



Ministry of Revenue
Client Accounts and Services Branch
PO Box 624
Oshawa ON L1H 8H8

Application for Refund

Ontario Research Employee Stock Option Credit

Ministry Use

Please print or type.

Keep a copy of this Application for your records.

Version française disponible.

Instructions

You must be a resident of Ontario on December 31 of the tax year for which you are claiming a refund. In addition, you must have been a resident of Ontario on December 31 of the calendar year when you entered into the eligible stock option agreement.

Complete and return this application to the **Ontario Ministry of Revenue**, at the address above, to be considered for a refund of Ontario personal income tax under the Ontario Research Employee Stock Option (ORESOS) Credit. You must file your application no later than September 30 of the second calendar year beginning after the tax year for which a refund is claimed. For example, you must apply by September 30, 2003 to claim a credit for the 2001 tax year.

You may qualify for a credit on up to \$100,000 of your:

- taxable benefits from the exercise of stock options eligible for this program; and
- taxable capital gains from the sale of shares acquired through these options.

The credit will be deducted from your taxable income to reduce or eliminate your Ontario personal income tax.

The options must have been granted after December 21, 2000 and before May 18, 2004 and the taxable benefits and capital gains included in income on your tax return for the year.

To avoid a delay in processing your application, you must include a copy of:

- your *Certificate of Eligible Stock Option Agreements - Individual*;
- your *Notice of Benefit - Individual*;
- Form ON428, *Ontario Tax*, that was submitted to the Canada Revenue Agency when you filed your tax return for the year; and
- your income tax *Notice of Assessment* or *Notice of Reassessment* for the tax year.

Note: If you did not receive a copy of your *Certificate* and *Notice of Benefit - Individual*, you should contact your employer.

Once your application is processed, you will receive a *Notice of Entitlement* showing your refund amount (if any). An Ontario tax refund of less than \$2.00 will not be paid.

If you owe any amounts to the Province of Ontario, all or part of your refund may be applied to that liability instead of paying the refund to you.

Please notify the ministry immediately **in writing** to the address above if there is a change to the information reported on this application.

Interest

Compound daily interest on your tax refund will be calculated starting on the day that is the later of:

- for taxation years up to and including 2004:
 - 45 days after your income tax balance due date (usually April 30); and
 - the date of your income tax *Notice of Assessment* for the taxation year.

- for the 2005 and subsequent taxation years:
 - 30 days after your income tax balance due date (usually April 30); and
 - the date of your income tax *Notice of Assessment* for the taxation year.

Penalties

Every person who obtains a refund by knowingly making a false or misleading statement is liable to a penalty that ranges from a minimum of \$100 to a maximum of 50% of the refund amount.

General Information

Personal information on this application is collected under the authority of section 8.7 of the *Income Tax Act* (Ontario) and regulations for the administration of the ORESOS Credit.

Questions about the collection of this information should be directed to a Program Information Officer at one of the numbers listed below, or in writing to the address above. Include your name and social insurance number on any separate correspondence.

Enquiries

The ORESOS Credit information bulletin provides detailed program information, including definitions of terms used.

For more information about the ORESOS Credit or to obtain a copy of the information bulletin contact the ministry:

Toll free 1 866 668-8297
Teletypewriter (TTY) 1 800 263-7776
(Ontario only)

Website **ontario.ca/revenue**

Or write to the address above.

No Calculation Option

Simply complete the personal information section below, and the heavily outlined boxes and certification section on page 2, and we will calculate your refund, or you can complete the calculation on page 2 to determine your refund amount.

Applicant			
Tax Year 20 ____	Date of your income tax Notice of Assessment - YYYY MM DD	Year in which you entered into the eligible stock option agreement <i>If multiple eligible stock option agreements for same or different employer, attach a list.</i>	Social Insurance Number ____ - ____
Last Name		First Name	
Mailing Address (Street No., Street Name, Suite No., PO Box No., RR No.)			
City		Province ON	Postal Code
Telephone Numbers (include area code) Home ()		Business ()	Language preference <input type="checkbox"/> English <input type="checkbox"/> French

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Application for Refund

Ontario Research Employee Stock Option Credit

Social Insurance Number	
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Complete this form to calculate your Ontario Tax Refund. If you do not wish to calculate the amount of your refund, complete only the heavily outlined boxes and the Certification section and we will calculate your refund for you. See the ORESO Credit information bulletin for definitions of the terms used.

Ontario Research Employee Stock Option Credit

Amount of Ontario eligible stock option benefit reported on your *Notice of Benefit - Individual* and included in income in the tax year, plus any amount deferred from a prior tax year and included in income in the tax year **1**

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Amount you claimed as a stock option deduction on your tax return under paragraph 110(1)(d), (d.1) or (d.01) of the *Income Tax Act* (Canada) that relates to the Ontario eligible stock option benefit on line 1 above - **2**

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Net Ontario eligible stock option benefit (line 1 minus line 2) = **3**

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Taxable capital gain from disposition of shares acquired through exercising stock options eligible for this program **4**

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Taxable capital gain (from line 127 on your tax return) **5**

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Allowable business investment loss (from line 217 on your tax return) **6**

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Net capital losses of other years (from line 253 on your tax return) **7**

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Capital gains deduction (from line 254 on your tax return) **8**

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Add lines 6, 7 and 8 = **9**

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Line 5 minus line 9 (if negative, enter "0") = **10**

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Enter the lesser of line 4 or line 10 = **11**

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Add line 3 and line 11 **12**

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Ontario Research Employee Stock Option Credit Enter the amount from line 12 or \$100,000, whichever is less = **13**

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Ontario Adjusted Taxable Income

Taxable income from line 260 on your tax return **14**

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Ontario Research Employee Stock Option Credit from line 13 above - **15**

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Ontario Adjusted Taxable Income Line 14 minus line 15 (if negative, enter "0") = **16**

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Adjusted Ontario Tax

You must recalculate your Ontario tax on Form ON428, *Ontario Tax*, using the taxable income from line 16 above. The form is available under "forms and publications" on the Canada Revenue Agency website at: www.cra-arc.gc.ca, or by calling the ministry at one of the numbers listed on the front of this application.

Enter your recalculated Ontario tax on line 18 below.

Ontario Tax Refund

Ontario Tax paid (from your personal income tax *Notice of Assessment* or *Notice of Reassessment*) **17**

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Adjusted Ontario Tax (from the recalculation using Form ON428, *Ontario Tax*) - **18**

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Ontario Tax Refund Line 17 minus line 18 (if negative, enter "0") = **19**

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CERTIFICATION

I certify that:

- I was a resident of Ontario on December 31 of the calendar year when I entered into the eligible stock option agreement;
- I was a resident of Ontario on December 31 of the tax year to which this refund claim relates;
- I was an "eligible employee" at the time I entered into the eligible stock option agreement;
- I have filed a return of income for the tax year to which this refund claim relates; and
- The information provided on this application is correct to the best of my knowledge.

I understand that it is an offence to make a false or misleading statement on this Application.

Signature of Applicant	Date

Please remember to include all supporting documents.