean technology property (solar, wind, and water energy; stationary electricity storage equipment, active solar heating equipment; non-road zero-emission vehicles; concentrated solar energy equipment; small modular nuclear reactors)
- **Rate:** Up to 30%
- **Who can claim:** Corporations, partnerships with corporations as members, mutual fund trust that is a real estate investment
- **Labour requirements:** Yes

Clean Technology Manufacturing



- **Purpose:** Related to investments in new machinery and equipment used to manufacture or process clean technologies and extract, process, or recycle critical minerals
- **Rate:** Up to 30%
- **Who can claim:** Corporations, partnerships with corporations as members
- **Labour requirements:** No

Labour requirements

There are two main aspects to the labour requirements:

- the prevailing wage requirements and
- the apprenticeship requirements.

Only claimants that elect to meet the labour requirements will be able to claim the maximum rate for these ITCs.

Claimants must attest on an annual basis that they have met the requirements in order to be eligible for the maximum ITC rate. Should a claimant not elect into the labour requirements, the regular ITC rates will be reduced by 10 percentage points.

Contact us

For more information on specific claims, eligible projects, or eligible property, please visit

Canada.ca/clean-economy-credits or contact the Fraser Valley and Interior Tax Services Office: **1-855-825-3262**.

Monday to Friday, 8:00 AM – 4:00 PM (Pacific Standard Time)

