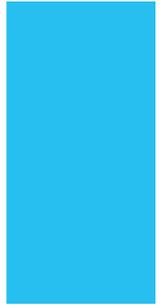


Saskatchewan Chemical Fertilizer Incentive (SCFI)



This new incentive offers a non-refundable 15% tax credit on eligible capital investments.

What is the SCFI?

The SCFI is a non-refundable, non-transferable 15% tax rebate on capital expenditures valued at \$10 million or more for newly constructed or expanded chemical fertilizer production facilities in Saskatchewan.

Companies apply the benefit against corporate income tax (CIT) paid and are able to claim the benefit over a three- to 10-year period once the new or expanded facility is brought into operation.

Eligible chemical fertilizer production is defined as: *All processing of mineral or chemical feedstock to create single or multi-nutrient synthetic fertilizer products.* This definition excludes facilities that manufacture potash fertilizer products for which potash is the primary feedstock.

Additional Features of the SCFI

Upon receiving a completed application, the Ministry of Trade and Export Development reviews the project to determine if the project, as proposed, meets the program's definition of chemical fertilizer production and the capital expenditure plan meets the program's requirements.

If the application is approved at this stage, a letter of conditional approval is issued to the company. The advanced eligibility ruling helps companies demonstrate to their board, executives and investors that they meet the preliminary requirements for eligibility.

Companies need to complete construction, initiate operations and provide evidence that the project has concluded as proposed before they can claim their rebate from the Ministry of Finance.

The SCFI may be used alongside existing Saskatchewan incentives if companies meet the prescribed qualifications.

Program Qualification Process

1. Qualifying projects include new and existing chemical fertilizer production facilities. To be eligible, the project must have \$10 million in eligible new capital expenditures, demonstrate the expenditures were made for the purposes of increasing productive capacity and meet the program's definition of eligible chemical fertilizer production.
2. In order to qualify for the incentive, applicants will be required to provide certification from an independently qualified third party confirming that the eligible capital expenditures resulted in an increase to productive capacity. As long as all program requirements are met, the ministry will issue an SCFI Eligibility Certificate. The tax rebate can be claimed by submitting the SCFI Eligibility Certificate to the Ministry of Finance, along with the corresponding T2 taxation information.
3. Claiming of the benefits is limited to 20% in year one after the new or expanded facility is brought into production, 30% in year two and 50% in year three. Remaining amounts can be carried forward for up to 10 years following the issuance of the Eligibility Certificate.

The program is effective as of November 1, 2017 to accommodate projects that have been recently initiated. Facilities that began production October 31, 2017 or earlier are not eligible to claim this incentive. The sunset date for applying for a conditional approval is December 31, 2026.

For more information and to apply, visit saskatchewan.ca/chemical-fertilizer-incentive

For more information, contact:

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