

Ontario Shortline Railway Investment Tax Credit (OSRITC)

Administrative Guidelines

The OSRITC is jointly administered by the Ministry of Transportation (MTO) and the Canada Revenue Agency (CRA).

In order to obtain an OSRITC for a taxation year, a corporation must first apply to MTO for a Certificate of Eligibility for the taxation year, which certifies that the corporation satisfies the criteria of a qualifying corporation under clause 97.3(3)(a) of the *Taxation Act, 2007* (Ontario) and the track miles owned or leased in Ontario at the beginning of its taxation year. The shortline railway corporation must then include the required details from the OSRITC Certificate of Eligibility when filing its corporate tax return for the taxation year with the CRA. As corporations would file a corporate tax return electronically, the OSRITC Certificate of Eligibility does not need to be submitted to the CRA, however the certificate and other supporting documentation should be kept as these may need to be provided to the CRA, if requested.

Once the CRA processes the tax return, the amount of the credit, net of any taxes owing would be paid to the qualifying corporation. If the qualifying corporation does not owe any taxes, the full amount would be paid to the qualifying corporation.

Please note that MTO may exchange with the CRA taxpayer information as defined in subsection 146(6) of the *Taxation Act, 2007* (Ontario) for the purpose of administering the OSRITC.

A. Ministry of Transportation (MTO) issues Certificate of Eligibility

MTO is responsible for issuing Certificates of Eligibility for a qualifying corporation's taxation year. At the end of its taxation year, the corporation applies to MTO for a Certificate of Eligibility. MTO reserves the right to ask any question necessary to determine eligibility issues.

A Certificate of Eligibility sets out part of the eligibility of the applicant corporation by verifying the validity of the provincial shortline railway operating licence or federal status as a class II or III rail carrier and railway operating certificate throughout its taxation year and the track miles owned or leased within Ontario at the beginning of its taxation year.

The qualifying corporation must use the certificate details to claim the credit on their T2 Corporation Income Tax Return for the applicable taxation year in order to claim the OSRITC.

The certificate does not ensure that a tax credit (the OSRITC) will be approved.

B. How to apply for a Certificate of Eligibility?

To apply for a Certificate of Eligibility for the OSRITC, the corporation must email MTO at csio@ontario.ca to request a copy of the Application Form for Certificate of Eligibility. The completed form and supporting documentation must then be returned to MTO by email (csio@ontario.ca) to have the Ontario Shortline Railway Operating Licence or Federal Railway Operating Certificate number certified along with the eligible track miles in Ontario.

For administrative convenience, the corporation may appoint a consultant/representative to apply on its behalf, however any Certificate of Eligibility issued will be in the name of the qualifying corporation. As indicated on the application form, the CEO of the corporation must authorize its consultant/representative to apply on its behalf.

The application can be made after the applicable tax year end of the corporation.

Please ensure that the application includes all required information and supporting documentation.

All applications for a Certificate of Eligibility will be reviewed by an MTO representative for completeness. If required information on the form or the relevant documentation is missing, the applicant will be advised that the file will not move forward until the requested items are submitted.

C. Tax Credit Administration Fees

There are no administration fees for the application of Certification of Eligibility in relation to the OSRITC.

D. Amendment or Revocation of Certificates

A Certificate of Eligibility may be amended to correct an error and, under certain circumstances, may be revoked by MTO.

An amended Certificate of Eligibility replaces any Certificate of Eligibility previously issued.

If a Certificate of Eligibility is revoked by MTO, the revoked Certificate of Eligibility is treated as if it had never been issued, and steps will likely be taken to require repayment of the tax credit.

E. Applications that are Declined

Should an application for a Certificate of Eligibility for the OSRITC be declined after being reviewed by MTO, the applicant/contact will be advised in writing that the application was declined, including the reason why it was declined.

If any of the information changes in relation to why the application was declined, the applicant can resubmit an application to MTO for consideration.

F. Ministry of Transportation (MTO) Contact Information

For further assistance on the Certificate of Eligibility please contact the Carrier Sanctions and Investigations Office at MTO by email at csio@ontario.ca.

G. Canada Revenue Agency (CRA) Role

The CRA administers both Federal and Ontario Corporate Taxes. A corporation must file its T2 return for a taxation year with the CRA within six (6) months after the end of the corporation's taxation year. The CRA is responsible for the review or audit of the T2 Corporation Income Tax Return (T2 return) along with the accompanying schedules which must be filed by the qualifying corporation in order to claim the OSRITC.

H. CRA Contact Information

For general tax enquiries regarding this tax credit, taxpayers may telephone the CRA at:

1-800-959-5525

TTY: 1-800-665-0354 for teletypewriter (TTY)

General CRA contact us webpage: [Contact the Canada Revenue Agency \(CRA\)](#)