

Table 5
Federal Incentive Programs

Type of Business Activity Incentive May Apply To:	Program	Incentives available
Capital Projects		
<ul style="list-style-type: none"> Establishment projects for project feasibility, market research and other establishment studies; plant establishment. 	IRDP—Industrial and Regional Development Program	Contributions of up to 75% of eligible costs for studies and up to 60% for plant establishment.
<ul style="list-style-type: none"> Capital projects in <i>designated Canadian communities</i> experiencing serious industrial dislocation problems. 	CIAP—Community-based Industrial Adjustment Program	Grants up to 75% of costs associated with feasibility studies for expansion or relocation to these areas. Loans up to 50% of the eligible capital costs of the project (interest-free).
<ul style="list-style-type: none"> Modernization or expansion of firms in textile, clothing and footwear industry or other enterprises willing to expand in a <i>designated area</i>. 	CIRB—Canadian Industrial Renewal Board	Grants up to 25% of capital costs of modernization. Up to 50% of capital costs of restructuring. Loans up to \$1.5 million for mergers and acquisitions.
<ul style="list-style-type: none"> Equipment purchases by a firm in the Canadian defence industry, enhancing its technological competence. 	DIPP—Defence Industry Productivity Program	Cost-sharing grant of up to 50% of approved cost of equipment.
<ul style="list-style-type: none"> Importing of advanced equipment not available in Canada. 	MACH—Machinery Program	Remission of certain import tariffs to reduce acquisition cost.
<ul style="list-style-type: none"> Purchase of machinery and equipment for earth-moving, manufacturing and processing, pollution control and energy efficiency uses. 	Revenue Canada—Accelerated Capital Cost Write-off	Deduction from taxable income of cost of equipment at accelerated rate of up to 50% per year.
<ul style="list-style-type: none"> Purchase of assets to be used in manufacturing and processing, or of prescribed transportation equipment, with special emphasis on assets to be used in <i>designated areas</i>. 	Revenue Canada—Investment Tax Credit	Tax credit of 7 to 20% of qualifying capital expenditures, depending on geographic area of use.
<ul style="list-style-type: none"> Purchase of assets to be used in the expansion or modernization of existing facilities or the establishment of new facilities in <i>designated areas</i>. 	Revenue Canada—Special Investment Tax Credit	Tax credit of up to 50% of qualifying capital expenditures.