



## Advancing Medicine, Reclaiming Capital: SR&ED for Ontario MPCs

For Medical Professional Corporations (MPCs) in Ontario, the **Scientific Research and Experimental Development (SR&ED)** program is a powerful financial catalyst. While often associated with laboratories, SR&ED is increasingly utilized by specialized medical practices to fund clinical innovation, custom software development, and the refinement of medical procedures.

By leveraging SR&ED, your MPC can transform technical challenges into non-dilutive capital, allowing you to scale your practice, invest in cutting-edge equipment, and lead in patient care innovation.

### 1. Strategic Value for Medical Corporations

- **Recover "Hidden" R&D Costs:** Convert a portion of physician salaries and specialized staff wages into liquid cash or tax credits.
- **Scale Beyond Patient Billing:** Diversify your revenue by developing proprietary methods, digital health tools, or data-driven diagnostic models.
- **High Refund Rates:** In 2026, an Ontario-based MPC (as a CCPC) can receive roughly **\$60,000+** in combined federal and provincial credits for every **\$100,000** in eligible R&D salary spent.
- **Audit-Proofing Clinical Innovation:** Formalizing your SR&ED process ensures that your medical advancements are documented to the highest CRA standards.

### 2. 2026 Ontario & Federal SR&ED Rates

Recent federal reforms in 2025 and 2026 have expanded the expenditure limit, allowing growing practices to retain higher refund rates for longer.

| Incentive                 | Rate (for CCPCs) | 2026 Context                                                 |
|---------------------------|------------------|--------------------------------------------------------------|
| Federal Enhanced ITC      | 35%              | Fully refundable on the first <b>\$6M</b> of eligible spend. |
| Ontario Innovation (OITC) | 8%               | Refundable credit for small-to-medium corporations.          |
| Ontario R&D Tax Credit    | 3.5%             | Non-refundable; offsets Ontario provincial taxes.            |

### 3. What Qualifies in a Medical Practice?

SR&ED applies when you seek to advance medical knowledge or solve a technological uncertainty.

- **Clinical Trials & Protocols:** Developing and testing a new treatment protocol for a specific patient demographic where no established guidelines exist.
- **Custom Health-Tech:** Building proprietary EMR extensions, AI-driven diagnostic triage systems, or remote monitoring software.
- **Procedural Innovation:** Modifying standard surgical or clinical procedures to improve patient outcomes in ways not documented in current medical literature.
- **Pharmacology:** Investigating novel drug interactions or dosage concentrations beyond standard off-label use.