

# Overview of Changes to the Saskatchewan Technology Startup Incentive (STSI)

The 2021-22 Provincial Budget extended the STSI Program for a five-year term. As part of this extension, several changes were made to the incentive. These changes are in response to feedback from the sector and are intended to enhance the program's effectiveness.

The changes include the following:

**1. Increasing the amount of capital a startup can raise under the program:**

- Effective as of April 1, 2021, Eligible Startup Businesses can raise a maximum of \$2 million of investment under the program.
- No more than \$1 million of this investment can have occurred prior to April 1, 2021.

**2. Extending the investment holding period from two to three years:**

- All investments made after April 1, 2021, must be held in an Eligible Startup Business for a minimum of three years.
- Any investments made between April 1, 2018, and March 31, 2021, will continue to be subject to the two-year holding period.
- For a complete overview of the holding period requirements, please refer [this document](#).

**3. Extending the tax credit claiming period from four to seven years:**

- Those who invested after January 1, 2021, will be able to claim their credits over a seven-year period:
  - Year one will be the **Applicable Taxation Year** stated on the certificate (i.e., the tax year in which the investment was made). Investors will have another six years after that to claim their credit.
- Those who made investments between April 1, 2018, and December 31, 2020, will continue to claim their credits over a four-year period.
  - Year one will be the **Applicable Taxation Year** stated on the certificate (i.e., the tax year in which the investment was made). Investors will have another three years after that to claim their credit.

**4. Setting the value of the annual tax credit cap at \$2.5 million:**

- A maximum of \$2.5 million in tax credits will be available under the program each year, for the next five years.
- Tax credits will continue to be issued on a first-come, first-served basis.

**5. Extending the Annual Return reporting requirements:**

- Eligible Startup Businesses, Venture Capital Corporations, and Limited Partnerships will be required to submit an Annual Return in the four consecutive calendar years following their most recent investment under the program.

For more information on the changes, please see the [STSI Program Guide](#) or contact the Program Manager at [stsi@innovationsask.ca](mailto:stsi@innovationsask.ca) or 306-933-7222.