Saskatchewan Chemical Fertilizer Incentive (SCFI)

What is the SCFI?

The SCFI is a non-refundable, non-transferable 15 per cent tax credit 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 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.

Program Approval Process

Applicants must submit a completed application to the Ministry of Trade and Export Development for review. The Ministry assesses whether the proposed project meets the program's eligibility criteria.

If approved, the applicant will receive a letter of conditional approval. This advanced eligibility determination enables companies to demonstrate potential program qualifications to their stakeholders.

To claim the tax credit from the Ministry of Finance, companies must complete construction, commence operations and provide evidence that the project has completed as approved.

The SCFI may be used alongside other Saskatchewan incentives, subject to eligibility criteria.

Program Qualifaction Process

1. Qualifying projects include new and expanded chemical fertilizer production facilities. To be eligible, a project must have at least $10 million in eligible new capital expenditures, demonstrate that the investment will increase productive capacity, and meet the program's definition of eligible chemical fertilizer production.
2. Applicant must apply for a Certificate of Eligibility by **December 31, 2034**. Once issued, the tax credit must be claimed by **December 31, 2044**. Claims are submitted to the Ministry of Finance by providing the SCFI Eligibility Certificate along with the applicable T2 corporate income tax information.
3. The tax credit may be claimed at a maximum of 20 per cent in the first year after the new or expanded facility is brought into production, 30 per cent in year two and 50 per cent in year three. Any unused portion of the tax credit may be carried forward for up to 10 years from the date the Eligibility Certificate is issued.

The program came into effect on November 1, 2017. To be considered for eligibility, applications for conditional approval must be submitted by December 31, 2026. Projects that received conditional approval must be completed by December 31, 2031.

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

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