

Table 5 (continued)
Federal Incentive Programs

Type of Business Activity Incentive May Apply To:	Program	Incentives available
Technical Research and Development		
<ul style="list-style-type: none"> • Long-term applied research in high-technology areas, such as novel computer programming, medical technology or exploratory engineering work, which has commercial application. Use of external R&D facilities, by small companies with less than 100 employees, to solve specific technical problems. 	IRAP—Industrial Research Assistance Program	Grants of up to 100% of R&D salaries, to a maximum of \$600,000 or 50% of total R&D costs, whichever is less, and cost-sharing grants of up to \$25,000 for salaries of professionals working on project.
<ul style="list-style-type: none"> • Modernization/Expansion projects for related studies and research, modernization and expansion projects and for first application of electronic-dependent products and processes. 	IRDP—Industrial and Regional Development Program	Contributions of up to 75% of eligible costs for studies and electronic applications and to 50% for other projects.
<ul style="list-style-type: none"> • Development of new and improved techniques to achieve reduced energy consumption. 	IERD—Industrial Energy Research and Development Program	Cost-sharing grants of up to 50% of the project's labour, materials and service costs.
<ul style="list-style-type: none"> • Enhancement of technological competence of Canadian defence industry in its export activities. 	DIPP—Defence Industry Productivity Program	Cost-sharing grants of up to 50% of R&D on specific defence-related projects.
<ul style="list-style-type: none"> • Development and demonstration of technology to result in greater resource conservation. 	DRECT—Development of Resource Energy Conservation Technology	Cost-sharing grants of between 50% and 80% of project costs.
<ul style="list-style-type: none"> • Exploitation of National Research Council research results. 	PILP—Program for Industry Laboratory Projects.	Grants of up to 100% of project costs.
Technical Research and Development		
<ul style="list-style-type: none"> • General encouragement of current and capital expenditures in Canada on scientific research activities. 	Revenue Canada—Income Tax Incentive	100% deductibility from income for expenditures on scientific research, with an additional 50% allowance for defined incremental expenditures.
	Revenue Canada—Investment Tax Credit	Additional 10% to 25% tax credit for expenditures on scientific research, depending on geographic area.