



NATIONAL ASSEMBLY OF QUÉBEC

SECOND SESSION

FORTY-SECOND LEGISLATURE

Bill 33
(2022, chapter 23)

**An Act amending the Taxation Act,
the Act respecting the Québec sales
tax and other provisions**

**Introduced 12 May 2022
Passed in principle 31 May 2022
Passed 7 June 2022
Assented to 8 June 2022**

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EXPLANATORY NOTES

The purpose of this Act is to give effect to fiscal measures announced in various Information Bulletins published in 2020, 2021 and 2022. It also gives effect to measures announced in the Budget Speech delivered on 22 March 2022.

For the purpose of introducing or modifying measures specific to Québec, the Act contains the provisions necessary for the payment in 2022 of refundable tax credits to mitigate the cost of living increase. It also amends the Tax Administration Act and the Taxation Act to, in particular,

- (1) enhance the refundable tax credit for child care expenses;*
- (2) enhance the refundable tax credit for senior assistance;*
- (3) broaden the scope of the refundable tax credit for the treatment of infertility; and*
- (4) relax the rules governing the interruption of the prescription of a tax liability.*

The Act respecting the Régie de l'assurance maladie du Québec is amended to increase the exemption amounts used in computing the premium payable by a person subject to the public prescription drug insurance plan.

In addition, the Act amends the Taxation Act and the Act respecting the Québec sales tax to make amendments similar to those made to the Income Tax Act and the Excise Tax Act mainly by the Budget Implementation Act, 2021, No. 1 (Statutes of Canada, 2021, chapter 23), assented to on 29 June 2021. More specifically, the amendments deal with

- (1) the security options regime;*
- (2) the possibility of acquiring an advanced life deferred annuity through a registered plan;*
- (3) employee life and health trusts;*

(4) the treatment of virtual currencies for the purposes of the Québec sales tax; and

(5) the rules applicable to investment limited partnerships as regards the sales tax.

Lastly, the Act makes various technical amendments as well as consequential and terminology-related amendments.

LEGISLATION AMENDED BY THIS ACT:

- Tax Administration Act (chapter A-6.002);
- Unclaimed Property Act (chapter B-5.1);
- Act respecting international financial centres (chapter C-8.3);
- Taxation Act (chapter I-3);
- Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1);
- Act respecting the Régie de l'assurance maladie du Québec (chapter R-5);
- Act respecting the Québec Pension Plan (chapter R-9);
- Act respecting the Québec sales tax (chapter T-0.1).

REGULATIONS AMENDED BY THIS ACT:

- Regulation respecting the Taxation Act (chapter I-3, r. 1);
- Regulation respecting the Québec sales tax (chapter T-0.1, r. 2).

Bill 33

AN ACT AMENDING THE TAXATION ACT, THE ACT RESPECTING THE QUÉBEC SALES TAX AND OTHER PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

TAX ADMINISTRATION ACT

1. (1) Section 27.3 of the Tax Administration Act (chapter A-6.002) is amended

(1) by replacing “after” and “was” in the first paragraph by “from” and “is”, respectively;

(2) by replacing “soit” in the portion of the third paragraph before subparagraph *a* in the French text by “selon le cas”;

(3) by striking out “31,” in subparagraph *a* of the third paragraph.

(2) Paragraph 3 of subsection 1 applies in respect of a refund allocation made after 29 November 2022.

2. Section 59.0.2 of the Act is amended by replacing the first paragraph by the following paragraph:

“Every person who fails to provide any information required on a prescribed form filed in accordance with a fiscal law or a regulation made under such a law is liable to a penalty of \$100.”

3. Section 59.2 of the Act is amended by striking out the fifth and sixth paragraphs.

4. Section 78 of the Act is amended by inserting “by” after “prescribed” in the second paragraph.

5. Section 93.1.8 of the Act is amended, in the first paragraph,

(1) by inserting “280.1,” after “21.4.14,”;

(2) by striking out “578.7,”.

6. Section 93.1.12 of the Act is amended, in the first paragraph,

- (1) by inserting “280.1,” after “21.4.14,”;
- (2) by striking out “578.7,”.

UNCLAIMED PROPERTY ACT

7. Section 30 of the Unclaimed Property Act (chapter B-5.1) is amended by replacing “prescribed 10 years after the date of delivery” in the second paragraph by “prescribed by 10 years from the date of delivery”.

ACT RESPECTING INTERNATIONAL FINANCIAL CENTRES

8. Section 49 of the Act respecting international financial centres (chapter C-8.3) is amended

- (1) by striking out the definitions of “gross revenue”, “specified income”, “specified loss”, “trust” and “wages” in the first paragraph;
- (2) by striking out the second and third paragraphs.

9. Section 51 of the Act is replaced by the following section:

“51. An individual entitled, for a taxation year, to a deduction in computing the individual’s taxable income under section 65 shall enclose with the fiscal return required to be filed by the individual for the year under section 1000 of the Taxation Act (chapter I-3) a copy of the certificate that is referred to in section 3.5 of Schedule E to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1) and that was issued for the year in respect of the individual.”

10. Sections 51.3 to 51.5 of the Act are repealed.

11. The heading of Division II of Chapter V of the Act is replaced by the following heading:

“CORPORATIONS OPERATING AN INTERNATIONAL FINANCIAL CENTRE”.

12. Subdivision 1 of Division II of Chapter V of the Act, comprising sections 52 to 56.2, is repealed.

13. Sections 57 to 60.1 of the Act are repealed.

14. Section 61 of the Act is replaced by the following section:

“61. A corporation is not required to pay the minimum amount of tax determined under the second paragraph of section 1167 or the third paragraph of section 1173.1 of the Taxation Act (chapter I-3) where its operations consist solely in the operation of an international financial centre.”

15. Section 63 of the Act is amended

(1) by replacing the portion before subparagraph 2 of the first paragraph by the following:

“63. No amount is to be deducted or withheld under section 1015 of the Taxation Act (chapter I-3) in respect of the part of the remuneration referred to in the second paragraph, for a period or part of a period of a taxation year, of an employee of a corporation operating an international financial centre, from the employee’s employment with the corporation, where the following conditions are satisfied:

(1) a qualification certificate referred to in section 3.3 of Schedule E to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1) was issued in respect of the employee in relation to that employment and is valid for that period or part of the period; and”;

(2) by striking out subparagraph 2 of the first paragraph;

(3) by replacing subparagraph 3 of the first paragraph by the following subparagraph:

“(3) it may reasonably be considered that the conditions relating to that employment on which was based the decision of the Minister of Finance to issue the qualification certificate referred to in subparagraph 1 or, if they are not the same, the conditions on which would have been based the decision of the Minister of Finance to issue the qualification certificate in relation to the period or part of the period, remain essentially the same for the period or part of the period.”;

(4) by replacing the second and third paragraphs by the following paragraphs:

“The part of the remuneration to which the first paragraph refers, in respect of the employment of the employee referred to in the first paragraph, is the product obtained by multiplying the employee’s remuneration for the period or the part of the period concerned by the percentage determined in subparagraph 1 of the second paragraph of section 65 in respect of that employment.

For the purposes of the second paragraph, for the purpose of determining the percentage applicable in respect of an employment, the employment referred to in that paragraph held by the employee under a particular employment contract is deemed, where the second paragraph of section 69.3 applies to the

employee, to be an employment held by the employee under a deemed employment contract, within the meaning of subparagraph 1 of that second paragraph, continuing the particular contract.”;

(5) by striking out the fourth and fifth paragraphs.

16. Subdivision 5 of Division II of Chapter V of the Act, comprising sections 64 and 64.2, is repealed.

17. Section 65 of the Act is amended

(1) by replacing the portion before the formula in the first paragraph by the following:

“**65.** An individual described in section 66 who holds employment with a particular corporation that is referred to in that section may deduct, in computing the individual’s taxable income for a taxation year, an amount not greater than the aggregate of all amounts each of which is determined, in respect of a specified period of the individual in relation to that employment, by the formula”;

(2) by replacing subparagraph 1 of the second paragraph by the following subparagraph:

“(1) A is

(a) 100%, if that specified period of the individual is included in the first or second year of the period described in paragraph 4 of section 69,

(b) 75%, if that specified period of the individual is included in the third year of the period described in that paragraph 4,

(c) 50%, if that specified period of the individual is included in the fourth year of the period described in that paragraph 4, or

(d) 37.5%, if that specified period of the individual is included in the fifth year of the period described in that paragraph 4; and”;

(3) by replacing the fourth paragraph by the following paragraph:

“The specified period of an individual in relation to an employment held by the individual with a particular corporation is any part of the individual’s reference period, in relation to that employment, established under section 69, that is included in any of the five years of the period described in paragraph 4 of that section.”

18. Section 65.1 of the Act is amended by replacing paragraphs 2.1 and 3 by the following paragraphs:

“(2.1) for the purpose of applying paragraphs *a* and *b* of section 737.18 of the Taxation Act in respect of the amount of the benefit included by the individual in computing the individual’s income for the particular taxation year, the later time is deemed to be a reference period of the individual, established under section 69, in relation to that employment; and

“(3) section 51 is to be read as if “that was issued for the year in respect of the individual” were replaced by “that was issued in respect of the individual for the taxation year that includes the particular time referred to in the portion of section 65.1 before paragraph 1”.”

19. Section 66 of the Act is amended

(1) by replacing subparagraphs 1 to 4 of the first paragraph by the following subparagraphs:

“(1) at a particular time, the individual took up employment, as an employee, with a particular corporation operating an international financial centre under an employment contract entered into with the corporation;

“(2) the individual was not resident in Canada immediately before entering into the employment contract or immediately before taking up employment, as an employee, with the particular corporation or, where the individual was resident in Canada at that time, the individual became resident in Canada at any given time in the particular year or a preceding taxation year to establish an international financial centre in Canada and the following conditions are satisfied:

(a) the individual worked exclusively or almost exclusively for a person or partnership from the given time to the time at which the condition set out in subparagraph *c* is satisfied,

(b) for any part of the period referred to in subparagraph *a*, the individual held a valid certificate referred to in section 3.5 of Schedule E to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1) that was issued in respect of the individual in relation to the establishment of the international financial centre and the certificate recognizes the individual as a specialist for that part of the period, and

(c) the individual took up employment, within 12 months after that given time, as an employee, with the particular corporation that operates the international financial centre established by the individual;

“(3) the individual works exclusively or almost exclusively for the particular corporation from the particular time to the end of the particular year or the part of the particular year; and

“(4) for any part of the period beginning at the particular time and ending at the end of the particular year or the part of the particular year, the individual held a valid certificate referred to in section 3.5 of Schedule E to the Act respecting the sectoral parameters of certain fiscal measures that was issued in respect of the individual in relation to that employment and the certificate recognizes the individual as a specialist for that part of the period.”;

(2) by replacing the second paragraph by the following paragraph:

“For the purposes of subparagraph 4 of the first paragraph, the business to which a certificate referred to in that subparagraph relates must be an international financial centre of the particular corporation.”

20. Section 67 of the Act is amended

(1) by replacing the portion before subparagraph 1 of the first paragraph by the following:

“**67.** For the application of section 66 to an individual who is resident in Canada immediately before entering into an employment contract with a corporation operating an international financial centre and immediately before taking up employment, as an employee, with the corporation and who, if the individual worked to establish the international financial centre in Canada immediately before taking up employment, as an employee, with the corporation, is resident in Canada immediately before so beginning to work, the rule set out in the second paragraph applies if any of the following conditions are satisfied:”;

(2) by replacing subparagraph *a* of subparagraph 1 of the second paragraph by the following subparagraph:

“(a) the individual was working to establish the centre immediately before taking up employment, as an employee, with the corporation,”;

(3) by replacing subparagraph 2 of the second paragraph by the following subparagraph:

“(2) in any other case, the individual is deemed not to be resident in Canada immediately before taking up employment, as an employee, with the corporation.”

21. Section 68 of the Act is replaced by the following section:

“**68.** For the purposes of subparagraph 3 of the first paragraph of section 66, an individual who, at any time, works exclusively or almost exclusively for a group of corporations each of which is operating an international financial centre, including the particular corporation referred to in that section, is deemed to be working at that time exclusively or almost exclusively for the particular corporation if, at that time, the requirement set

out in subparagraph 4 of the first paragraph of section 66 is satisfied as regards each of those corporations in relation to its international financial centre.”

22. Section 69 of the Act is amended

(1) by replacing the portion before paragraph 1 by the following:

“**69.** The reference period of an individual described in section 66, in relation to an employment the individual holds with a particular corporation referred to in that section, is the period”;

(2) by replacing subparagraph *a* of paragraph 2 by the following subparagraph:

“(a) the individual is working to establish an international financial centre or holds an employment with a corporation operating such a centre, and”;

(3) by replacing subparagraph ii of subparagraph *b* of paragraph 2 by the following subparagraph:

“ii. the conditions set out in subparagraphs 3 and 4 of the first paragraph of section 66, where the individual holds an employment with a corporation operating an international financial centre;”;

(4) by replacing the portion of paragraph 4 before subparagraph *a* by the following:

“(4) that, if the individual entered into the individual’s employment contract with the particular corporation after 30 March 2004, ends on or before the last day of the five-year period that begins,”;

(5) by replacing subparagraph *b* of paragraph 4 by the following subparagraph:

“(b) if the individual began to perform the duties of the employment referred to in subparagraph *a* under an employment contract entered into with a particular corporation operating an international financial centre established by the individual and if the individual was resident in Canada immediately before the employment contract was entered into and immediately before the individual took up that employment, on the day, determined without reference to paragraph *a* of section 8 of the Taxation Act, on which the individual becomes resident in Canada to work on the establishment of that centre.”

23. Section 69.1.1 of the Act is amended by replacing the first paragraph by the following paragraph:

“If, in a taxation year, an individual is absent from an employment the individual holds with a particular corporation operating an international financial centre and, were it not for that absence, would be an individual described in section 66 for the part of the year that is included in the individual’s

period of absence, the Minister may, for the purposes of this subdivision, consider that part of the year to be included in the individual's reference period, established under section 69, in relation to the employment if the Minister is of the opinion that the individual is temporarily absent from the employment for reasons the Minister considers reasonable."

24. Section 69.2 of the Act is amended

(1) by striking out the first and second paragraphs;

(2) by replacing the portion of the third paragraph before subparagraph *a* of subparagraph 2 by the following:

"An individual referred to in the third paragraph is deemed to take up employment, as an employee, with a corporation operating an international financial centre at the particular time referred to in subparagraph 2 where

(1) the individual enters into an employment contract with the corporation; and

(2) at a particular time when the individual works for the corporation, the individual would begin, for the first time since the entering into the contract referred to in subparagraph 1, to satisfy the requirements set out in subparagraphs 3 and 4 of the first paragraph of section 66 if";

(3) by replacing subparagraph 4 of the first paragraph of section 66 of the Act, enacted by subparagraph *b* of subparagraph 2 of the third paragraph, by the following subparagraph:

“(4) the individual held a valid certificate referred to in section 3.5 of Schedule E to the Act respecting the sectoral parameters of certain fiscal measures that was issued in respect of the individual in relation to that employment and the certificate recognizes the individual as a specialist for the particular year or the part of the particular year.”;

(4) by replacing the fourth paragraph by the following paragraph:

"The individual to whom the first paragraph applies is also deemed to begin performing the duties of the employment the individual holds with the corporation at the particular time referred to in subparagraph 2 of that paragraph.”;

(5) by striking out the fifth and sixth paragraphs;

(6) by replacing the portion of the seventh paragraph before subparagraph 2 by the following:

“The individual to whom the first paragraph refers is the individual who

(1) has not worked to establish the international financial centre immediately before taking up employment, as an employee, with the corporation or, if such is not the case, took up employment more than 12 months after becoming resident in Canada in order to establish that center in Canada or does not satisfy the requirements set out in subparagraphs 3 and 4 of the first paragraph of section 66 on the day of taking up employment; and”.

25. Section 69.3 of the Act is amended

(1) by replacing the first paragraph by the following paragraph:

“For the purposes of this subdivision, the employment contract that an individual entered into with a corporation operating an international financial centre (in this section referred to as the “original contract”), or a deemed contract within the meaning of subparagraph 1 of the second paragraph, is deemed to end at the time when the individual ceases to satisfy the requirements set out in subparagraphs 3 and 4 of the first paragraph of section 66.”;

(2) by striking out the second paragraph;

(3) by replacing subparagraphs 1 and 2 of the third paragraph by the following subparagraphs:

“(1) the individual is deemed to enter into, with the corporation, a new employment contract (in this section referred to as the “deemed contract”) and that contract is deemed to be entered into at the particular time; and

“(2) the individual is deemed to take up employment, as an employee, with the corporation at the particular time and is also deemed to begin at that time to perform the duties of that new employment.”;

(4) by striking out the fourth paragraph.

26. Section 69.4 of the Act is repealed.

27. Subdivision 2 of Division III of Chapter V of the Act, comprising sections 71 to 73.1, is repealed.

TAXATION ACT

28. (1) Section 1 of the Taxation Act (chapter I-3) is amended

(1) by inserting the following definition in alphabetical order:

““licensed annuities provider” has the meaning assigned by section 965.0.1;”;

(2) by inserting the following definition in alphabetical order:

““advanced life deferred annuity” has the meaning assigned by section 965.0.38;”.

(2) Subsection 1 has effect from 1 January 2020.

29. (1) Section 2.2 of the Act is replaced by the following section:

“2.2. For the purposes of the definitions of “joint spousal trust” and “post-1971 spousal trust” in section 1, sections 2.1, 312.3, 312.4, 313 to 313.0.5, 336.0.2, 336.0.3, 336.0.6 to 336.4, 440 to 441.2, 454, 454.1, 456.1, 462.0.1, 462.0.2 and 651, the definition of “pre-1972 spousal trust” in section 652.1, sections 653, 656.3, 656.3.1, 657, 660, 890.0.1 and 913, subparagraph *b* of the second paragraph of section 961.17, sections 965.0.9 and 965.0.11, Titles VI.0.2 and VI.0.3 of Book VII, sections 971.2 and 971.3 and Division II.11.7.2 of Chapter III.1 of Title III of Book IX, “spouse” and “former spouse” of a particular individual include another individual who is a party to an annulled or annulable marriage, as the case may be, with the particular individual.”

(2) Subsection 1 has effect from 1 January 2020.

30. Section 8.1 of the Act is amended by striking out “737.18.29;”.

31. Section 25 of the Act is amended by striking out “, 737.14”, “, 737.16.1” and “, 737.18.34” in the second paragraph.

32. (1) Section 312 of the Act is amended by adding the following subparagraph at the end of paragraph *c*:

“iv. an amount referred to in section 965.0.40 that, under that section, is not required to be included in computing the taxpayer’s income;”.

(2) Subsection 1 has effect from 1 January 2020.

33. Section 313.10 of the Act is amended, in the second paragraph,

(1) by replacing “any of sections 737.16, 737.18.10 and 737.18.34” in the portion before subparagraph *a* by “section 737.16 or 737.18.10”;

(2) by striking out subparagraph *c*.

34. (1) The Act is amended by inserting the following section after section 313.14:

“313.15. A taxpayer shall also include any amount that is required to be included in computing the taxpayer’s income for the year under Title VI.0.3 of Book VII.”

(2) Subsection 1 has effect from 1 January 2020.

35. Section 339 of the Act is amended by striking out “, 737.18.34” in paragraph *i.1*.

36. Section 600.0.3 of the Act is amended

(1) by striking out “, 231.2” in the portion before the formula in the first paragraph;

(2) by replacing subparagraphs *b* and *c* of the second paragraph by the following subparagraphs:

“(b) B is the fraction that applies under section 231 for the particular year in respect of the taxpayer; and

“(c) C is the fraction that is used under section 231 for the fiscal period of the partnership.”

37. Section 613.2 of the Act is amended by inserting “600.0.3, 600.0.4, 602.1,” after “600,” in the portion before paragraph *a*.

38. Section 613.6 of the Act is amended by inserting “600.0.3, 600.0.4, 602.1,” after “600,” in the portion before paragraph *a*.

39. Section 693 of the Act is amended, in the second paragraph,

(1) by replacing “737.14 to 737.16.1,” by “737.16.”;

(2) by striking out “737.18.26, 737.18.34.”.

40. (1) Section 725.1.3 of the Act is amended

(1) by inserting the following definitions in alphabetical order:

““consolidated financial statements” has the meaning assigned by subsection 1 of section 233.8 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement);

““vesting year” in respect of a security to be acquired under an agreement means

(a) where the agreement specifies the calendar year in which a taxpayer's right to acquire the security first becomes exercisable (otherwise than because of an event that is not reasonably foreseeable at the time the agreement is entered into), that calendar year; or

(b) in any other case, the calendar year in which the right to acquire the security would become exercisable if the agreement had specified that all identical rights to acquire securities become exercisable on a pro rata basis over the period that

i. begins on the day that the agreement was entered into, and

ii. ends on the day that is 60 months after the day the agreement is entered into or, if it is earlier, on the last day that the right to acquire the security could become exercisable under the agreement.”;

(2) by inserting the following definition in alphabetical order:

““specified person”, at a particular time, means a qualifying person that meets the following conditions:

(a) it is not a Canadian-controlled private corporation;

(b) where it is a member of a group that annually prepares consolidated financial statements, the total consolidated group revenue—reflected in the group's last consolidated financial statements presented to the shareholders or unitholders of the member of the group that would be the ultimate parent entity, within the meaning of subsection 1 of section 233.8 of the Income Tax Act, of the group if the group were a multinational enterprise group, within the meaning of that subsection—before that time exceeds \$500,000,000; and

(c) where paragraph *b* does not apply, it has gross revenue in excess of \$500,000,000 based on

i. the amounts reflected in the qualifying person's financial statements presented to the qualifying person's shareholders or unitholders for the qualifying person's last fiscal period that ended before that time,

ii. where subparagraph i does not apply, the amounts reflected in the qualifying person's financial statements presented to the qualifying person's shareholders or unitholders for the qualifying person's last fiscal period that ended before the end of the fiscal period referred to in subparagraph i, or

iii. where subparagraph i does not apply and if no financial statements are presented as provided for in subparagraph ii, the amounts that would have been reflected in the qualifying person's financial statements for the qualifying person's last fiscal period that ended before that time, if such statements had been prepared in accordance with generally accepted accounting principles.”.

(2) Subsection 1 has effect from 1 July 2021.

41. (1) Section 725.2 of the Act is amended by replacing the portion before paragraph *a* by the following:

“725.2. An individual may deduct an amount equal to 25% of the amount of the benefit the individual is deemed to have received in a taxation year under section 49 or any of sections 50 to 52.1, in respect of a security, other than a non-qualified security, that a particular qualifying person has agreed to sell or issue under an agreement referred to in section 48, in respect of the transfer or any other disposition of rights under the agreement, or as a consequence of the individual’s death and of the individual’s having, immediately before death, owned a right to acquire the security under the agreement, if”.

(2) Subsection 1 has effect from 1 July 2021.

42. (1) The Act is amended by inserting the following sections after section 725.5:

“725.5.1. A taxpayer may deduct an amount equal to the amount of the benefit an individual is deemed to have received in the year in relation to an employment the individual holds with the taxpayer under section 49 or any of sections 50 to 52.1, in respect of a non-qualified security that the taxpayer (or a qualifying person that does not deal at arm’s length with the taxpayer) has agreed to sell or issue under an agreement with the individual, if

(a) the taxpayer is a qualifying person;

(b) at the time the agreement was entered into, the individual was an employee of the taxpayer;

(c) the amount is not claimed as a deduction in computing the taxable income of another qualifying person;

(d) an amount would have been deductible in computing the taxable income of the individual under section 725.2 if the security were not a non-qualified security;

(e) in the case of an individual who is not resident in Canada throughout the year, the benefit deemed to have been received by the individual under section 49 or any of sections 50 to 52.1 was included in computing the individual’s taxable income earned in Canada for the year; and

(f) the notification requirements provided for in section 725.5.9 are met in respect of the security.

“725.5.2. Section 725.5.3 applies to a taxpayer in respect of an agreement if

(a) a particular qualifying person agrees to sell or issue securities of the particular qualifying person (or of another qualifying person that does not deal at arm’s length with the particular qualifying person) to the taxpayer under the agreement;

(b) at the time the agreement is entered into (in this section and section 725.5.3 referred to as the “relevant time”), the taxpayer is an employee of the particular qualifying person or of another qualifying person that does not deal at arm’s length with the particular qualifying person; and

(c) at the relevant time, any of the following persons is a specified person:

- i. the particular qualifying person,
- ii. the other qualifying person referred to in paragraph *a*, or
- iii. the other qualifying person referred to in paragraph *b*.

“725.5.3. Where, because of section 725.5.2, this section applies to a taxpayer in respect of an agreement, the securities to be sold or issued under the particular agreement, for each vesting year of those securities, are deemed to be non-qualified securities for the purposes of this Title in the proportion determined by the formula

A/B.

In the formula in the first paragraph,

(a) A is the amount determined by the formula

$C + D - \$200,000$; and

(b) B is the aggregate of all amounts each of which is the fair market value at the relevant time of each security under the agreement that has that same vesting year.

In the formula in subparagraph *a* of the second paragraph,

(a) C is the value of B in the formula in the first paragraph; and

(b) D is the lesser of

- i. \$200,000, and

ii. the aggregate of all amounts each of which is an amount represented by B in the formula in the first paragraph in respect of securities that have that same vesting year under agreements (other than the particular agreement) entered into at or before the relevant time with the particular qualifying person referred to in section 725.5.2 (or another qualifying person that does not deal at arm's length with the particular qualifying person), other than

(1) designated securities referred to in section 725.5.4,

(2) old securities within the meaning of section 49.4,

(3) securities where the right to acquire those securities is an old right within the meaning of section 725.2.4, and

(4) securities in respect of which the right to acquire those securities has expired, or has been cancelled, before the relevant time and in respect of which no amount is deductible under section 725.2 in computing the taxable income of the taxpayer for any year.

“725.5.4. Where the particular qualifying person referred to in paragraph *a* of section 725.5.2 designates, in accordance with subsection 1.4 of section 110 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), one or more securities to be sold or issued under an agreement as non-qualified securities, those securities are deemed to be non-qualified securities for the purposes of this Title.

“725.5.5. For the purposes of this Title, where a taxpayer acquires a security under an agreement and the acquired security could be a security that is not a non-qualified security, the security is to be considered a security that is not a non-qualified security.

“725.5.6. Where two or more agreements to sell or issue securities are entered into at the same time and the particular qualifying person referred to in paragraph *a* of section 725.5.2 designates the order of the agreements, in accordance with subsection 1.42 of section 110 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), then the agreements are deemed to have been entered into in that order for the purposes of subparagraph ii of subparagraph *b* of the third paragraph of section 725.5.3.

“725.5.7. Section 725.5.8 applies in respect of a taxpayer's right to acquire a security under an agreement if

(a) section 725.5.3 applies to the taxpayer in respect of the agreement;

(b) the security is not a non-qualified security; and

(c) a payment is made to or for the benefit of the taxpayer for the taxpayer's transfer or disposition of the right.

“725.5.8. Where, because of section 725.5.7, this section applies in respect of a taxpayer’s right to acquire a security under an agreement, the following rules apply:

(a) no qualifying person may deduct, in computing its income for a taxation year, an amount (other than a designated amount described in subsection 1.2 of section 110 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement)) in respect of the payment referred to in paragraph *c* of section 725.5.7; and

(b) section 725.2 applies, in respect of the right, without reference to its paragraph *b.1*.

“725.5.9. Where a security to be sold or issued under an agreement entered into between an employee and a qualifying person is a non-qualified security, the employer of the employee shall

(a) notify the employee in writing that the security is a non-qualified security no later than 30 days after the day that the agreement is entered into; and

(b) send to the Minister a copy of every document sent to the Minister of Revenue of Canada in accordance with paragraph *b* of subsection 1.9 of section 110 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) on or before the filing-due date for the taxation year of the qualifying person that includes the date on which the agreement is entered into.”

(2) Subsection 1 applies in respect of an agreement to sell or issue securities entered into after 30 June 2021. However, sections 725.5.1 to 725.5.9 of the Act do not apply in respect of rights to which section 49.4 of the Act applies that are new options (within the meaning of that section) in respect of which exchanged options (within the meaning of that section and on the assumption that subparagraph *b* of the fourth paragraph of that section 49.4 applies for those purposes) were issued before 1 July 2021.

43. (1) Section 727 of the Act is amended by replacing paragraph *d* by the following paragraph:

“(d) despite paragraph *c*, in the seven taxation years that precede and in the three taxation years that follow the particular year, if the taxpayer is an employee life and health trust.”

(2) Subsection 1 has effect from 27 February 2018.

44. (1) Section 728.0.1 of the Act is amended by replacing “725.5” in subparagraph ii of paragraph *a* by “725.5.1”.

(2) Subsection 1 has effect from 1 July 2021.

45. Section 733.0.1 of the Act is amended by replacing “sections 56 and 70 of the Act respecting international financial centres (chapter C-8.3),” by “section 70 of the Act respecting international financial centres (chapter C-8.3)”.

46. Sections 733.0.6 to 733.0.8 of the Act are repealed.

47. Section 737.0.1 of the Act is amended by replacing “any of sections 737.16, 737.18.10 and 737.18.34” in the second paragraph by “section 737.16 or 737.18.10”.

48. Section 737.14 of the Act is repealed.

49. Section 737.16 of the Act is amended by striking out “or partnership”.

50. Section 737.16.1 of the Act is repealed.

51. Chapter III of Title VII.2 of Book IV of Part I of the Act, comprising section 737.17, is repealed.

52. Section 737.18.0.1 of the Act is repealed.

53. Titles VII.2.4 and VII.2.6 of Book IV of Part I of the Act, comprising sections 737.18.18 to 737.18.26.1 and 737.18.29 to 737.18.35, respectively, are repealed.

54. (1) Section 737.18.44 of the Act is amended

(1) by replacing subparagraph iii of subparagraph *f* of the third paragraph by the following subparagraph:

“iii. 50% of the aggregate of the amounts that, for the year concerned, would be described in subparagraph iii or iv of subparagraph *e* if all the scientific research and experimental development work undertaken on behalf of the corporation had been undertaken in Québec;”;

(2) by replacing the fifth paragraph by the following paragraph:

“For the purposes of subparagraphs *e* and *f* of the third paragraph, the following rules apply:

(a) section 1029.7 is to be read without reference to subparagraphs i and ii of subparagraph *b* of its third paragraph; and

(b) no reference is to be made to section 230.0.0.5.”

(2) Subsection 1 applies to a taxation year that begins after 31 December 2020.

55. Section 737.19.2 of the Act is amended

- (1) by striking out “737.18.29,” in the second paragraph;
- (2) by striking out “737.18.34,” in the third paragraph.

56. Section 737.20 of the Act is amended by striking out “737.18.29,” in subparagraph ii of paragraph *a*.

57. (1) Section 752.0.8 of the Act is amended by adding the following subparagraph at the end of paragraph *a*:

“vii. an amount the inclusion of which is required under section 965.0.39; and”.

- (2) Subsection 1 has effect from 1 January 2020.

58. Section 752.0.10 of the Act is amended by striking out subparagraph ii of paragraph *f*.

59. (1) Section 752.0.11.1.3 of the Act is amended

- (1) by replacing paragraph *a* by the following paragraph:

“(a) the expenses related to an in vitro fertilization treatment or an artificial insemination treatment, if such expenses are, as applicable,

i. expenses taken into account in computing the amount that a person is deemed to have paid to the Minister under Division II.12.1 of Chapter III.1 of Title III of Book IX for the taxation year in which the expenses were paid,

ii. expenses paid in respect of an in vitro fertilization activity, or an artificial insemination activity, carried out in Québec in a centre for assisted procreation that does not hold a licence issued in accordance with the Act respecting clinical and research activities relating to assisted procreation (chapter A-5.01), or

iii. expenses paid in respect of an in vitro fertilization treatment during which an in vitro fertilization activity is carried out that does not meet a condition of paragraphs *a* to *c* of the definition of “eligible in vitro fertilization treatment” in the first paragraph of section 1029.8.66.1;”;

- (2) by adding the following paragraph at the end:

“For the purposes of subparagraph ii of subparagraph *a* of the first paragraph, where an artificial insemination activity is carried out, at any time before 11 March 2022, in a centre for assisted procreation that does not, at that time, hold a licence issued in accordance with the Act respecting clinical and research activities relating to assisted procreation, the activity is deemed to be carried

out in a centre for assisted procreation that holds such a licence, if the centre was in operation on 11 March 2021 and was not required, before that date, to hold such a licence to carry out the activity.”

(2) Subsection 1 applies in respect of expenses paid after 14 November 2021, except where it replaces subparagraph iii of paragraph *a* of section 752.0.11.1.3 of the Act, in which case it applies in respect of an activity carried out after that date.

60. (1) Section 752.0.13.1 of the Act is amended

(1) by replacing subparagraph *a* of the second paragraph by the following subparagraph:

“(a) the expenses related to an in vitro fertilization treatment or an artificial insemination treatment, if such expenses are, as applicable,

i. expenses taken into account in computing the amount that a person is deemed to have paid to the Minister under Division II.12.1 of Chapter III.1 of Title III of Book IX for the taxation year in which the expenses were paid,

ii. expenses paid in respect of an in vitro fertilization activity, or an artificial insemination activity, carried out in Québec in a centre for assisted procreation that does not hold a licence issued in accordance with the Act respecting clinical and research activities relating to assisted procreation (chapter A-5.01), or

iii. expenses paid in respect of an in vitro fertilization treatment during which an in vitro fertilization activity is carried out that does not meet a condition of paragraphs *a* to *c* of the definition of “eligible in vitro fertilization treatment” in the first paragraph of section 1029.8.66.1; and”;

(2) by adding the following paragraph at the end:

“For the purposes of subparagraph ii of subparagraph *a* of the second paragraph, where an artificial insemination activity is carried out, at any time before 11 March 2022, in a centre for assisted procreation that does not, at that time, hold a licence issued in accordance with the Act respecting clinical and research activities relating to assisted procreation, the activity is deemed to be carried out in a centre for assisted procreation that holds such a licence, if the centre was in operation on 11 March 2021 and was not required, before that date, to hold such a licence to carry out the activity.”

(2) Subsection 1 applies in respect of expenses paid after 14 November 2021, except where it replaces subparagraph iii of subparagraph *a* of the second paragraph of section 752.0.13.1 of the Act, in which case it applies in respect of an activity carried out after that date.

61. Section 752.0.18.7 of the Act is amended by striking out “737.18.34.”.

62. Section 752.0.18.9 of the Act is amended by striking out “, 737.18.34”.

63. Section 767 of the Act is amended by striking out subparagraph *b* of the second paragraph.

64. Section 771.2.2 of the Act is repealed.

65. Sections 771.2.6 and 771.2.7 of the Act are repealed.

66. Section 772.2 of the Act is amended

(1) by striking out subparagraph 2 of subparagraph vii of paragraph *d* of the definition of “non-business-income tax”;

(2) by replacing “737.14 or 737.28” in subparagraph viii of paragraph *d* of the definition of “non-business-income tax” by “737.28”;

(3) by striking out subparagraph ii of paragraph *b* of the definition of “business-income tax”.

67. (1) Section 772.7 of the Act is amended

(1) by striking out “, 737.14” and “, 737.18.34” in subparagraph ii of subparagraph *a* of the first paragraph;

(2) by replacing subparagraph ii of subparagraph *b* of the first paragraph by the following subparagraph:

“ii. the aggregate of all amounts each of which is an amount deductible under any of sections 725, 725.2 to 725.5.1, 726.26, 726.28, 737.16, 737.18.10, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.4.7, 737.22.0.7, 737.22.0.10, 737.22.0.13, 737.25 and 737.28, or deducted under any of sections 726.7 to 726.9, 726.20.2, 726.42 and 729, in computing the individual’s taxable income for the year.”;

(3) by striking out subparagraph *c* of the second paragraph.

(2) Paragraph 2 of subsection 1, where it replaces “725.5” by “725.5.1”, has effect from 1 July 2021.

68. (1) Section 772.9 of the Act is amended, in paragraph *a*,

(1) by replacing “737.16, 737.18.10 and 737.18.34” in subparagraph 1 of subparagraph *i* by “737.16 and 737.18.10”;

(2) by replacing subparagraph 2 of subparagraph ii by the following subparagraph:

“(2) the aggregate of all amounts each of which is an amount deductible under any of sections 725, 725.2 to 725.5.1, 726.26, 726.28, 737.16, 737.18.10, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.4.7, 737.22.0.7, 737.22.0.10, 737.22.0.13, 737.25 and 737.28, or deducted under any of sections 726.7 to 726.9, 726.20.2, 726.42 and 729, in computing the individual’s taxable income for the year; and”.

(2) Paragraph 2 of subsection 1, where it replaces “725.5” by “725.5.1”, has effect from 1 July 2021.

69. Section 772.11 of the Act is amended by replacing subparagraph 2 of subparagraph ii of subparagraph *a* of the second paragraph by the following subparagraph:

“(2) the aggregate of all amounts each of which is an amount deductible under any of sections 725, 725.2 to 725.5, 726.26, 726.28, 737.16, 737.18.10, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.4.7, 737.22.0.7, 737.22.0.10, 737.25 and 737.28, or deducted under any of sections 726.7 to 726.9, 726.20.2, 726.42 and 729, in computing the individual’s taxable income for the year; and”.

70. The Act is amended by striking out the following before section 796.1:

“CHAPTER I

“INTERPRETATION AND GENERAL RULES”.

71. (1) Section 851.56 of the Act is amended by adding the following subparagraph at the end of the second paragraph:

“(c) for the purpose of allowing an amount to be deducted under section 725.5.1.”

(2) Subsection 1 has effect from 1 July 2021.

72. (1) Section 869.1 of the Act is amended by replacing the definition of “designated employee benefit” by the following definition:

““designated employee benefit” means

- (a) a benefit from a group sickness or accident insurance plan;
- (b) a benefit from a group term life insurance policy;
- (c) a benefit from a private health services plan;

(d) a benefit that is an advantage derived from counselling services described in subparagraph *d* of the third paragraph of section 38; or

(e) a benefit that is not a death benefit, but that would be a death benefit if the amounts determined under paragraphs *a* and *b* of section 4 were nil;”.

(2) Subsection 1 has effect from 27 February 2018.

73. (1) Section 869.2 of the Act is amended

(1) by replacing paragraph *a* by the following paragraph:

“(a) the only purpose of the trust is to provide employee benefits to, or for the benefit of, persons described in subparagraph i or ii of subparagraph *d* and all or substantially all of the total cost of the employee benefits is applicable to designated employee benefits;”;

(2) by replacing paragraph *c* by the following paragraph:

“(c) the trust meets one of the following conditions:

i. the trust is required to be resident in Canada otherwise than under Chapter VI of Title X of Book III, or

ii. where the condition of subparagraph i is not met, the following requirements are met:

(1) employee benefits are provided to employees who are resident in Canada and to employees who are not resident in Canada,

(2) at least one participating employer is resident in a country other than Canada, and

(3) the trust is required to be resident in a country in which a participating employer resides;”;

(3) by inserting “or former participating employer” at the end of subparagraph i of paragraph *d*;

(4) by replacing the portion of subparagraph ii of paragraph *d* before subparagraph 1 by the following:

“ii. an individual who, in respect of an employee of a participating employer or former participating employer, is (or, if the employee is deceased, was, at the time of the employee’s death)”;

(5) by replacing paragraph *e* by the following paragraph:

“(e) the trust meets one of the following conditions:

i. it contains at least one class of beneficiaries the members of which represent at least 25% of all of the beneficiaries of the trust who are employees of the participating employers under the trust, and either of the following requirements is met:

(1) at least 75% of the members of the class are not key employees of any of the participating employers under the trust, or

(2) the contributions to the trust in respect of key employees who deal at arm's length with their employer are determined in connection with a collective agreement, or

ii. as regards the private health services plan under the trust, the total cost of benefits provided to each key employee, and to persons described in subparagraph ii of subparagraph *d* in respect of the key employee, for the year does not exceed the amount determined by the formula

$$\$2,500 \times A \times (B/C);$$

(6) by striking out paragraph *h*;

(7) by replacing paragraph *i* by the following paragraph:

“(i) trustees who do not deal at arm's length with one or more participating employers must not constitute the majority of the trustees of the trust.”;

(8) by adding the following paragraph at the end:

“In the formula in subparagraph ii of subparagraph *e* of the first paragraph,

(a) A is all the persons each of whom is

i. a person to whom designated employee benefits are provided under the plan, and

ii. the key employee or a person described in subparagraph ii of subparagraph *d* of the first paragraph in respect of the key employee;

(b) B is the number of days in the year that the key employee was employed on a full-time basis by an employer that participates in the plan; and

(c) C is the number of days in the year.”

(2) Subsection 1 has effect from 27 February 2018. In addition, from that date, Title I.1 of Book VII of Part I of the Act applies in respect of a trust regardless of the date that the trust was created.

74. (1) Section 869.3 of the Act is amended by replacing paragraphs *a* and *b* by the following paragraphs:

“(a) is not operated in the year in accordance with the terms required by section 869.2 to govern the trust, unless it is reasonable to conclude that its trustees neither knew nor ought to have known that designated employee benefits have been provided to, or contributions have been made in respect of, beneficiaries other than those described in subparagraphs *i* and *ii* of subparagraph *d* of the first paragraph of section 869.2; or

“(b) provides any benefit for which, if the benefit had been paid directly to the employee and not out of the trust, the contributions or premiums would not be deductible in computing an employer’s income in respect of any taxation year.”

(2) Subsection 1 has effect from 27 February 2018.

75. (1) Section 869.4 of the Act is amended, in paragraph *a*,

(1) by replacing subparagraph *i* by the following subparagraph:

“i. pay premiums to an insurance corporation that is licensed to provide insurance under the laws of Canada or a province for insurance coverage for the year or a preceding taxation year in respect of designated employee benefits for beneficiaries described in subparagraph *i* or *ii* of subparagraph *d* of the first paragraph of section 869.2, or”;

(2) by replacing subparagraph 2 of subparagraph *ii* by the following subparagraph:

“(2) any designated employee benefits payable in the year or a preceding taxation year to, or for the benefit of, beneficiaries described in subparagraph *i* or *ii* of subparagraph *d* of the first paragraph of section 869.2; and”.

(2) Subsection 1 has effect from 27 February 2018.

76. (1) Section 869.5 of the Act is amended by replacing “described in subparagraph *i* or *ii* of paragraph *d*” by “described in subparagraph *i* or *ii* of subparagraph *d* of the first paragraph”.

(2) Subsection 1 has effect from 27 February 2018.

77. (1) Section 869.6 of the Act is amended

(1) by striking out subparagraph *a* of the first paragraph;

(2) by replacing subparagraph *b* of the first paragraph by the following subparagraph:

“(b) the employer contributes to the trust in accordance with a contribution formula that does not provide for any variation in contributions determined by reference to the financial experience of the trust and either of the following conditions is met:

i. if there is a collective agreement, the trust provides benefits under

(1) the collective agreement, or

(2) a participation agreement that provides for benefits that are essentially the same as those provided for under the collective agreement, or

ii. if there is no collective agreement, the trust provides benefits in accordance with an arrangement that meets the following conditions:

(1) the agreement provides for a legal requirement for each employer to participate under the terms and conditions that govern the trust,

(2) under the agreement, there are a minimum of 50 beneficiaries under the trust who are employees of the participating employers in respect of the trust, and

(3) under the agreement, each employee who is a beneficiary under the trust deals at arm’s length with each participating employer in respect of the trust; and”;

(3) by striking out the second paragraph.

(2) Subsection 1 has effect from 27 February 2018.

78. (1) Section 869.12 of the Act is amended by replacing “described in subparagraph i or ii of paragraph *d*” in the portion before subparagraph *a* of the first paragraph by “described in subparagraph i or ii of subparagraph *d* of the first paragraph”.

(2) Subsection 1 has effect from 27 February 2018.

79. (1) The Act is amended by inserting the following sections after section 869.13:

“**869.14.** Section 869.15 applies in respect of a trust that has made a valid election under paragraph *d* of subsection 14 of section 144.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement).

Chapter V.2 of Title II of Book I applies in relation to an election to which the first paragraph refers.

“869.15. Where the condition of section 869.14 is satisfied in respect of a trust, the following rules apply:

(a) the trust is deemed for the purposes of this Part to be an employee life and health trust from the date referred to in paragraph *d* of subsection 14 of section 144.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) until the earliest of

- i. the end of the year 2022,
- ii. the day that the trust satisfies the conditions of section 869.2, and
- iii. any day on which all or substantially all of the employee benefits provided by the trust are not designated employee benefits; and

(b) at any time that the trust is an employee life and health trust because of paragraph *a*, the following rules apply in its respect:

- i. section 727.1 is to be read as if “of paragraph *b*” were inserted before “of section 869.3” in paragraph *b*, and
- ii. section 869.3 is to be read without reference to its paragraph *a*.

“869.16. If a property is transferred from a trust (in this section referred to as the “transferor trust”) to an employee life and health trust (in this section referred to as the “receiving trust”) and a notice has been sent in that regard to the Minister of Revenue of Canada in accordance with subsection 16 of section 144.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), the following rules apply:

(a) the transferred property is deemed to have been disposed of by the transferor trust, and to have been acquired by the receiving trust, for an amount equal to the cost amount of the property to the transferor trust immediately before the disposition; and

(b) section 690.2 does not apply in respect of the transfer.

Chapter V.2 of Title II of Book I applies in relation to a notice sent in accordance with subsection 16 of section 144.1 of the Income Tax Act as if the notice were an election made under that subsection 16.

“869.17. Where section 869.16 applies in respect of the transfer of a property to an employee life and health trust, the transfer is not considered to be a contribution to the trust for the purposes of sections 869.4 and 869.6.

“869.18. A trust is required, on or before its first filing-due date after 31 December 2021, to notify the Minister in the prescribed form that it is an employee life and health trust if

(a) prior to 27 February 2018, it provided employee benefits all or substantially all of which are designated employee benefits;

(b) after 26 February 2018, it becomes an employee life and health trust because it satisfies the conditions of section 869.2; and

(c) sections 869.15 and 869.16 do not apply in respect of the trust.”

(2) Subsection 1 has effect from 27 February 2018.

80. (1) Section 890.0.1 of the Act is amended

(1) by replacing the portion of subparagraph *d* of the first paragraph before subparagraph *i* by the following:

“(d) the amount is transferred for the benefit of the individual directly to any of the following plans, funds or providers:”;

(2) by adding the following subparagraph at the end of subparagraph *d* of the first paragraph:

“v. a licensed annuities provider to acquire an advanced life deferred annuity, if the individual is an employee or former employee of an employer who participated in the plan on the employee’s behalf.”;

(3) by replacing the portion of subparagraph *b* of the second paragraph before subparagraph *ii* by the following:

“(b) who is the spouse or former spouse of an employee or former employee referred to in subparagraph *a* and who is entitled to the amount referred to in subparagraph *b* of the first paragraph

i. as a consequence of the death of the employee or former employee, or”.

(2) Subsection 1 has effect from 1 January 2020.

81. (1) Section 913 of the Act is replaced by the following section:

“**913.** Where a registered retirement savings plan is revised or amended at any time to provide for the payment or transfer, before the date provided for the first payment of benefits, of any property under the plan by the issuer on behalf of the annuitant under the plan (in this section referred to as the “transferor”), to a registered pension plan for the benefit of the transferor, to a registered retirement savings plan or registered retirement income fund under which the transferor is the annuitant or to a licensed annuities provider to acquire an advanced life deferred annuity for the benefit of the transferor, or to a registered retirement savings plan or registered retirement income fund under which the transferor’s spouse or former spouse is the annuitant, where the transferor and the transferor’s spouse or former spouse are living separate

and apart and the payment or transfer is made under a decree, order or judgment of a competent tribunal, or under a written separation agreement, relating to a partition of property between the transferor and the transferor's spouse or former spouse in settlement of rights arising out of, or on the breakdown of, their marriage, the amount paid or transferred on behalf of the transferor shall not, by reason only of such payment or transfer, be included in computing the income of the transferor or the transferor's spouse or former spouse and no deduction may be made in computing the income of any individual under Chapter III of Title II of Book III in respect of the amount so paid or transferred."

(2) Subsection 1 has effect from 1 January 2020.

82. (1) Section 961.17 of the Act is amended by adding the following subparagraph at the end of the second paragraph:

"(d) an amount transferred at the direction of the annuitant directly to a licensed annuities provider to acquire an advanced life deferred annuity for the benefit of the annuitant."

(2) Subsection 1 has effect from 1 January 2020.

83. (1) Section 961.21.1 of the Act is amended by replacing "a to c" by "a to d".

(2) Subsection 1 has effect from 1 January 2020.

84. (1) Section 965.0.5 of the Act is amended by adding the following subparagraph at the end of paragraph c:

"iv. a licensed annuities provider to acquire an advanced life deferred annuity for the benefit of the member."

(2) Subsection 1 has effect from 1 January 2020.

85. (1) Section 965.0.17.2 of the Act is amended by replacing the portion before subparagraph a of the first paragraph by the following:

"**965.0.17.2.** For the purposes of this Part, the rules provided in the second paragraph apply where at any time an individual acquires, in full or partial satisfaction of the individual's entitlement to benefits under a registered pension plan, an interest in an annuity contract (other than an advanced life deferred annuity) purchased from a licensed annuities provider and".

(2) Subsection 1 has effect from 1 January 2020.

86. (1) Section 965.0.19 of the Act is amended by replacing the portion of the definition of “qualifying annuity” in the first paragraph before paragraph *a* by the following:

““qualifying annuity”, for an individual, means a life annuity (other than an advanced life deferred annuity) that”.

(2) Subsection 1 has effect from 1 January 2020.

87. (1) Section 965.0.35 of the Act is amended, in paragraph *c*,

(1) by replacing subparagraph *v* by the following subparagraph:

“*v.* a licensed annuities provider to acquire a qualifying annuity for the individual, or”;

(2) by adding the following subparagraph at the end:

“*vi.* a licensed annuities provider to acquire an advanced life deferred annuity for the benefit of the member.”

(2) Subsection 1 has effect from 1 January 2020.

88. (1) The Act is amended by inserting the following Title after section 965.0.37:

“TITLE VI.0.3

“ADVANCED LIFE DEFERRED ANNUITY

“CHAPTER I

“DEFINITIONS

“965.0.38. In this Title,

“advanced life deferred annuity” means a contract for the constitution of an annuity in respect of which the following conditions are met:

(*a*) it is issued by a licensed annuities provider;

(*b*) it specifies that it has been set up with the intention that it serve as an advanced life deferred annuity for the purposes of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement);

(*c*) it provides for periodic annuity payments that

i. commence to be paid no later than the end of the calendar year in which the annuitant attains 85 years of age, and

ii. are payable for the life of the annuitant or, where the annuity is constituted for the benefit of the annuitant and the annuitant's spouse jointly, for the life of the annuitant and, on the annuitant's death, for the life of the spouse;

(d) it provides that periodic annuity payments are payable in equal amounts, or in amounts that are not equal only because

i. the payments are adjusted in whole or in part to reflect

(1) increases in the Consumer Price Index, as published by Statistics Canada under the Statistics Act (Revised Statutes of Canada, 1985, chapter S-19), or

(2) increases at a rate specified in the contract, not exceeding 2% per year, or

ii. the payments are reduced on the death of the annuitant or the death of the annuitant's spouse;

(e) where the annuity is constituted for the benefit of the annuitant and the annuitant's spouse jointly and the annuitant dies before payments commence to be paid, it provides that the payments to the spouse must

i. commence to be paid no later than the date that they would have commenced to be paid if the annuitant were alive, and

ii. be adjusted in accordance with generally accepted actuarial principles if the payments commence to be paid before the date they would have commenced to be paid if the annuitant were alive;

(f) it provides that the amount to be paid, if any, to one or more beneficiaries under the contract after the death of the annuitant—or, if the annuity is constituted for the benefit of the annuitant and the annuitant's spouse jointly and the spouse outlives the annuitant, after the death of the spouse—must

i. be paid as soon as practicable after the death of the annuitant or the death of the annuitant's spouse, as the case may be, and

ii. be equal to or less than the amount, if any, by which the total amount transferred to acquire the annuity exceeds the aggregate of all amounts each of which is an annuity payment made under the contract;

(g) it provides that an amount transferred to acquire the annuity may be refunded, in whole or in part, provided that the refund is paid to reduce the amount of tax that would otherwise be payable by the annuitant under Part XI of the Income Tax Act and that

i. the refund is paid to the annuitant, or

ii. the refund is transferred directly to

(1) the issuer, within the meaning of paragraph *c* of section 905.1, of a registered retirement savings plan of the annuitant,

(2) the carrier, within the meaning of paragraph *b* of section 961.1.5, of a registered retirement income fund of the annuitant,

(3) the administrator, within the meaning of section 965.0.19, of a pooled registered pension plan under which the annuitant is a member, within the meaning of that section, or

(4) the administrator of a money purchase provision, within the meaning of section 965.0.1, of a registered pension plan under which the annuitant is a member, within the meaning of that section;

(*h*) if it provides that the spouse may request a payment in a single amount in full or partial satisfaction of the spouse's entitlement to payments described in subparagraph ii of paragraph *c* as a consequence of the death of the annuitant, the single amount must not exceed the present value (at the time it is paid) of the other payments that, because of the payment of that single amount, cease to be provided;

(*i*) it provides that no right under the contract may be surrendered, assigned, charged, anticipated or given as security; and

(*j*) it does not provide for any payment except as provided for in this definition;

“annuitant” means an individual who has acquired a contract for the constitution of an annuity from a licensed annuities provider;

“beneficiary”, under a contract for the constitution of an annuity, means an individual who has a right under the contract to receive a payment after the death of the annuitant or the annuitant's spouse.

“CHAPTER II

“AMOUNTS TO BE INCLUDED

“**965.0.39.** The aggregate of all amounts each of which is an amount received or deemed to have been received under paragraph *a* of section 965.0.44 by a taxpayer in a taxation year under an advanced life deferred annuity (other than an amount described in paragraph *f* or *g* of the definition of that expression in section 965.0.38) must be included in computing the taxpayer's income for the year.

“965.0.40. Where, as a result of the death of an individual, an amount is received by a taxpayer in a taxation year under an advanced life deferred annuity and the amount is described in paragraph *f* of the definition of that expression in section 965.0.38, the following rules apply:

(a) if the taxpayer is the spouse of the individual or is a child or grandchild of the individual who was, immediately before the death of the individual, financially dependent on the individual for support, the amount must be included in computing the taxpayer’s income for the year; and

(b) if the taxpayer is not a person described in paragraph *a*, the amount must be included in computing the individual’s income for the taxation year in which the individual died.

“965.0.41. The amount of a refund described in paragraph *g* of the definition of “advanced life deferred annuity” in section 965.0.38 that an annuitant received in accordance with subparagraph *i* of that paragraph *g* in a taxation year must be included in computing the annuitant’s income for the year.

“CHAPTER III

“SPECIAL PROVISIONS

“965.0.42. Where an amount is paid as a refund in circumstances described in subparagraph *ii* of paragraph *g* of the definition of “advanced life deferred annuity” in section 965.0.38, the following rules apply:

(a) the amount must not, by reason only of that payment, be included in computing a taxpayer’s income under section 313.15; and

(b) no deduction may be made under any provision of this Act in computing a taxpayer’s income in respect of the amount.

“965.0.43. An amount is deemed to have been received at a particular time by a beneficiary, within the meaning of the second paragraph of section 646, of a deceased annuitant’s succession and not by the legal representative of the deceased annuitant, where

(a) the amount is described in paragraph *f* of the definition of “advanced life deferred annuity” in section 965.0.38;

(b) the amount was paid to the legal representative;

(c) the beneficiary is a person described in paragraph *a* of section 965.0.40;

(d) the beneficiary is entitled to the amount in full or partial satisfaction of the beneficiary’s rights as a beneficiary under the deceased annuitant’s succession; and

(e) the amount is designated jointly by the legal representative and the beneficiary in the prescribed form filed with the Minister.

“965.0.44. Where an amendment is made at any time to a contract and the effect of the amendment is that the conditions in the definition of “advanced life deferred annuity” in section 965.0.38 are no longer being met in its respect, the following rules apply:

(a) the annuitant under the contract immediately before that time is deemed to have received, at that time, an amount under an advanced life deferred annuity equal to the fair market value of the annuitant’s right in the contract at that time; and

(b) the annuitant is deemed to have acquired the annuitant’s right in the contract at that time at a cost equal to its fair market value at that time.”

(2) Subsection 1 has effect from 1 January 2020.

89. (1) Section 1015 of the Act is amended by adding the following subparagraph at the end of the second paragraph:

“(v) a payment from an advanced life deferred annuity.”

(2) Subsection 1 has effect from 1 January 2020.

90. Section 1015.0.1 of the Act is amended by striking out “737.18.34,” in the portion before subparagraph *a* of the first paragraph.

91. (1) Section 1029.6.0.0.1 of the Act is amended by replacing the third paragraph by the following paragraph:

“Subject to subparagraphs *c* to *f* of the second paragraph, government assistance includes the amount of any financial contribution in respect of a property that is a Québec film production, within the meaning of the first paragraph of section 1029.8.34, a qualified production, within the meaning of the first paragraph of section 1029.8.36.0.0.1 or 1029.8.36.0.0.4, a qualified low-budget production, within the meaning of the first paragraph of section 1029.8.36.0.0.4, a qualified property, within the meaning of the first paragraph of section 1029.8.36.0.0.7, a qualified performance, within the meaning of the first paragraph of section 1029.8.36.0.0.10, a qualified production, within the meaning of the first paragraph of section 1029.8.36.0.0.12.1, an eligible work or an eligible group of works, within the meaning of the first paragraph of section 1029.8.36.0.0.13, that a corporation has received, is entitled to receive or may reasonably expect to receive from a government, municipality or other public authority, or a person or partnership that pays that contribution in circumstances where it is reasonable to conclude that the person or partnership would not have paid the contribution but for the amount that the person or partnership or another person or partnership received from a government, municipality or other public authority.”

(2) Subsection 1 applies in respect of a financial contribution that a corporation receives, is entitled to receive or may reasonably expect to receive after 17 December 2021, except for a financial contribution covered by an agreement entered into with the corporation before 18 December 2021.

92. Section 1029.6.0.1 of the Act is amended by striking out subparagraph *c* of the first paragraph.

93. (1) Section 1029.6.0.1.7.1 of the Act is repealed.

(2) Subsection 1 applies to a taxation year that begins after 26 March 2015 and in which a fiscal period of a partnership ends.

94. (1) Section 1029.6.0.1.8 of the Act is amended by replacing “II.6.0.2” by “II.6.0.3”.

(2) Subsection 1 has effect from 4 June 2021.

95. (1) Section 1029.6.0.6 of the Act is amended

(1) by replacing subparagraphs *b.5.0.3* and *b.5.0.4* of the fourth paragraph by the following subparagraphs:

“(b.5.0.3) the amount of \$411 mentioned in subparagraphs *i* and *ii* of subparagraph *a* of the second paragraph of section 1029.8.61.104;

“(b.5.0.4) the amounts of \$24,195 and \$39,350 mentioned in subparagraphs *i* and *ii* of subparagraph *b* of the second paragraph of section 1029.8.61.104;”;

(2) by replacing subparagraphs *c* to *d* of the fourth paragraph by the following subparagraphs:

“(c) the amount of \$11,081 mentioned in the definition of “eligible child” in section 1029.8.67;

“(c.1) the amounts of \$5,375, \$10,675 and \$14,605 mentioned in the definition of “qualified child care expense” in section 1029.8.67;

“(d) the amounts between \$21,555 and \$104,170 mentioned in section 1029.8.80;”;

(3) by striking out subparagraph *e* of the fourth paragraph;

(4) by inserting “, as they read for that taxation year,” after “of the fourth paragraph” in the fifth paragraph.

(2) Paragraphs 1 and 2 of subsection 1 apply from the taxation year 2023. In addition, section 1029.6.0.6 of the Act is to be read

(1) without reference to subparagraphs *b.5.0.3*, *b.5.0.4*, *c.1* and *d* of its fourth paragraph, where it applies to the taxation year 2021; and

(2) without reference to subparagraphs *b.5.0.3*, *b.5.0.4* and *c* to *d* of its fourth paragraph, where it applies to the taxation year 2022.

(3) Paragraph 3 of subsection 1 applies from the taxation year 2022.

96. (1) Section 1029.6.0.7 of the Act is amended by replacing “*c.1* to *e*” in the first paragraph by “*c.1*, *d*”.

(2) Subsection 1 applies from the taxation year 2022.

97. Section 1029.8.21.17 of the Act is amended by replacing the definition of “eligible liaison and transfer service” in the first paragraph by the following definition:

““eligible liaison and transfer service” means a prescribed liaison and transfer product or service offered as part of a technology or knowledge transfer;”.

98. (1) Section 1029.8.36.10 of the Act is amended

(1) by replacing the portion before the formula in the first paragraph by the following:

1029.8.36.10. Where the assets of a corporation referred to in section 1029.8.36.5 or 1029.8.36.7 or of a partnership referred to in section 1029.8.36.6 or 1029.8.36.7.1 that are shown in the financial statements submitted to the shareholders of the corporation or members of the partnership, as the case may be, or, where such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, that would be shown if such financial statements had been prepared in accordance with generally accepted accounting principles, for its preceding taxation year or its preceding fiscal period, as the case may be, or, where the corporation or partnership is in its first fiscal period, at the beginning of its first fiscal period, were less than \$75,000,000, the rate of “12%” mentioned in any of those sections 1029.8.36.5 to 1029.8.36.7.1 is to be replaced by the rate determined by the formula”;

(2) by replacing the second paragraph by the following paragraph:

“In the formula in the first paragraph, A is the greater of \$50,000,000 and

(a) when determining the rate for the purposes of section 1029.8.36.5 or 1029.8.36.7, the amount of the assets of the corporation determined as provided in this subdivision; or

(b) when determining the rate for the purposes of section 1029.8.36.6 or 1029.8.36.7.1, the amount of assets of the partnership determined as provided in this subdivision.”

(2) Subsection 1 applies to a taxation year that begins after 26 March 2015.

99. (1) Section 1029.8.36.11 of the Act is replaced by the following section:

“1029.8.36.11. For the purposes of section 1029.8.36.10, in computing the assets of a corporation or a partnership at the time referred to in that section, the amount representing the surplus reassessment of its property and the amount of its incorporeal assets must be subtracted, to the extent that the amount indicated in their respect exceeds the expenditure made in their respect.

For the purposes of the first paragraph, all or part of an expenditure made in respect of incorporeal assets of a corporation or a partnership is deemed to be nil if all or the part of that expenditure consists

(a) in the case of a corporation or of a corporation that is a cooperative, of a share of its capital stock; or

(b) in the case of a partnership, of an interest in the partnership.”

(2) Subsection 1 applies to a taxation year that begins after 26 March 2015.

100. (1) Section 1029.8.36.12 of the Act is replaced by the following section:

“1029.8.36.12. For the purposes of section 1029.8.36.10, the assets of a corporation or partnership that is associated in a taxation year or fiscal period, as the case may be, with one or more other corporations or partnerships is equal to the amount by which the aggregate of the assets of the corporation or partnership, as the case may be, and the assets of each corporation or partnership associated with it, as determined under sections 1029.8.36.10 and 1029.8.36.11, exceeds the aggregate of the amount of investments the corporations and partnerships own in each other and the balance of accounts between the corporations and partnerships.”

(2) Subsection 1 applies to a taxation year that begins after 26 March 2015.

101. (1) Section 1029.8.36.15 of the Act is replaced by the following section:

“1029.8.36.15. For the purposes of sections 1029.8.36.10 to 1029.8.36.12, where a particular corporation referred to in section 1029.8.36.5 or 1029.8.36.7 or a particular partnership referred to in section 1029.8.36.6 or 1029.8.36.7.1, as the case may be, or a corporation or partnership associated with it reduces its assets by any transaction in a taxation year or fiscal period and, but for that reduction, the particular corporation or particular partnership would not be contemplated in section 1029.8.36.10, the assets are deemed not to have been so reduced unless the Minister decides otherwise.”

(2) Subsection 1 applies to a taxation year that begins after 26 March 2015.

102. Section 1029.8.36.59.49 of the Act is amended

(1) by replacing “737.18.24” in the definition of “qualified corporation” by “1029.8.36.59.49.1”;

(2) by replacing “737.18.24” in paragraph *a* of the definition of “qualified partnership” by “1029.8.36.59.49.1”.

103. The Act is amended by inserting the following sections after section 1029.8.36.59.49:

“1029.8.36.59.49.1. The paid-up capital attributed to a corporation for a particular taxation year of the corporation is equal to

(a) where the corporation is not a member of an associated group, within the meaning of section 1029.8.36.59.49.3, in the particular year, its paid-up capital, determined in accordance with section 1029.8.36.59.49.2, for the taxation year preceding the particular year; or

(b) where the corporation is a member of an associated group in the particular year, the aggregate of all amounts each of which is its paid-up capital, determined in accordance with section 1029.8.36.59.49.2, for the taxation year preceding the particular year and the paid-up capital of each other member of the group, determined in accordance with that section 1029.8.36.59.49.2, for its last taxation year that ended before the beginning of the particular year.

For the purposes of subparagraph *a* of the first paragraph, where the particular year is the first fiscal period of the corporation, its paid-up capital is determined, in accordance with section 1029.8.36.59.49.2, on the basis of its financial statements prepared at the beginning of that fiscal period in accordance with generally accepted accounting principles or, where such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, on the basis of such financial statements that would be prepared in accordance with generally accepted accounting principles.

For the purposes of subparagraph *b* of the first paragraph, where a member of the associated group, other than the corporation, has no taxation year ending before the beginning of the particular year, its paid-up capital is determined, in accordance with section 1029.8.36.59.49.2, on the basis of its financial statements prepared at the beginning of its first fiscal period in accordance with generally accepted accounting principles or, where such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, on the basis of such financial statements that would be prepared in accordance with generally accepted accounting principles.

“1029.8.36.59.49.2. For the purposes of this section and section 1029.8.36.59.49.1, the following rules apply:

(a) a corporation’s paid-up capital for a taxation year is equal to

i. in respect of a corporation, except a corporation that is an insurer within the meaning assigned by the Insurers Act (chapter A-32.1), its paid-up capital that would be determined for that year in accordance with Book III of Part IV if no reference were made to section 1138.2.6, or

ii. in respect of a corporation that is an insurer, within the meaning assigned by the Insurers Act, its paid-up capital that would be determined for that year in accordance with Title II of Book III of Part IV if it were a bank and if paragraph *a* of section 1140 were replaced by paragraph *a* of subsection 1 of section 1136;

(b) a business carried on by an individual who is a member of an associated group, within the meaning of section 1029.8.36.59.49.3, in a taxation year is deemed to be carried on by a corporation referred to in subparagraph i of paragraph *a* and a partnership or a trust which is a member of an associated group in a taxation year is deemed to be a corporation referred to in subparagraph i of paragraph *a*, the paid-up capital of which is determined in accordance with Title I of Book III of Part IV but without reference to paragraph *b.1.2* of section 1137 and any participating interest of which in the nature of capital stock or surplus is deemed to be referred to in paragraph *a* or *b* of subsection 1 of section 1136; and

(c) the interest of a member of an associated group in a taxation year in another member of that group is deemed to be an investment in shares and bonds of another corporation.

“1029.8.36.59.49.3. For the purposes of sections 1029.8.36.59.49.1 and 1029.8.36.59.49.2, an associated group, in a taxation year, means all the corporations that are associated with each other at any time in the year.

For the purposes of the first paragraph, the following rules apply:

(a) a business carried on by an individual, other than a trust, is deemed to be carried on by a corporation all the voting shares in the capital stock of which are owned at that time by the individual;

(b) a partnership is deemed to be a corporation all the voting shares in the capital stock of which are owned at that time by each member of the partnership in a proportion equal to the agreed proportion in respect of the member for the partnership’s fiscal period that includes that time; and

(c) a trust is deemed to be a corporation all the voting shares in the capital stock of which

i. in the case of a testamentary trust under which one or more beneficiaries are entitled to receive all of the income of the trust that arose before the date of death of one or the last surviving of those beneficiaries (in this subparagraph *c* referred to as the “distribution date”) and under which no other person can, before the distribution date, receive or otherwise obtain the enjoyment of any of the income or capital of the trust,

(1) where such a beneficiary’s share of the income or capital of the trust depends on the exercise by any person of, or the failure by any person to exercise, a power to appoint, and where that time occurs before the distribution date, are owned at that time by the beneficiary, or

(2) where subparagraph 1 does not apply and where that time occurs before the distribution date, are owned at that time by such a beneficiary in a proportion equal to the proportion that the fair market value of the beneficial interest in the trust of the beneficiary is of the fair market value of the beneficial interests in the trust of all the beneficiaries,

ii. where a beneficiary’s share of the accumulating income or capital of the trust depends on the exercise by any person of, or the failure by any person to exercise, a power to appoint, are owned at that time by the beneficiary, except where subparagraph *i* applies and that time occurs before the distribution date,

iii. in any case where subparagraph *ii* does not apply, are owned at that time by the beneficiary in a proportion equal to the proportion that the fair market value of the beneficial interest in the trust of the beneficiary is of the fair market value of all beneficial interests in the trust, except where subparagraph *i* applies and that time occurs before the distribution date, and

iv. in the case of a trust referred to in section 467, are owned at that time by the person referred to in that section from whom property of the trust or property for which it was substituted was directly or indirectly received.”

104. Section 1029.8.36.59.58 of the Act is amended

(1) by replacing “737.18.24” in the definition of “qualified corporation” by “1029.8.36.59.49.1”;

(2) by replacing “737.18.24” in paragraph *a* of the definition of “qualified partnership” by “1029.8.36.59.49.1”.

105. Section 1029.8.36.72.82.13 of the Act is amended by replacing “seventh” in paragraph *c* of the definition of “salary or wages” in the first paragraph by “sixth”.

106. Section 1029.8.36.166.40 of the Act is amended by striking out the definition of “associated group” in the first paragraph.

107. Section 1029.8.36.166.41 of the Act is repealed.

108. Section 1029.8.36.166.42 of the Act is amended

(1) by replacing “737.18.24” in the portion of the definition of “unused portion of the tax credit” in the second paragraph before paragraph *a* by “1029.8.36.59.49.1”;

(2) by replacing “737.18.24” in subparagraph *b* of the fourth paragraph by “1029.8.36.59.49.1”.

109. Section 1029.8.36.166.43 of the Act is amended by replacing “737.18.24” in the portion of subparagraph *a* of the first paragraph before subparagraph *i* by “1029.8.36.59.49.1”.

110. (1) Section 1029.8.36.166.44 of the Act is amended, in the first paragraph,

(1) by replacing the portion of subparagraph *a* before subparagraph *i* by the following:

“(a) if the paid-up capital attributed to the qualified partnership for the particular fiscal period, determined in accordance with section 1029.8.36.59.49.1 as if the partnership were a corporation whose taxation year corresponds to its fiscal period, is less than \$500,000,000, the total of”;

(2) by replacing all occurrences of “its share” in subparagraphs *a* and *b* by “the corporation’s share”.

(2) Subsection 1 applies to a taxation year that begins after 26 March 2015. However, where section 1029.8.36.166.44 of the Act applies before 8 June 2022, it is to be read as if “1029.8.36.59.49.1” in the portion of subparagraph *a* of the first paragraph before subparagraph *i* were replaced by “737.18.24”.

111. (1) Section 1029.8.36.166.45 of the Act is amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

“(b) the lesser of \$500,000,000 and

i. for the purpose of determining the rate in relation to the portion of the corporation’s eligible expenses, in respect of the property, the paid-up capital attributed to the corporation for the year, determined in accordance with section 1029.8.36.59.49.1, or

ii. for the purpose of determining the rate in relation to the corporation’s share of the portion of the partnership’s eligible expenses, in respect of the property, the paid-up capital attributed to the partnership for the fiscal period

that ends in the year, determined in accordance with section 1029.8.36.59.49.1 as if the partnership were a corporation whose taxation year corresponds to its fiscal period.”

(2) Subsection 1 applies to a taxation year that begins after 26 March 2015. However, where section 1029.8.36.166.45 of the Act applies before 8 June 2022, it is to be read as if “1029.8.36.59.49.1” in subparagraphs i and ii of subparagraph *b* of the second paragraph were replaced by “737.18.24”.

112. (1) Section 1029.8.36.166.45.1 of the Act is amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

“(b) the lesser of \$20,000,000 and

i. for the purpose of determining the rate in relation to the portion of the corporation’s eligible expenses, in respect of the property, the paid-up capital attributed to the corporation for the year, determined in accordance with section 737.18.24, as it read before being repealed, or

ii. for the purpose of determining the rate in relation to the corporation’s share of the portion of the partnership’s eligible expenses, in respect of the property, the paid-up capital attributed to the partnership for the fiscal period that ends in the year, determined in accordance with section 737.18.24, as it read before being repealed, as if the partnership were a corporation whose taxation year corresponds to its fiscal period.”

(2) Subsection 1 applies to a taxation year that begins after 26 March 2015 in respect of expenses incurred before 1 July 2015.

113. (1) Section 1029.8.36.166.45.2 of the Act is amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

“(b) the lesser of \$500,000,000 and

i. for the purpose of determining the rate in relation to the portion of the corporation’s eligible expenses, in respect of the property, the paid-up capital attributed to the corporation for the year, determined in accordance with section 737.18.24, as it read before being repealed, or

ii. for the purpose of determining the rate in relation to the corporation’s share of the portion of the partnership’s eligible expenses, in respect of the property, the paid-up capital attributed to the partnership for the fiscal period that ends in the year, determined in accordance with section 737.18.24, as it read before being repealed, as if the partnership were a corporation whose taxation year corresponds to its fiscal period.”

(2) Subsection 1 has effect from 16 August 2018 in respect of expenses incurred before 1 January 2020.

114. (1) Section 1029.8.36.166.60.29 of the Act is amended

(1) by replacing subparagraph *b* of the second paragraph by the following subparagraph:

“(b) the lesser of \$20,000,000 and

i. when determining the rate for the purposes of the first paragraph of section 1029.8.36.166.60.27, the corporation’s paid-up capital for the year, determined in accordance with section 1029.8.36.166.60.23, or

ii. when determining the rate for the purposes of the first paragraph of section 1029.8.36.166.60.28, the paid-up capital of the partnership of which the corporation is a member for its fiscal period that ends in the year, determined in accordance with section 1029.8.36.166.60.23 as if the partnership were a corporation whose taxation year corresponds to its fiscal period.”;

(2) by replacing subparagraph *b* of the third paragraph by the following subparagraph:

“(b) the lesser of \$50,000,000 and

i. when determining the rate for the purposes of the first paragraph of section 1029.8.36.166.60.27, the corporation’s paid-up capital for the year, determined in accordance with section 1029.8.36.166.60.23, or

ii. when determining the rate for the purposes of the first paragraph of section 1029.8.36.166.60.28, the paid-up capital of the partnership of which the corporation is a member for its fiscal period that ends in the year, determined in accordance with section 1029.8.36.166.60.23 as if the partnership were a corporation whose taxation year corresponds to its fiscal period.”

(2) Paragraph 1 of subsection 1 applies to a taxation year that begins after 26 March 2015.

(3) Paragraph 2 of subsection 1 applies to a taxation year that ends after 17 March 2016.

115. Section 1029.8.36.166.62 of the Act is amended by striking out the fourth and fifth paragraphs.

116. (1) Section 1029.8.61.104 of the Act is amended, in the second paragraph,

(1) by replacing “\$203” in subparagraphs i and ii of subparagraph *a* by “\$411”;

(2) by replacing “\$22,885” in subparagraph i of subparagraph *b* by “\$24,195”;

(3) by replacing “\$37,225” in subparagraph ii of subparagraph *b* by “\$39,350”.

(2) Subsection 1 applies from the taxation year 2021. However, where section 1029.8.61.104 of the Act applies to the taxation year 2021, the second paragraph of that section is to be read as if

(1) “\$411” in subparagraphs i and ii of subparagraph *a* were replaced by “\$400”;

(2) “\$24,195” in subparagraph i of subparagraph *b* were replaced by “\$23,575”; and

(3) “\$39,350” in subparagraph ii of subparagraph *b* were replaced by “\$38,340”.

117. (1) Section 1029.8.66.1 of the Act is amended

(1) by replacing the portion of the definition of “eligible expenses” in the first paragraph before paragraph *a* by the following:

““eligible expenses” of an individual means the expenses paid by the individual after 31 December 2014 in respect of an eligible in vitro fertilization treatment or after 14 November 2021 in respect of an eligible artificial insemination treatment, if”;

(2) by replacing the portion of paragraph *b* of the definition of “eligible expenses” in the first paragraph before subparagraph i by the following:

“(b) where the expenses are incurred after 10 November 2015 and paid before 15 November 2021 in respect of an in vitro fertilization treatment,”;

(3) by replacing subparagraphs i and ii of paragraph *c* of the definition of “eligible expenses” in the first paragraph by the following subparagraphs:

“i. for an in vitro fertilization activity, or an artificial insemination activity, carried out in a centre for assisted procreation that holds a licence issued in accordance with the Act respecting clinical and research activities relating to assisted procreation (chapter A-5.01),

“ii. for an in vitro fertilization activity, or an artificial insemination activity, carried out in an establishment situated outside Québec, unless, where the individual or the person who is the other party to the parental project began in vitro fertilization activities in respect of that treatment after 31 December 2014 or artificial insemination activities in respect of that treatment after 14 November 2021, the person who began such activities was domiciled in Québec at the time the expenses were incurred,”;

(4) by replacing the portion of subparagraph iii of paragraph *c* of the definition of “eligible expenses” in the first paragraph before subparagraph 1 by the following:

“iii. for medications related to an in vitro fertilization activity or an artificial insemination activity that satisfy the following conditions:”;

(5) by replacing subparagraph iv of paragraph *c* of the definition of “eligible expenses” in the first paragraph by the following subparagraph:

“iv. for expenses related to an assessment referred to in section 10.2 of the Act respecting clinical and research activities relating to assisted procreation of the individual or of the person who is the other party to the parental project, where such an assessment allowed the in vitro fertilization treatment or the artificial insemination treatment, as the case may be, to be undertaken or continued,”;

(6) by replacing subparagraph vi of paragraph *c* of the definition of “eligible expenses” in the first paragraph by the following subparagraph:

“vi. for reasonable travel and lodging expenses of a particular person and, if the particular person cannot travel unassisted, of the person accompanying the particular person for participation in an in vitro fertilization treatment or an artificial insemination treatment, as the case may be, at a centre for assisted procreation described in subparagraph i that is situated in Québec, if a physician certifies that no such centre for assisted procreation exists in Québec within 200 kilometres of the locality, in Québec, where the particular person lives and, if such is the case, that the person is unable to travel unassisted;”;

(7) by replacing paragraph *b* of the definition of “eligible in vitro fertilization treatment” in the first paragraph by the following paragraph:

“(b) a single embryo or, in accordance with the decision of a physician who has considered the quality of the embryos, a maximum of two embryos, in the case of a woman 37 years of age or over, are transferred into the woman after 10 November 2015 and before 15 November 2021; or”;

(8) by adding the following paragraph at the end of the definition of “eligible in vitro fertilization treatment” in the first paragraph:

“(c) a single embryo or, in accordance with the decision of a physician who acts in accordance with the guidelines provided for in section 10 of the Act respecting clinical and research activities relating to assisted procreation, a maximum of two embryos, are transferred into a woman after 14 November 2021;”;

(9) by inserting the following definition in alphabetical order in the first paragraph:

““eligible artificial insemination treatment” means an artificial insemination treatment in respect of which no cost for artificial insemination activities is paid on behalf of a person participating in the treatment, or for which the person may not be reimbursed, by the administrator of a universal health insurance plan;”;

(10) by inserting the following paragraph after the second paragraph:

“For the purposes of subparagraphs i and vi of paragraph c of the definition of “eligible expenses” in the first paragraph, where an artificial insemination activity is carried out in Québec, at any time before 11 March 2022, in a centre for assisted procreation that does not, at that time, hold a licence issued in accordance with the Act respecting clinical and research activities relating to assisted procreation, the activity is deemed to be carried out in a centre for assisted procreation that holds such a licence, if the centre was in operation on 11 March 2021 and was not required, before that date, to hold such a licence to carry out the activity.”;

(11) by replacing the third paragraph by the following paragraph:

“For the purposes of subparagraph ii of paragraph c of the definition of “eligible expenses” in the first paragraph, the following rules apply:

(a) a person is considered to have begun in vitro fertilization activities if

i. the person herself has received services required to retrieve eggs or ovarian tissue, or

ii. the person participating with her in the assisted procreation has received, as applicable, services required to retrieve sperm by means of medical intervention or services required to retrieve eggs or ovarian tissue; and

(b) a person is considered to have begun artificial insemination activities if the person herself or the person participating with her in the artificial insemination has received services required for intrauterine insemination.”

(2) Subsection 1 applies from the taxation year 2021.

118. (1) Section 1029.8.67 of the Act is amended

(1) by replacing “\$10,482” in the definition of “eligible child” by “\$11,081”;

(2) by replacing paragraph b of the definition of “qualified child care expense” by the following paragraph:

“(b) the total of the product obtained when \$14,605 is multiplied by the number of eligible children of the individual for the year each of whom is a

person described in section 1029.8.76 and in respect of whom child care expenses referred to in paragraph *a* were incurred, the product obtained when \$10,675 is multiplied by the number of eligible children of the individual for the year each of whom is under seven years of age on 31 December of that year, or would have been had the child then been living, and in respect of whom such expenses were incurred, and the product obtained when \$5,375 is multiplied by the number of all other eligible children of the individual for the year in respect of whom such expenses were incurred;”.

(2) Paragraph 1 of subsection 1 applies from the taxation year 2022.

(3) Paragraph 2 of subsection 1 applies from the taxation year 2021. However, where section 1029.8.67 of the Act applies to the taxation year 2021, paragraph *b* of the definition of “qualified child care expense” is to be read as if “\$14,605”, “\$10,675” and “\$5,375” were replaced by “\$14,230”, “\$10,400” and “\$5,235”, respectively.

119. (1) Section 1029.8.80 of the Act is replaced by the following section:

“1029.8.80. The percentage to which the first paragraph of each of sections 1029.8.79 and 1029.8.80.2 refers in respect of an individual for a taxation year is

(a) 78%, if the individual’s family income for the year does not exceed \$21,555;

(b) 75%, if the individual’s family income for the year exceeds \$21,555 but does not exceed \$38,010;

(c) 74%, if the individual’s family income for the year exceeds \$38,010 but does not exceed \$39,415;

(d) 73%, if the individual’s family income for the year exceeds \$39,415 but does not exceed \$40,830;

(e) 72%, if the individual’s family income for the year exceeds \$40,830 but does not exceed \$42,220;

(f) 71%, if the individual’s family income for the year exceeds \$42,220 but does not exceed \$43,635;

(g) 70%, if the individual’s family income for the year exceeds \$43,635 but does not exceed \$104,170; or

(h) 67%, if the individual’s family income for the year exceeds \$104,170.”

(2) Subsection 1 applies from the taxation year 2021, except where it replaces the portion of section 1029.8.80 of the Act before paragraph *a*, in which case it applies from the taxation year 2022. However, where that section 1029.8.80 applies to the taxation year 2021, paragraphs *a* to *h* are to be read as follows:

“(a) 78%, if the individual’s family income for the year does not exceed \$21,000;

“(b) 75%, if the individual’s family income for the year exceeds \$21,000 but does not exceed \$37,030;

“(c) 74%, if the individual’s family income for the year exceeds \$37,030 but does not exceed \$38,400;

“(d) 73%, if the individual’s family income for the year exceeds \$38,400 but does not exceed \$39,780;

“(e) 72%, if the individual’s family income for the year exceeds \$39,780 but does not exceed \$41,135;

“(f) 71%, if the individual’s family income for the year exceeds \$41,135 but does not exceed \$42,515;

“(g) 70%, if the individual’s family income for the year exceeds \$42,515 but does not exceed \$101,490; or

“(h) 67%, if the individual’s family income for the year exceeds \$101,490.”

120. (1) Section 1029.8.80.2 of the Act is amended by replacing “1029.8.80.3” in the portion before subparagraph *a* of the first paragraph by “1029.8.80”.

(2) Subsection 1 applies from the taxation year 2022.

121. (1) Section 1029.8.80.3 of the Act is repealed.

(2) Subsection 1 applies from the taxation year 2022.

122. (1) The Act is amended by inserting the following division after section 1029.8.116.40:

“DIVISION II.17.4

“CREDIT GRANTING A ONE-TIME AMOUNT TO MITIGATE THE INCREASE IN THE COST OF LIVING

“1029.8.116.41. In this division,

“eligible individual” means an individual, other than an excluded individual, who, at the end of 31 December 2021,

(a) is either 18 years of age or over, or an emancipated minor or a minor who is the father or mother of a child with whom the minor resides; and

(b) is, as the case may be,

i. a Canadian citizen,

ii. a permanent resident within the meaning of subsection 1 of section 2 of the Immigration and Refugee Protection Act (Statutes of Canada, 2001, chapter 27),

iii. a temporary resident or the holder of a temporary resident permit, within the meaning of the Immigration and Refugee Protection Act, who was resident in Canada during the 18-month period preceding that time, or

iv. a protected person within the meaning of the Immigration and Refugee Protection Act;

“excluded individual” means either

(a) a person who is exempt from tax for the taxation year 2021 under section 982 or 983 or any of subparagraphs *a* to *d* and *f* of the first paragraph of section 96 of the Tax Administration Act (chapter A-6.002); or

(b) a person who, at the end of the taxation year 2021, is confined to a prison or a similar institution and has been so confined in the year for one or more periods totalling more than 183 days.

For the purposes of paragraph *b* of the definition of “excluded individual” in the first paragraph, a person who has been allowed, in the taxation year 2021, to be temporarily absent from a prison or similar institution to which the person has been confined is deemed to be confined to that prison or similar institution during each day of the year during which the person has been so allowed to be temporarily absent.

1029.8.116.42. An eligible individual who is resident in Québec at the end of 31 December of the taxation year 2021 and who files for that year a fiscal return under section 1000 is deemed to have paid to the Minister, on the eligible individual’s balance-due day for that year, on account of the eligible individual’s tax payable under this Part for that year, an amount equal to the amount determined by the formula

$A - B.$

In the formula in the first paragraph,

(a) *A* is an amount of \$500; and

(b) B is 10% of the amount by which the eligible individual's income for the year exceeds \$100,000.

“1029.8.116.43. Despite section 1052, no interest is payable to an individual on an amount that is refunded to, or applied to another liability of, the individual and that arises because of section 1029.8.116.42.”

(2) Subsection 1 applies to the taxation year 2021.

123. Section 1038 of the Act is amended by striking out the fifth and sixth paragraphs.

124. Section 1050 of the Act is replaced by the following section:

“1050. Where a contestation is filed or an appeal is initiated under the Tax Administration Act (chapter A-6.002) and the contestation or appeal pertains to a penalty, the burden of establishing the facts referred to in sections 1049 to 1049.34 is on the Minister.”

125. (1) Section 1079.8.1 of the Act is amended, in the second paragraph,

(1) by inserting the following subparagraph before subparagraph *b*:

“(a.1) any request related to the payment to a taxpayer of an amount the taxpayer is deemed to have paid to the Minister on account of the taxpayer's tax payable under this Part for a taxation year;”;

(2) by replacing subparagraph *c* by the following subparagraph:

“(c) any request related to the review of a fiscal return of a taxpayer for a taxation year following its filing under this Act; and”.

(2) Subsection 1 applies in respect of a request for which the time limit for filing an information return in the prescribed form containing prescribed information, in relation to the amount deemed to be paid, expires after 17 December 2021.

126. Section 1079.8.37 of the Act is amended by inserting “by” after “prescribed”.

127. Section 1089 of the Act is amended

(1) in subparagraphs *a* and *g* of the first paragraph,

(a) by striking out “an individual referred to in section 737.16.1;”;

(b) by replacing “sections 737.16.1,” by “sections”;

(2) by replacing the portion of the second paragraph before subparagraph *a* by the following:

“However, the income earned in Québec for a taxation year by an individual who is a foreign specialist, within the meaning of section 737.18.6, who is an eligible individual, within the meaning of section 737.22.0.9, or who is described in section 66 of the Act respecting international financial centres (chapter C-8.3) is the amount by which the particular amount that is determined in respect of the individual for the year under the first paragraph exceeds the aggregate of”;

(3) by striking out subparagraph *c* of the second paragraph;

(4) by striking out the third paragraph.

128. Section 1090 of the Act is amended

(1) in subparagraphs *a* and *g* of the first paragraph,

(a) by striking out “an individual referred to in section 737.16.1.”;

(b) by replacing “sections 737.16.1,” by “sections”;

(2) by replacing the portion of the second paragraph before subparagraph *a* by the following:

“However, the income earned in Canada for a taxation year by an individual who is a foreign specialist, within the meaning of section 737.18.6, who is an eligible individual, within the meaning of section 737.22.0.9, or who is described in section 66 of the Act respecting international financial centres (chapter C-8.3) is the amount by which the particular amount that is determined in respect of the individual for the year under the first paragraph exceeds the aggregate of”;

(3) by striking out subparagraph *c* of the second paragraph;

(4) by striking out the third paragraph.

129. Section 1091 of the Act is amended

(1) by replacing subparagraph *c* of the first paragraph by the following subparagraph:

“(c) where all or substantially all of the individual’s income for the year, as determined under section 28, is included in computing the individual’s taxable income earned in Canada for the year, determined with reference to the second paragraph, such of the other deductions from income, except the deductions described in sections 737.16, 737.18.10, 737.21, 737.22.0.0.3, 737.22.0.0.7,

737.22.0.3, 737.22.0.4.7, 737.22.0.7, 737.22.0.10 and 737.22.0.13, permitted for the purpose of computing the individual's taxable income as may reasonably be considered wholly applicable.”;

(2) by replacing “second, third and fourth” in the second paragraph by “second and third”.

130. (1) The Act is amended by inserting the following section after section 1120:

“1120.0.0.1. Where an amount (in this section referred to as the “allocated amount”) is paid or became payable to a beneficiary, in a taxation year, by a trust that is a mutual fund trust throughout the year, for the redemption of a unit of the trust that is owned by the beneficiary and where the beneficiary's proceeds from the disposition of the unit do not include the allocated amount, in computing the trust's income for the year no deduction may be made in respect of

(a) the portion of the allocated amount that would be, but for paragraph *a* of section 657, an amount paid out of the income (other than taxable capital gains) of the trust; and

(b) the portion of the allocated amount determined by the formula

$$A - 0.5 (B + C - D).$$

In the formula in subparagraph *b* of the first paragraph,

(a) *A* is the portion of the allocated amount that would be, but for paragraph *a* of section 657, an amount paid out of the taxable capital gains of the trust;

(b) *B* is the beneficiary's proceeds from the disposition of the unit on the redemption;

(c) *C* is the allocated amount; and

(d) *D* is the amount determined by the trustee to be the beneficiary's cost amount of the unit, the trustee being required to use reasonable efforts to obtain the information required to determine the cost amount.”

(2) Subsection 1 applies to a taxation year that begins after 18 March 2019. However, where section 1120.0.0.1 of the Act applies to a taxation year of a mutual fund trust that begins before 16 December 2021, it is to be read without reference to subparagraph *b* of the first paragraph if, in the taxation year, the units of the trust are

(1) listed on a designated stock exchange in Canada; and

(2) in continuous distribution.

131. Section 1129.0.9.1.1 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) the partnership referred to in any of sections 1129.0.3, 1129.0.5, 1129.0.7 and 1129.0.9, in the case of tax paid under that section; or”.

132. Section 1129.40.1 of the Act is replaced by the following section:

“**1129.40.1.** For the purposes of Part I, except Division II.5.1 of Chapter III.1 of Title III of Book IX, the following rules are taken into account:

(a) the tax paid at any time by a taxpayer to the Minister under section 1129.39, in relation to a qualified expenditure incurred by the taxpayer, is deemed to be an amount of assistance repaid at that time by the taxpayer, in respect of the expenditure, pursuant to a legal obligation; and

(b) the tax paid at any time by a taxpayer to the Minister under section 1129.39 or 1129.40, in relation to a qualified expenditure incurred by the partnership referred to in that section, is deemed to be an amount of assistance repaid at that time by the partnership in respect of the expenditure, pursuant to a legal obligation.”

133. Section 1129.41.0.3 of the Act is amended by striking out “, otherwise determined,” in subparagraph *b* of the third paragraph.

134. Section 1129.41.0.4 of the Act is replaced by the following section:

“**1129.41.0.4.** For the purposes of Part I, except Division II.5.1.1 of Chapter III.1 of Title III of Book IX, the following rules are taken into account:

(a) the tax paid at any time by a corporation to the Minister under section 1129.41.0.2, in relation to an eligible training expenditure, is deemed to be an amount of assistance repaid at that time by the corporation, in respect of the expenditure, pursuant to a legal obligation; and

(b) the tax paid at any time by a corporation to the Minister under section 1129.41.0.3, in relation to an eligible training expenditure, is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of the expenditure, pursuant to a legal obligation.”

135. Section 1129.41.0.8 of the Act is amended by striking out “, otherwise determined,” in subparagraph *b* of the third paragraph.

136. Section 1129.41.0.9 of the Act is replaced by the following section:

“**1129.41.0.9.** For the purposes of Part I, except Division II.5.1.2 of Chapter III.1 of Title III of Book IX, the following rules are taken into account:

(a) the tax paid at any time by a corporation to the Minister under section 1129.41.0.7, in relation to an eligible training expenditure, is deemed to be an amount of assistance repaid at that time by the corporation, in respect of the expenditure, pursuant to a legal obligation; and

(b) the tax paid at any time by a corporation to the Minister under section 1129.41.0.8, in relation to an eligible training expenditure, is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of the expenditure, pursuant to a legal obligation.”

137. Section 1129.44.2.1 of the Act is replaced by the following section:

“1129.44.2.1. For the purposes of Part I, except Division II.6.2 of Chapter III.1 of Title III of Book IX, the following rules are taken into account:

(a) the tax paid at any time by a corporation to the Minister under section 1129.43 or 1129.44.1, in relation to an expenditure or wages, as the case may be, incurred by the corporation, is deemed to be an amount of assistance repaid at that time by the corporation, in respect of the expenditure or wages, pursuant to a legal obligation; and

(b) the tax paid at any time by a corporation to the Minister under section 1129.44 or 1129.44.2, in relation to an expenditure or wages, as the case may be, incurred by the partnership referred to in that section, is deemed to be an amount of assistance repaid at that time by the partnership, in respect of the expenditure or wages, pursuant to a legal obligation.”

138. Section 1129.45.0.3 of the Act is amended by striking out “, otherwise determined,” in subparagraph *b* of the third paragraph.

139. Section 1129.45.0.4 of the Act is replaced by the following section:

“1129.45.0.4. For the purposes of Part I, the following rules are taken into account:

(a) the tax paid at any time by a taxpayer to the Minister under section 1129.45.0.2, in relation to eligible expenses, is deemed to be an amount of assistance repaid at that time by the taxpayer, in respect of the expenses, pursuant to a legal obligation; and

(b) the tax paid at any time by a taxpayer to the Minister under section 1129.45.0.3, in relation to eligible expenses, is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of the expenses, pursuant to a legal obligation.”

140. Section 1129.45.0.8 of the Act is amended by striking out “, otherwise determined,” in subparagraph *b* of the third paragraph.

141. Section 1129.45.0.9 of the Act is replaced by the following section:

“1129.45.0.9. For the purposes of Part I, except Division II.6.4.2.1 of Chapter III.1 of Title III of Book IX, the following rules are taken into account:

(a) the tax paid at any time by a taxpayer to the Minister under section 1129.45.0.7, in relation to eligible expenses, is deemed to be an amount of assistance repaid at that time by the taxpayer, in respect of the expenses, pursuant to a legal obligation; and

(b) the tax paid at any time by a taxpayer to the Minister under section 1129.45.0.8, in relation to eligible expenses, is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of the expenses, pursuant to a legal obligation.”

142. Section 1129.45.3.5.3 of the Act is amended by striking out “, otherwise determined,” in subparagraph *b* of the third paragraph.

143. Section 1129.45.3.5.9 of the Act is amended by striking out “, otherwise determined,” in subparagraph *b* of the third paragraph.

144. Section 1129.45.20 of the Act is replaced by the following section:

“1129.45.20. For the purposes of Part I, the following rules are taken into account:

(a) the tax paid at any time by a corporation to the Minister under section 1129.45.18, in relation to a qualified solicitation expenditure, is deemed to be an amount of assistance repaid at that time by the corporation, in respect of the expenditure, pursuant to a legal obligation; and

(b) the tax paid at any time by a taxpayer to the Minister under section 1129.45.19, in relation to a qualified solicitation expenditure, is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of the expenditure, pursuant to a legal obligation.”

145. Section 1129.45.25 of the Act is replaced by the following section:

“1129.45.25. For the purposes of Part I, the following rules are taken into account:

(a) the tax paid at any time by a corporation to the Minister under section 1129.45.23, in relation to qualified wages, is deemed to be an amount of assistance repaid at that time by the corporation, in respect of the wages, pursuant to a legal obligation; and

(b) the tax paid at any time by a taxpayer to the Minister under section 1129.45.24, in relation to qualified wages, is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of the wages, pursuant to a legal obligation.”

146. Section 1129.45.30 of the Act is replaced by the following section:

“1129.45.30. For the purposes of Part I, the following rules are taken into account:

(a) the tax paid at any time by a corporation to the Minister under section 1129.45.28, in relation to a qualified solicitation expenditure, is deemed to be an amount of assistance repaid at that time by the corporation, in respect of the expenditure, pursuant to a legal obligation; and

(b) the tax paid at any time by a taxpayer to the Minister under section 1129.45.29, in relation to a qualified solicitation expenditure, is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of the expenditure, pursuant to a legal obligation.”

147. Section 1129.45.41.14 of the Act is amended by striking out “, otherwise determined,” in subparagraph *b* of the third paragraph.

148. Section 1129.45.41.18.3 of the Act is amended by striking out “, otherwise determined,” in subparagraph *b* of the third paragraph.

149. Section 1129.45.41.18.10 of the Act is amended by striking out “, otherwise determined,” in subparagraph *b* of the third paragraph.

150. Section 1129.45.44 of the Act is amended by striking out “, otherwise determined,” in subparagraph *b* of the third paragraph.

151. Section 1129.45.44.1 of the Act is replaced by the following section:

“1129.45.44.1. For the purposes of Part I, except Division II.6.15 of Chapter III.1 of Title III of Book IX, the following rules are taken into account:

(a) the tax paid at any time by a corporation to the Minister under section 1129.45.43, in relation to eligible expenses incurred after 12 June 2003, is deemed to be an amount of assistance repaid at that time by the corporation, in respect of the expenses, pursuant to a legal obligation; and

(b) the tax paid at any time by a corporation to the Minister under section 1129.45.44, in relation to eligible expenses incurred after 12 June 2003, is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of the expenses, pursuant to a legal obligation.”

152. Sections 1138.2.3 to 1138.2.4 of the Act are repealed.

153. Section 1175.19.2 of the Act is amended by striking out “, otherwise determined,” in subparagraph *b* of the third paragraph.

154. (1) Section 1175.39 of the Act is replaced by the following section:

“1175.39. The following operators are exempt from the public utility tax for a particular calendar year:

(a) a municipality; and

(b) a corporation all of the shares of the capital stock of which, or a partnership all of the interests in which, are held, throughout its last fiscal period that ended in the calendar year that precedes the particular calendar year, by

i. a municipality,

ii. a corporation all of the shares of the capital stock of which are held, directly or indirectly through one or more corporations or partnerships, by a municipality, or

iii. a partnership all of the interests in which are held, directly or indirectly through one or more corporations or partnerships, by a municipality.”

(2) Subsection 1 applies from the calendar year 2005.

(3) For the purpose of determining the refund to which a corporation or a partnership may be entitled, because of the application of subsections 1 and 2, for a calendar year in respect of which the corporation or partnership paid a public utility tax before 18 December 2021, section 1051 of the Act is to be read as follows:

“1051. Where an operator has filed a fiscal return for a calendar year and has paid as a public utility tax, interest or a penalty for that year an amount greater than the amount that was exigible, the Minister may refund the overpayment to the operator if application is made for it by the operator on or before 30 June 2022.”

(4) For the purpose of determining an amount of interest payable on an amount owed, because of the application of subsection 3, to a corporation or a partnership for a calendar year in respect of which the corporation or partnership paid a public utility tax before 18 December 2021, section 1052 of the Act is to be read as follows:

“1052. Where the amount of an overpayment by an operator is refunded to, or applied to another liability of, the operator, interest thereon shall be paid to the operator for the period ending on the day the overpayment is refunded or applied, and beginning on the date on which an application for a refund is received by the Minister.”

(5) Despite sections 1010 to 1011 of the Act, the Minister of Revenue shall, under Part VI.4 of the Act, make any assessments of an operator’s public utility tax, interest and penalties as are necessary for any calendar year to give effect to this section.

155. (1) Section 1175.40 of the Act is amended

(1) by inserting the following paragraph after the first paragraph:

“An operator, other than a municipality, that is exempt from the payment of tax under this Part shall, for each calendar year for which such tax would otherwise be payable, file with the Minister, in the prescribed form, without notice or demand, a fiscal return containing prescribed information.”;

(2) by replacing subparagraphs *a* and *b* of the second paragraph by the following subparagraphs:

“(a) in the case of an operator that is a corporation or a partnership, by the corporation or partnership, as the case may be, or on its behalf, within six months after the end of the operator’s last fiscal period that ends in the preceding calendar year;

“(b) in the case of an operator that is a succession or a trust, by the liquidator of the succession, the executor or the trustee, as the case may be, within 90 days after the end of the operator’s last fiscal period that ends in the preceding calendar year; and”;

(3) by replacing “of the first” in the third paragraph by “of the third”;

(4) by replacing the fourth paragraph by the following paragraph:

“If the documents are not filed in accordance with the first, second or third paragraph, they must be filed by the person who is required by notice in writing from the Minister to file the documents, within such reasonable time as the notice specifies.”

(2) Subsection 1 applies from the calendar year 2022.

ACT RESPECTING THE SECTORAL PARAMETERS OF CERTAIN
FISCAL MEASURES

156. Section 38 of the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1) is amended by inserting “by” after “prescribed”.

157. Section 1.1 of Schedule A to the Act is amended by striking out paragraph 2.

158. Chapter III of Schedule A to the Act, comprising sections 3.1 to 3.6, is repealed.

159. Section 1.1 of Schedule E to the Act is amended by striking out paragraph 4.

160. Section 3.1 of Schedule E to the Act is amended

(1) by replacing the portion of the definition of “eligible employer” in the first paragraph before paragraph 1 by the following:

““eligible employer” means a corporation operating a business that is recognized as an international financial centre, according to the following documents that were issued in its respect;”;

(2) by replacing paragraph 2 of the definition of “eligible employer” in the first paragraph by the following paragraph:

“(2) the business certificate for the taxation year of the corporation for which this definition is applied;”;

(3) by replacing the portion of the second paragraph before subparagraph 1 by the following:

“For the purposes of the definition of “eligible employer” in the first paragraph, the following presumptions apply to a corporation in respect of the qualification certificate or the certificate issued to it and referred to in that definition;”;

(4) by replacing subparagraph *b* of subparagraph 1 of the second paragraph by the following subparagraph:

“(b) the corporation is deemed to hold, in respect of the business to which the qualification certificate relates, for the taxation year in which it was revoked, a valid business certificate for the period corresponding to the part of that year that ends on that date of issue; and”;

(5) by replacing subparagraph 2 of the second paragraph by the following subparagraph:

“(2) a revoked certificate is deemed to be valid for the whole taxation year for which it had been issued.”

161. Section 3.6 of Schedule E to the Act is amended by striking out “, or the qualification certificate referred to in section 14 of the Act respecting international financial centres,” in paragraph 1.

162. Section 3.9 of Schedule E to the Act is replaced by the following section:

“**3.9.** The effective date of the revocation of a specialist qualification certificate may not precede the date of the notice of revocation by more than four years. The same applies in the case of the revocation of a specialist certificate.”

163. Section 3.10 of Schedule E to the Act is replaced by the following section:

“**3.10.** The Minister may, before issuing a specialist qualification certificate or certificate, or before revoking such a document, obtain the advice of CFI Montréal—Centre Financier International or of any other body pursuing similar objectives.”

164. Chapter V of Schedule E to the Act, comprising sections 5.1 to 5.6, is repealed.

165. Section 3.10 of Schedule H to the Act is amended by replacing all occurrences of “show” and “shown” in the first paragraph by “exploit” and “exploited”, respectively.

ACT RESPECTING THE RÉGIE DE L'ASSURANCE MALADIE DU QUÉBEC

166. Section 33 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) is amended, in the first paragraph,

(1) by replacing the definition of “exemption period” by the following definition:

““exemption period” of an eligible employer means the five-year period that begins at the beginning of the eligible employer’s first taxation year;”;

(2) by striking out paragraph *a* of the definition of “wages”;

(3) by striking out the definition of “qualified corporation”.

167. Section 34 of the Act is amended

- (1) by striking out the sixth paragraph;
- (2) by striking out subparagraph *e* of the seventh paragraph;
- (3) by replacing “seventh” in the eighth paragraph and the portion of the ninth paragraph before subparagraph *a* by “sixth”;
- (4) by replacing “ninth” in the portion of the tenth paragraph before subparagraph *a* by “eighth”;
- (5) by replacing “seventh” in subparagraphs *a* and *b* of the tenth paragraph by “sixth”;
- (6) by striking out the eleventh paragraph;
- (7) by replacing “seventh” in the twelfth paragraph by “sixth”.

168. Section 34.0.0.0.3 of the Act is amended by striking out the third and fourth paragraphs.

169. Section 34.0.1 of the Act is amended by replacing “fifth, sixth and seventh” in the portion before paragraph *a* by “fifth and sixth”.

170. Sections 34.1.0.1 and 34.1.0.2 of the Act are repealed.

171. Section 34.1.0.3 of the Act is amended by replacing “seventh” in the first paragraph and in subparagraph *b* of the second paragraph by “sixth”.

172. Section 34.1.4 of the Act is amended

- (1) by striking out “311.2,” in subparagraph 3 of subparagraph iv of paragraph *a*;
- (2) by replacing “section 311.1 or 311.2” in subparagraph 1 of subparagraph ii of paragraph *b* by “section 311.1”;
- (3) by striking out “, 926” in subparagraph 3 of subparagraph ii of paragraph *b*;
- (4) by replacing “section 961.20 or 961.21” in subparagraph 6 of subparagraph ii of paragraph *b* by “section 961.21”;
- (5) by striking out subparagraph iv.2 of paragraph *b*.

173. Section 34.1.5 of the Act is amended by striking out paragraph *c*.

174. Section 37.1 of the Act is amended by replacing “whole percentage point or, if equidistant from two percentage points” by “1/100th of a percent or, if equidistant from two 1/100th of a percent” in the following provisions:

- paragraphs *a* and *b* of the definition of “average contribution rate”;
- paragraph *b* and subparagraphs *i* and *ii* of paragraph *c* of the definition of “contribution rate”.

175. (1) Section 37.4 of the Act is amended, in subparagraph *a* of the first paragraph,

- (1) by replacing subparagraphs *i* to *iv* by the following subparagraphs:
- “*i.* \$16,940 where, for the year, the individual has no eligible spouse and no dependent child,
 - “*ii.* \$27,460 where, for the year, the individual has no eligible spouse but has one dependent child,
 - “*iii.* \$31,035 where, for the year, the individual has no eligible spouse but has more than one dependent child,
 - “*iv.* \$27,460 where, for the year, the individual has an eligible spouse but has no dependent child, and”;

(2) by replacing subparagraphs 1 and 2 of subparagraph *v* by the following subparagraphs:

- “(1) \$31,035 where the individual has one dependent child for the year, or
- “(2) \$34,335 where the individual has more than one dependent child for the year; and”.

(2) Subsection 1 applies from the year 2021.

176. Section 37.6 of the Act is amended by replacing subparagraph *i* of subparagraph *d* of the second paragraph by the following subparagraph:

- “*i.* the average contribution rate applicable for the year in respect of this subparagraph, if the individual has an eligible spouse for the year; or”.

ACT RESPECTING THE QUÉBEC PENSION PLAN

177. (1) Section 59 of the Act respecting the Québec Pension Plan (chapter R-9) is amended

(1) by replacing the third paragraph by the following paragraph:

“For the purposes of the regulations made under this section, the Minister shall draw up Tables A and B determining the amount to be deducted from a remuneration paid to an employee during a particular period on account of the base contribution and the first additional contribution. In addition, the Minister shall draw up Table C determining the amount to be deducted from a remuneration paid to an employee during a particular period on account of the second additional contribution. The Minister shall post the tables on the Revenu Québec website.”;

(2) by replacing “and B” in the fourth paragraph by “, B and C”.

(2) Subsection 1 applies in respect of a year subsequent to the year 2023.

ACT RESPECTING THE QUÉBEC SALES TAX

178. (1) Section 1 of the Act respecting the Québec sales tax (chapter T-0.1) is amended

(1) by inserting the following definition in alphabetical order:

““virtual payment instrument” means property that is a digital representation of value, that functions as a medium of exchange and that only exists at a digital address of a publicly distributed ledger, other than property that

(1) confers a right, whether immediate or future and whether absolute or contingent, to be exchanged or redeemed for money or specific property or services or to be converted into money or specific property or services;

(2) is primarily for use within, or as part of, a gaming platform, an affinity or rewards program or a similar platform or program; or

(3) is prescribed property;”;

(2) by inserting the following paragraph after paragraph 6 of the definition of “financial instrument”:

“(6.1) a virtual payment instrument;”;

(3) by replacing paragraph 3 of the definition of “plan member” by the following paragraph:

“(3) in any other case, the deferred profit sharing plan, the employee benefit plan, the employee trust, the profit sharing plan, the registered education savings plan, the registered supplementary unemployment benefit plan or the retirement compensation arrangement, within the meaning assigned to those expressions by section 1 of the Taxation Act, as the case may be, that governs the investment plan;”;

(4) by inserting the following paragraph after paragraph 3 of the definition of “investment plan”:

“(3.1) an investment limited partnership; and”;

(5) by replacing paragraph 8 of the definition of “distributed investment plan” by the following paragraph:

“(8) a unit trust within the meaning of section 1 of the Taxation Act that is not a trust described in any of subparagraphs *a* to *h*, *k* and *l* of paragraph 1 of the definition of “investment plan”; or”;

(6) by adding the following paragraph at the end of the definition of “distributed investment plan”:

“(9) an investment limited partnership;”;

(7) by replacing the definition of “provincial investment plan” by the following definition:

““provincial investment plan” for a particular province at any time means an investment plan that

(1) is at that time a financial institution described in the definition of “provincial investment plan” in the first paragraph of section 433.15.1, the units of which may, under the laws of Canada or a province, be sold only in the particular province;

(2) is at that time a stratified investment plan, all the series of which are provincial series for the particular province; or

(3) meets the following conditions:

(a) it has, throughout the taxation year in which its fiscal year that includes that time ends, a permanent establishment in the particular province, as determined in accordance with the first paragraph of section 433.15.3, and

(b) it does not have, throughout that taxation year, a permanent establishment in a province other than the particular province, as determined in accordance with the first paragraph of section 433.15.3;”;

(8) by inserting the following definition in alphabetical order:

““provincial stratified investment plan” means a stratified investment plan (other than a provincial investment plan) with one or more provincial series;”;

(9) by adding the following paragraph at the end of the definition of “series”:

“(3) in respect of a partnership, a class of units of the partnership;”;

(10) by inserting the following definition in alphabetical order:

““investment limited partnership” means a limited partnership, the primary purpose of which is to invest funds in property consisting primarily of financial instruments, if

(1) the limited partnership is, or forms part of an arrangement or structure that is, represented or promoted as a hedge fund, investment limited partnership, mutual fund, private equity fund, venture capital fund or other similar collective investment vehicle; or

(2) the total value of all shares in the limited partnership held by listed financial institutions is 50% or more of the total value of all shares in the limited partnership;”;

(11) by inserting the following paragraphs after paragraph 4 of the definition of “unit”:

“(4.1) in respect of a partnership, a person’s share in the partnership;

“(4.2) in respect of a series of a partnership, a unit of the partnership of that series; and”.

(2) Paragraphs 1 and 2 of subsection 1 have effect from 18 May 2019.

(3) Paragraph 3 of subsection 1 applies in respect of a reporting period of a person that begins after 21 July 2016.

(4) Paragraph 3 of subsection 1 also applies in respect of any reporting period of a person that begins after 31 December 2012 and before 22 July 2016 (such a period being referred to in this subsection and subsection 5 as a “specified reporting period”), if

(1) the person was a trust governed by a registered education savings plan, within the meaning of section 1 of the Taxation Act (chapter I-3), throughout those specified reporting periods;

(2) for each of those specified reporting periods, either

(a) the person, or a manager of the person, within the meaning of the first paragraph of section 433.15.1 of the Act respecting the Québec sales tax, reported in the return for the specified reporting period an amount on account of net tax that was determined as though

i. the person were a selected listed financial institution throughout the specified reporting period; and

ii. section 35 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) applied in respect of the specified reporting period; or

(b) a manager of the person reported in the return for the manager's reporting period that ends in the specified reporting period an amount on account of net tax that was determined as though

i. the person were a selected listed financial institution throughout the specified reporting period;

ii. section 35 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations applied in respect of the specified reporting period; and

iii. a joint election referred to in the first or second paragraph of section 433.22 of the Act respecting the Québec sales tax and made by the manager and the person were in effect throughout the specified reporting period; and

(3) the person makes either of the following elections:

(a) a valid election under subparagraph iii of paragraph *b* of subsection 1 of section 41 of the Regulations Amending Various GST/HST Regulations, No. 11 (SOR/2019-59) in respect of those specified reporting periods; or

(b) where the person is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act, the election described in subsection 5.

(5) The election to which subparagraph *b* of paragraph 3 of subsection 4 refers is the election to apply paragraph 3 of subsection 1 of this section, paragraphs 4 and 7 of subsection 1 of section 203 and subsection 1 of section 210 of this Act, and section 20 of the Regulations Amending Various GST/HST Regulations, No. 11 to the specified reporting periods. The election must

(1) be made in a document in the form and containing the information determined by the Minister of Revenue; and

(2) be filed with the Minister of Revenue, in the manner determined by the Minister of Revenue, on or before 8 June 2023 or on any later date that the Minister of Revenue may determine.

(6) For the purposes of subsection 4, the rules set out in subsection 6 of section 203 apply.

(7) Paragraph 4 of subsection 1 applies in respect of

(1) a taxation year of a person that begins after 31 December 2018; or

(2) a taxation year of a person that begins in 2018 if the person made a valid election under paragraph *b* of subsection 2 of section 43 of the Budget Implementation Act, 2018, No. 2 (Statutes of Canada, 2018, chapter 27).

(8) Where a person makes an election under paragraph 2 of subsection 7, any reference to “2018” and “2019” in section 458.5.4 of the Act respecting the Québec sales tax, enacted by section 212 of this Act, is to be read as a reference to “2017” and “2018”, respectively, for the purpose of applying that section 458.5.4 in relation to the person.

(9) Paragraph 5 of subsection 1 has effect from 1 January 2013.

(10) Paragraph 6 of subsection 1 applies in respect of a reporting period of a person that begins

(1) after 31 December 2018; or

(2) in 2018 if the person is a listed financial institution throughout the reporting period of the person that includes 1 January 2018.

(11) Paragraphs 7 and 8 of subsection 1 have effect from 23 July 2016.

(12) Paragraphs 9 to 11 of subsection 1 have effect from 8 September 2017.

179. (1) Section 11.3 of the Act is repealed.

(2) Subsection 1 has effect from 23 July 2016.

180. (1) The Act is amended by inserting the following section after section 12.1:

“12.2. Subject to section 12, an investment limited partnership is deemed not to be resident in Québec at any time if, at that time, the total value of all shares in the investment limited partnership held by members of the investment limited partnership that are not resident in Québec (other than prescribed members) is 95% or more of the total value of all shares in the investment limited partnership.”

(2) Subsection 1 has effect from 8 September 2017.

181. (1) Section 17 of the Act is amended by adding the following subparagraph at the end of the fourth paragraph:

“(7) corporeal property that a person, that is a provincial investment plan as regards Québec or a provincial stratified investment plan, brings into Québec, that comes from Canada outside Québec, other than a road vehicle that must be registered under the Highway Safety Code as a consequence of an application by the person, and, where the person is a provincial stratified investment plan, that the person brings into Québec for consumption, use or supply in the course of activities relating to one or more provincial series of the person as regards Québec.”

(2) Subsection 1 applies in respect of the bringing into Québec of corporeal property after 22 July 2016.

182. (1) Section 18.0.1.1 of the Act is amended

(1) by replacing the portion before the formula in the first paragraph by the following:

“**18.0.1.1.** Subject to the sixth paragraph, every person that is the recipient of a taxable supply of property or a service made outside Québec and that is a provincial stratified investment plan with one or more provincial series as regards Québec at the time an amount of consideration for the supply becomes due or is paid without having become due shall pay to the Minister, for that amount of consideration, tax equal to the amount determined by the formula”;

(2) by inserting the following paragraph after the first paragraph:

“Every person that is a provincial stratified investment plan with one or more provincial series as regards Québec at the time an amount of consideration for the supply of property described in any of paragraphs 2.1 to 8 of section 18 of which the person is the recipient becomes due or is paid without having become due and that, if the supply is described in paragraph 3 of that section, is a registrant shall pay to the Minister, for that amount of consideration, tax equal to the amount determined by the formula

$A \times B \times C$.”;

(3) by replacing the portion of the second paragraph before subparagraph 1 by the following:

“For the purposes of the formulas in the first and second paragraphs,”;

(4) by striking out “or part of” in subparagraph 2 of the second paragraph;

(5) by replacing “of the investment plan” in subparagraph 3 of the second paragraph by “of the person”;

(6) by replacing the third and fourth paragraphs by the following paragraphs:

“No tax is payable under the first paragraph by a person that is a provincial stratified investment plan with one or more provincial series as regards Québec, in respect of an amount of consideration for the taxable supply of property or a service, if the quotient (expressed as a percentage) obtained by dividing the total of all amounts each of which is the extent to which the property or service is acquired for consumption, use or supply in the course of activities relating to a provincial series of the person as regards Québec, as determined in accordance with section 51 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations, by the total of all amounts each of which is the extent to which the property or service is acquired for consumption, use or supply in the course of activities relating to a provincial series of the person as regards any province, as determined in accordance with that section 51, is less than 10%.

No tax is payable by a person under the first paragraph in respect of a taxable supply of an incorporeal movable property or a service made outside Québec but within Canada that is described in subparagraph 9 of the third paragraph of section 18.0.1.”;

(7) by inserting the following paragraph after the fourth paragraph:

“Where a taxable supply of property or a service is made outside Canada, the first paragraph applies only if the supply is described in paragraph 1 or 2 of section 18.”

(2) Subsection 1 applies in respect of a supply made after 22 July 2016.

183. (1) Section 18.0.1.2 of the Act is amended

(1) by replacing the first paragraph by the following paragraph:

“Subject to the fourth paragraph, every person that is the recipient of a taxable supply of property or a service made outside Québec and that is a provincial investment plan as regards Québec at the time an amount of consideration for the supply becomes due or is paid without having become due shall pay to the Minister, for that amount of consideration, tax calculated at the rate of 9.975% on the value of the consideration that is paid or becomes due at that time.”;

(2) by inserting the following paragraph after the first paragraph:

“Every person that is a provincial investment plan as regards Québec at the time an amount of consideration for the supply of property described in any of paragraphs 2.1 to 8 of section 18 of which the person is the recipient becomes due or is paid without having become due and that, if the supply is described in paragraph 3 of that section, is a registrant shall pay to the Minister, for that amount of consideration, tax calculated at the rate of 9.975% on the value of the consideration that is paid or becomes due at that time.”;

(3) by replacing the second paragraph by the following paragraph:

“No tax is payable by a person under the first paragraph in respect of a taxable supply of an incorporeal movable property or a service made outside Québec but within Canada that is described in subparagraph 9 of the third paragraph of section 18.0.1.”;

(4) by adding the following paragraph at the end:

“Where a taxable supply of property or a service is made outside Canada, the first paragraph applies only if the supply is described in paragraph 1 or 2 of section 18.”

(2) Subsection 1 applies in respect of a supply made after 22 July 2016.

184. (1) Section 26.3 of the Act is amended

(1) by replacing subparagraphs *a* to *c* of subparagraph 1 of the second paragraph by the following subparagraphs:

“(a) in the case where the qualifying taxpayer is a provincial stratified investment plan in the qualifying taxpayer’s fiscal year that ends in the specified year, the aggregate of all amounts each of which is the percentage that is the extent to which the internal charge is attributable to outlays or expenses that were made or incurred to consume, use or supply the whole or part of a qualifying service or of property to which the internal charge is attributable, in carrying on, engaging in or conducting an activity of the qualifying taxpayer relating to a provincial series of the qualifying taxpayer as regards Québec, as determined in accordance with section 51 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act;

“(b) in the case where the qualifying taxpayer is, in the qualifying taxpayer’s fiscal year that ends in the specified year, a provincial investment plan as regards Québec, 100%;

“(c) in the case where the qualifying taxpayer is, in the qualifying taxpayer’s fiscal year that ends in the specified year, a provincial investment plan as regards a province other than Québec, 0%; and”;

(2) by inserting “admissible” after “contribuable” in subparagraph *d* of subparagraphs 1 and 2 of the second paragraph in the French text;

(3) by replacing subparagraphs *a* to *c* of subparagraph 2 of the second paragraph by the following subparagraphs:

“(a) in the case where the qualifying taxpayer is a provincial stratified investment plan in the qualifying taxpayer’s fiscal year that ends in the specified year, the aggregate of all amounts each of which is the percentage that is the

extent to which the whole or part of the outlay or expense, which corresponds to the external charge, was made or incurred to consume, use or supply the whole or part of a qualifying service or of property to which the external charge is attributable, in carrying on, engaging in or conducting an activity of the qualifying taxpayer relating to a provincial series of the qualifying taxpayer as regards Québec, as determined in accordance with section 51 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations;

“(b) in the case where the qualifying taxpayer is, in the qualifying taxpayer’s fiscal year that ends in the specified year, a provincial investment plan as regards Québec, 100%;

“(c) in the case where the qualifying taxpayer is, in the qualifying taxpayer’s fiscal year that ends in the specified year, a provincial investment plan as regards a province other than Québec, 0%; and”;

(4) by inserting the following paragraph after the second paragraph:

“In the case where the qualifying taxpayer is a provincial stratified investment plan or a provincial investment plan, the first paragraph is to be read without reference to “that is resident in Québec and”.”

(2) Subsection 1 applies to a specified year of a person that ends after 22 July 2016.

185. (1) Section 26.4 of the Act is amended

(1) by replacing paragraphs 1 to 3 by the following paragraphs:

“(1) in the case where the qualifying taxpayer is a provincial stratified investment plan in the qualifying taxpayer’s fiscal year that ends in the specified year, the aggregate of all amounts each of which is the percentage that is the extent to which the whole or part of the outlay or expense, which corresponds to the qualifying consideration, was made or incurred to consume, use or supply the whole or part of a qualifying service or of property to which the qualifying consideration is attributable, in carrying on, engaging in or conducting an activity of the qualifying taxpayer relating to a provincial series of the qualifying taxpayer as regards Québec, as determined in accordance with section 51 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15);

“(2) in the case where the qualifying taxpayer is, in the qualifying taxpayer’s fiscal year that ends in the specified year, a provincial investment plan as regards Québec, 100%;

“(3) in the case where the qualifying taxpayer is, in the qualifying taxpayer’s fiscal year that ends in the specified year, a provincial investment plan as regards a province other than Québec, 0%; and”;

(2) by inserting “admissible” after “contribuable” in paragraph 4 in the French text;

(3) by adding the following paragraph at the end:

“In the case where the qualifying taxpayer is a provincial stratified investment plan or a provincial investment plan, the portion of the first paragraph before subparagraph 1 is to be read without reference to “that is resident in Québec and”.”

(2) Subsection 1 applies to a specified year of a person that ends after 22 July 2016.

186. Section 42.0.22 of the Act is amended by replacing the portion before paragraph 1 by the following:

“**42.0.22.** Where a contestation is filed or an appeal is initiated by a financial institution under the Tax Administration Act (chapter A-6.002) and the contestation or appeal pertains to an assessment under this Title for a reporting period in a fiscal year in respect of an issue relating to the determination, under any of sections 42.0.15 to 42.0.17, 42.0.20 and 42.0.21, of the operative extent or the procurative extent of a business input, the burden of establishing the following facts is on the financial institution:”.

187. (1) Section 279.1 of the Act is amended by replacing “third” in paragraph 2 by “fourth”.

(2) Subsection 1 applies to a specified year of a person that ends after 22 July 2016.

188. Section 297.0.2.3 of the Act is amended by replacing “in prescribed manner and containing prescribed information” in subparagraph 3 of the first paragraph by “in the prescribed form containing prescribed information”.

189. (1) Section 327.2 of the Act is amended by replacing “section 18” in subparagraph i of subparagraph c of subparagraph 4 of the first paragraph by “any of sections 18, 18.0.1.1 and 18.0.1.2”.

(2) Subsection 1 applies in respect of a supply made after 14 December 2017. In addition, where section 327.2 of the Act applies in respect of a supply made after 22 July 2016 and before 15 December 2017, it is to be read as if “section 18” in subparagraph i of subparagraph c of subparagraph 3 of the first paragraph were replaced by “any of sections 18, 18.0.1.1 and 18.0.1.2”.

190. (1) Section 327.2.1 of the Act is amended by replacing “section 18” in subparagraph iv of subparagraph a of subparagraph 3 of the first paragraph by “any of sections 18, 18.0.1.1 and 18.0.1.2”.

(2) Subsection 1 applies in respect of a supply made after 14 December 2017. In addition, where section 327.2.1 of the Act applies in respect of a supply made after 22 July 2016 and before 15 December 2017, it is to be read as if “section 18” in subparagraph iv of subparagraph *a* of subparagraph 5 of the first paragraph were replaced by “any of sections 18, 18.0.1.1 and 18.0.1.2”.

191. (1) Section 327.4 of the Act is amended, in the second paragraph,

(1) by replacing “section 18” in the portion of subparagraph *c* of subparagraph 1 before subparagraph i by “any of sections 18, 18.0.1.1 and 18.0.1.2”;

(2) by replacing “section 18” in the portion of subparagraph 2 before subparagraph *a* by “any of sections 18, 18.0.1.1 and 18.0.1.2”.

(2) Subsection 1 applies in respect of a supply made after 14 December 2017. In addition, where section 327.4 of the Act applies in respect of a supply made after 22 July 2016 and before 15 December 2017, it is to be read as if “section 18” in the portion before subparagraph 1 of the first paragraph were replaced by “any of sections 18, 18.0.1.1 and 18.0.1.2”.

192. (1) Section 327.5 of the Act is amended by replacing “section 18” in the portion before paragraph 1 by “any of sections 18, 18.0.1.1 and 18.0.1.2”.

(2) Subsection 1 applies in respect of a supply made after 22 July 2016.

193. (1) Section 327.6 of the Act is amended by replacing “section 18” in the portion before paragraph 1 by “any of sections 18, 18.0.1.1 and 18.0.1.2”.

(2) Subsection 1 applies in respect of a supply made after 22 July 2016.

194. (1) Sections 327.6.1 to 327.6.5 of the Act are amended by replacing all occurrences of “section 18” by “any of sections 18, 18.0.1.1 and 18.0.1.2”.

(2) Subsection 1 applies in respect of a supply made after 14 December 2017.

195. (1) Section 345.3 of the Act is amended by inserting the following paragraph after paragraph 1:

“(1.1) where management or administrative services are rendered by a general partner of an investment limited partnership to the investment limited partnership under an agreement for the particular supply of those services,

(*a*) if section 32.3 applies in respect of the particular supply, for each separate supply of those services that is deemed under paragraph 1 of section 32.3 to be made by the general partner for a billing period within the meaning of section 32.3, the separate supply is deemed, despite paragraph 3 of section 32.3, to be made for consideration that becomes due on the last day of the billing period equal to the fair market value of the services rendered under the

agreement by the general partner to the investment limited partnership during the billing period, determined as if the general partner were not a member of the investment limited partnership and were dealing at arm's length with the investment limited partnership, and

(b) in any other case,

i. the general partner is deemed to have made, and the investment limited partnership is deemed to have received, a separate supply of those services for each reporting period of the general partner during which those services are, or are to be, rendered under the agreement, and

ii. each separate supply of those services that is deemed to be made under subparagraph i for a reporting period of the general partner is deemed to be made on the first day of the reporting period for consideration that becomes due on the last day of the reporting period equal to the fair market value of the services rendered under the agreement by the general partner to the investment limited partnership during the reporting period, determined as if the general partner were not a member of the investment limited partnership and were dealing at arm's length with the investment limited partnership; and”.

(2) Subsection 1 applies in respect of a supply made after 7 September 2017.

(3) For the purposes of subsection 2 and Title I of the Act, if management or administrative services are rendered by a general partner of an investment limited partnership to the investment limited partnership under a particular agreement entered into before 8 September 2017 and if some or all of those services are rendered after 7 September 2017, the following rules apply:

(1) in respect of the management or administrative services that are rendered after 7 September 2017 (in this paragraph referred to as the “subsequent services”),

(a) the general partner is deemed to have made, and the investment limited partnership is deemed to have received, a particular supply of the subsequent services and the particular supply is deemed to have been made on 8 September 2017;

(b) the subsequent services are deemed to have been rendered under an agreement for the particular supply and not under the particular agreement and the agreement for the particular supply is deemed to have been entered into on 8 September 2017;

(c) any amount that is charged, collected or remitted at any time as or on account of tax under Title I of the Act in respect of an amount of consideration that is reasonably attributable to the rendering of the subsequent services is deemed to be an amount of tax that is collected at that time in respect of the particular supply; and

(d) if the total of all amounts of tax that are payable before 27 February 2018 under Title I of the Act in respect of the particular supply is in excess of the total of the amounts that are deemed under subparagraph *c* to be amounts collected before that date in respect of that supply, the excess is deemed, despite section 345.3 of the Act, to have become payable on that date and the general partner is deemed to have collected it on that date; and

(2) in respect of the management or administrative services that are rendered before 8 September 2017 (in this paragraph referred to as the “prior services”),

(a) the general partner is deemed to have made, and the investment limited partnership is deemed to have received, a supply of the prior services (in this paragraph referred to as the “earlier supply”) and the earlier supply is deemed to have been made on the date on which the particular agreement is entered into;

(b) the prior services are deemed to have been rendered under an agreement for the earlier supply and not under the particular agreement and the agreement for the earlier supply is deemed to have been entered into on the date on which the particular agreement is entered into; and

(c) any amount that is charged, collected or remitted at any time as or on account of tax under Title I of the Act in respect of an amount of consideration that is reasonably attributable to the rendering of the prior services under the particular agreement is deemed to be an amount of tax that is collected at that time in respect of the earlier supply.

196. (1) The Act is amended by inserting the following section after section 345.7:

“345.8. Where a general partner of an investment limited partnership renders a management or administrative service to the investment limited partnership, the following rules apply:

(1) the rendering of the service is deemed not to be done by the general partner as a member of the investment limited partnership; and

(2) the supply by the general partner to the investment limited partnership that includes the service is deemed to have been made otherwise than in the course of the investment limited partnership’s activities.”

(2) Subsection 1 has effect from 8 September 2017. In addition, it applies in respect of management or administrative services that are rendered under an agreement entered into before that date if an amount was, before that date, charged, collected or remitted as or on account of tax under Title I of the Act in respect of those services or in respect of any supply made under the agreement.

(3) For the purposes of Title I of the Act, if section 345.8 of the Act applies in respect of management or administrative services that were rendered by a general partner of an investment limited partnership to the investment limited partnership before 8 September 2017 under an agreement entered into before that date, the following rules apply:

(1) section 345.3 of the Act does not apply in respect of the supply of the management or administrative services made by the general partner to the investment limited partnership;

(2) any amount that the investment limited partnership pays or credits to the general partner after 7 September 2017 and that is reasonably attributable to the management or administrative services is deemed to be consideration for the supply of those services by the general partner to the investment limited partnership that becomes due at the time the amount is paid or credited to the general partner; and

(3) if an amount was charged, collected or remitted as or on account of tax in respect of a particular amount — being an amount that the investment limited partnership paid or credited to the general partner before 8 September 2017 and that is reasonably attributable to the management or administrative services — the particular amount is deemed to be consideration for a taxable supply of those services that becomes due at the time the amount is paid or credited to the general partner.

(4) For the purposes of subsections 2 and 3 and Title I of the Act, if management or administrative services are rendered by a general partner of an investment limited partnership to the investment limited partnership under a particular agreement entered into before 8 September 2017 and if some or all of those services are rendered after 7 September 2017, the following rules apply:

(1) in respect of the management or administrative services that are rendered after 7 September 2017 (in this paragraph referred to as the “subsequent services”),

(a) the general partner is deemed to have made, and the investment limited partnership is deemed to have received, a particular supply of the subsequent services and the particular supply is deemed to have been made on 8 September 2017;

(b) the subsequent services are deemed to have been rendered under an agreement for the particular supply and not under the particular agreement and the agreement for the particular supply is deemed to have been entered into on 8 September 2017;

(c) any amount that is charged, collected or remitted at any time as or on account of tax under Title I of the Act in respect of an amount of consideration that is reasonably attributable to the rendering of the subsequent services is deemed to be an amount of tax that is collected at that time in respect of the particular supply; and

(d) if the total of all amounts of tax that are payable before 27 February 2018 under Title I of the Act in respect of the particular supply is in excess of the total of the amounts that are deemed under subparagraph *c* to be amounts collected before that date in respect of that supply, the excess is deemed, despite section 345.3 of the Act, to have become payable on that date and the general partner is deemed to have collected it on that date; and

(2) in respect of the management or administrative services that are rendered before 8 September 2017 (in this paragraph referred to as the “prior services”),

(a) the general partner is deemed to have made, and the investment limited partnership is deemed to have received, a supply of the prior services (in this paragraph referred to as the “earlier supply”) and the earlier supply is deemed to have been made on the date on which the particular agreement is entered into;

(b) the prior services are deemed to have been rendered under an agreement for the earlier supply and not under the particular agreement and the agreement for the earlier supply is deemed to have been entered into on the date on which the particular agreement is entered into; and

(c) any amount that is charged, collected or remitted at any time as or on account of tax under Title I of the Act in respect of an amount of consideration that is reasonably attributable to the rendering of the prior services under the particular agreement is deemed to be an amount of tax that is collected at that time in respect of the earlier supply.

197. (1) Section 350.0.1 of the Act is amended by replacing “under sections 17, 18 and 18.0.1” in paragraph 1 of the definition of “tax amount” by “under any of sections 17 and 18 to 18.0.1.2”.

(2) Subsection 1 applies in respect of a fiscal year that begins after 31 December 2012.

198. Section 350.0.3 of the Act is amended by replacing “in the form and containing the information determined by the Minister” by “in the prescribed form containing prescribed information”.

199. Section 350.0.5 of the Act is amended by replacing “déterminé par lui” in the French text by “prescrit”.

200. (1) Section 402.23 of the Act is amended by replacing “stratified investment plan with one or more provincial series” by “provincial stratified investment plan”.

(2) Subsection 1 has effect from 23 July 2016.

201. Section 402.25 of the Act is amended

(1) by replacing the first paragraph by the following paragraph:

“An insurer and a segregated fund of the insurer may elect, in the prescribed form containing prescribed information, to have the insurer pay to, or credit in favour of, the segregated fund the amount of any rebates payable to the segregated fund under section 402.23 in respect of supplies made by the insurer to the segregated fund.”;

(2) by replacing subparagraph 4 of the third paragraph by the following subparagraph:

“(4) the segregated fund, within one year after the day tax becomes payable in respect of the supply, submits to the insurer an application for the rebate in the prescribed form containing prescribed information.”

202. (1) Section 404.3 of the Act is amended by replacing “stratified investment plan with one or more provincial series” in the fourth paragraph by “provincial stratified investment plan”.

(2) Subsection 1 has effect from 23 July 2016.

203. (1) Section 433.15.1 of the Act is amended

(1) by replacing paragraph 3 of the definition of “permanent establishment” in the first paragraph by the following paragraph:

“(3) in the case of a partnership other than an investment plan,

(a) if every member of the partnership is either an individual or a trust, any establishment that would be an establishment of the partnership under any of sections 12, 13 and 15 of the Taxation Act if the partnership were an individual, and

(b) if subparagraph *a* does not apply, any establishment that would be an establishment of the partnership under any of sections 12 to 16.0.1 of the Taxation Act if the partnership were a corporation;”;

(2) by striking out paragraph 4 of the definition of “permanent establishment” in the first paragraph;

(3) by replacing “433.15.13” in paragraph 1 of the definition of “qualifying small investment plan” in the first paragraph by “433.15.12”;

(4) by replacing the definition of “investment plan” in the first paragraph by the following definition:

““investment plan” means a person described in paragraph 6 or 9 of the definition of “listed financial institution” in section 1, other than

(1) a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered disability savings plan or a tax-free savings account; or

(2) a trust governed by a registered education savings plan if, as the case may be,

(a) the trust does not have more than one beneficiary at any one time, or

(b) each of the beneficiaries of the trust is connected to each living subscriber under the plan, or was connected to a deceased original subscriber under the plan, by blood relationship or by adoption, within the meaning of section 21 of the Taxation Act;”;

(5) by replacing paragraph 2 of the definition of “provincial investment plan” in the first paragraph by the following paragraph:

“(2) under the terms of the prospectus, registration statement, partnership agreement or other similar document for the financial institution, or under the laws of Canada or a province, the conditions for a person owning or acquiring units of the financial institution include that the person be resident in the particular province when the units are acquired and that the units are required to be sold, transferred or redeemed within a reasonable time if the person ceases to be resident in the particular province; and”;

(6) by replacing paragraph 2 of the definition of “provincial series” in the first paragraph by the following paragraph:

“(2) under the terms of the prospectus, registration statement, partnership agreement or other similar document for the series, or under the laws of Canada or a province, the conditions for a person owning or acquiring units of the series include that the person be resident in the particular province when the units are acquired and that the units are required to be sold, transferred or redeemed within a reasonable time if the person ceases to be resident in the particular province; and”;

(7) by adding the following definition at the end of the first paragraph:

““subscriber”, in relation to a registered education savings plan, has the meaning assigned by section 890.15 of the Taxation Act.”;

(8) by replacing the second paragraph by the following paragraph:

“For the purposes of the first paragraph, “registered disability savings plan”, “registered education savings plan”, “registered retirement income fund”, “registered retirement savings plan” and “tax-free savings account” have the meaning assigned by section 1 of the Taxation Act.”

(2) Paragraphs 1, 2, 5 and 6 of subsection 1 have effect from 8 September 2017.

(3) Paragraph 3 of subsection 1 has effect from 1 January 2013.

(4) Paragraphs 4, 7 and 8 of subsection 1 apply in respect of a reporting period of a person that begins after 21 July 2016.

(5) Paragraphs 4 and 7 of subsection 1 also apply in respect of any reporting period of a person that begins after 31 December 2012 and before 22 July 2016 (such a period being referred to in this subsection as a “specified reporting period”), if

(1) the person was a trust governed by a registered education savings plan throughout those specified reporting periods;

(2) for each of those specified reporting periods, either

(a) the person, or a manager of the person, reported in the return for the specified reporting period an amount on account of net tax that was determined as though

i. the person were a selected listed financial institution throughout the specified reporting period; and

ii. section 35 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) applied in respect of the specified reporting period; or

(b) a manager of the person reported in the return for the manager’s reporting period that ends in the specified reporting period an amount on account of net tax that was determined as though

i. the person were a selected listed financial institution throughout the specified reporting period;

ii. section 35 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations applied in respect of the specified reporting period; and

iii. a joint election referred to in the first or second paragraph of section 433.22 of the Act respecting the Québec sales tax were made by the manager and the person and were in effect throughout the specified reporting period; and

(3) the person makes either of the following elections:

(a) a valid election under subparagraph iii of paragraph b of subsection 1 of section 41 of the Regulations Amending Various GST/HST Regulations, No. 11 (SOR/2019-59) in respect of those specified reporting periods; or

(b) where the person is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act, the election described in subsection 5 of section 178 of this Act.

(6) For the purposes of subsection 5, the following rules apply:

(1) paragraph 1 of the definition of “investment plan” in the first paragraph of section 433.15.1 of the Act respecting the Québec sales tax is to be read as follows:

“(1) a trust governed by a registered retirement savings plan or a registered retirement income fund; or”;

(2) despite subparagraph 3 of the second paragraph of section 433.15.5, subparagraph 3 of the fourth paragraph of section 433.22, subparagraph 3 of the fifth paragraph of section 470.2 and subparagraph 3 of the sixth paragraph of section 470.5 of the Act, where a selected listed financial institution that is a trust governed by a registered education savings plan makes an election under the first paragraph of any of those sections 433.15.5, 433.22, 470.2 and 470.5 that applies in respect of a specified reporting period of the financial institution referred to in subsection 5, the deadline for filing the election with the Minister of Revenue, in the manner determined by the Minister, is 8 December 2022 or any later date determined by the Minister;

(3) despite subparagraph 1.5 of the first paragraph of section 410.1 of the Act, where a selected listed financial institution that is a trust governed by a registered education savings plan makes an election under the first paragraph of section 433.22 or 470.2 of the Act that applies in respect of a specified reporting period of the financial institution referred to in subsection 5 and no election made under the first paragraph of section 470.5 of the Act applies in respect of the specified reporting period, for the purposes of subparagraph 1.5 of the first paragraph of that section 410.1, the particular day is 8 November 2022;

(4) despite subparagraph 1.5 of the first paragraph of section 410.1 of the Act, where, in accordance with section 470.6 or 470.7 of the Act, a selected listed financial institution that is a trust governed by a registered education savings plan withdraws from or revokes an election made under the first paragraph of section 470.5 of the Act that applies in respect of a specified reporting period of the financial institution referred to in subsection 5, where the withdrawal or revocation becomes effective on a date that is before 22 July 2016 and where an election made by the financial institution under the first paragraph of section 433.22 or 470.2 of the Act is in effect on that effective date, for the purposes of subparagraph 1.5 of the first paragraph of that section 410.1, the particular day is 8 November 2022;

(5) despite the second paragraph of section 410.1 of the Act, where two or more selected listed financial institutions and a manager of those financial institutions make a joint election under the first paragraph of section 470.5 of the Act that applies in respect of a specified reporting period of the financial institutions referred to in subsection 5 and where each of those financial institutions is a trust governed by a registered education savings plan, for the purposes of the second paragraph of section 410.1 of the Act, the day on which that election becomes effective is 8 December 2022;

(6) where a selected listed financial institution that is a trust governed by a registered education savings plan and a manager of the financial institution make a particular election under the second paragraph of section 470.5 of the Act to include the financial institution in the election made under the first paragraph of that section 470.5 that applies in respect of a specified reporting period of the financial institution referred to in subsection 5 and where the particular election becomes effective before 22 July 2016, the deadline by which the financial institution or the manager may file an application with the Minister of Revenue under the third paragraph of section 410.1 of the Act is, despite subparagraph 1 of that third paragraph, 8 December 2022;

(7) where a selected listed financial institution that is a trust governed by a registered education savings plan makes an election under the first paragraph of section 433.22 of the Act that applies in respect of a specified reporting period of the financial institution referred to in subsection 5, the deadline for filing a return in accordance with section 468 or 470.1 of the Act for the specified reporting period is, despite those sections 468 and 470.1 and despite the fourth paragraph of section 470.5 of the Act, 8 December 2022;

(8) despite the second paragraph of section 25 of the Tax Administration Act (chapter A-6.002), the Minister of Revenue may at any time determine the amount of the duties and interest and make an assessment under that section 25 in respect of the net tax of a trust governed by a registered education savings plan for a specified reporting period of the trust referred to in subsection 5, provided that the assessment is made

(a) solely for the purpose of determining the amount that, under section 433.16 or 433.16.2 of the Act respecting the Québec sales tax, is required to be added to, or may be deducted from, that net tax; and

(b) on or before the date that is four years after 8 June 2022 or, if it is later, the date on which the return provided for in any of sections 468 to 470.1 and 471 of the Act for the specified reporting period was filed;

(9) despite the second paragraph of section 25 of the Tax Administration Act, the Minister of Revenue may at any time determine the amount of a penalty under that section 25 that is payable by a trust governed by a registered education savings plan, provided that

(a) the assessment relates solely to the amount that, under section 433.16 or 433.16.2 of the Act respecting the Québec sales tax, is required to be added to, or may be deducted from, the net tax of the trust for a specified reporting period of the trust referred to in subsection 5; and

(b) in the case of a penalty other than a penalty referred to in any of sections 59, 59.3, 59.5.3, 59.5.10 and 59.5.11 of the Tax Administration Act, the assessment is made on or before the date that is four years after 8 June 2022 or, if it is later, the date on which the trust becomes liable to pay the penalty; and

(10) despite the second paragraph of section 25 of the Tax Administration Act, if an election referred to in the first or second paragraph of section 433.22 of the Act respecting the Québec sales tax is made by a trust governed by a registered education savings plan and a manager of the trust and is in effect in a particular reporting period of the manager that ends in a specified reporting period of the trust referred to in subsection 5, the following rules apply:

(a) the Minister of Revenue may at any time determine the amount of the duties and interest and make an assessment in respect of the net tax of the manager for the particular reporting period, provided that the assessment is made

i. solely for the purpose of determining the amount applicable to the trust that, under section 433.16 or 433.16.2 of the Act and due to the application of section 55 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations or the first paragraph of section 433.22 of the Act, is required to be added to, or may be deducted from, that net tax; and

ii. on or before the date that is four years after 8 June 2022 or, if it is later, the date on which the return provided for in any of sections 468 to 470.1 and 471 of the Act for the particular reporting period was filed; and

(b) the Minister of Revenue may, at any time, determine the amount of a penalty payable by the manager, provided that

i. the assessment relates solely to the amount applicable to the trust that, under section 433.16 or 433.16.2 of the Act and due to the application of section 55 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations or of the first paragraph of section 433.22 of the Act, is required to be added to, or may be deducted from, the net tax of the manager for the particular reporting period; and

ii. in the case of a penalty other than a penalty referred to in any of sections 59, 59.3, 59.5.3, 59.5.10 and 59.5.11 of the Tax Administration Act, the assessment is made on or before the date that is four years after 8 June 2022 or, if it is later, the date on which the manager becomes liable to pay the penalty.

204. (1) Section 433.15.3 of the Act is amended by inserting “or a credit union” after “is a bank” in the portion of subparagraph 1 of the first paragraph before subparagraph *a*.

(2) Subsection 1 applies in respect of a reporting period of a person that begins after 22 July 2016.

205. (1) Section 433.15.4 of the Act is amended by replacing the portion before paragraph 1 by the following:

“433.15.4. For the purposes of paragraph 2 of the definition of “selected listed financial institution” in the first paragraph of section 433.15.1, a qualifying partnership during a taxation year of the qualifying partnership means a partnership (other than an investment plan) in respect of which the following conditions are met at any time in the taxation year:”.

(2) Subsection 1 has effect from 8 September 2017.

206. (1) Section 433.16.2 of the Act is amended by replacing subparagraph *b* of subparagraph 4 of the second paragraph by the following subparagraph:

“(b) where the financial institution made an election under subsection 4 of section 225.2 of the Excise Tax Act or under section 433.17, in respect of a supply of property or a service made by another person to the financial institution in the particular reporting period, the aggregate of all amounts each of which is an amount equal to the tax payable by the other person under the first paragraph of section 16, the first paragraph of section 17, or section 18 or 18.0.1 that is included in the cost to the other person of supplying the property or service to the financial institution; and”.

(2) Subsection 1 applies in respect of a supply that is the subject of an election that becomes effective after 14 December 2017.

207. Section 433.17 of the Act is amended by replacing “in the form and containing the information determined by the Minister” by “in the prescribed form containing prescribed information”.

208. Section 433.19.0.1 of the Act is amended by replacing “in the form and containing the information determined by the Minister” by “in the prescribed form containing prescribed information”.

209. (1) The Act is amended by inserting the following sections after section 433.19.19:

“433.19.20. A particular investment limited partnership to which paragraph 9 of the definition of “listed financial institution” in section 1 does not apply is deemed to be an investment plan that is a distributed investment plan for the following purposes:

(1) the determination, that would be made under section 30 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) if Québec were a participating province within the meaning of subsection 1 of

section 123 of that Act, of the percentage for a series of a selected listed financial institution or of another investment limited partnership described in section 433.19.21, for Québec and for a particular period, within the meaning of subsection 1 of section 16 of those Regulations, of the financial institution or other investment limited partnership, and the determination, that would be made under section 32 of those Regulations if Québec were a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act, of the percentage for Québec and for a particular period, within the meaning of subsection 1 of section 16 of those Regulations, of a selected listed financial institution or of another investment limited partnership described in section 433.19.21, but only if the percentage is to be used in the determination of

(a) the positive amount that the financial institution or other investment limited partnership is required to add, or the negative amount that the financial institution or other investment limited partnership may deduct, in determining its net tax under section 433.16 or 433.16.2 for a reporting period in a fiscal year of the financial institution or other investment limited partnership that begins in 2019,

(b) the instalment base determined under section 458.0.2 for a reporting period in a fiscal year of the financial institution or other investment limited partnership that begins in 2019,

(c) the interim net tax determined under sections 437.1 and 437.2 for a reporting period in a fiscal year of the financial institution or other investment limited partnership that begins in 2019, or

(d) if a joint election referred to in the first or second paragraph of section 433.22 that is made by the financial institution or other investment limited partnership and the manager of the financial institution or other investment limited partnership is in effect at any time in a fiscal year of the manager that begins in 2019,

i. an amount that, under section 433.16R15 of the Regulation respecting the Québec sales tax (chapter T-0.1, r. 2), is a prescribed amount for the purposes of subparagraph 7 of the second paragraph of section 433.16, or of subparagraph 5 of the second paragraph of section 433.16.2, for a reporting period in the fiscal year, or

ii. the positive amount that the manager is required to add, or the negative amount that the manager may deduct, in determining its net tax under section 433.16 or 433.16.2, in accordance with subparagraph 3 of the third paragraph of section 433.22, for a reporting period in the fiscal year;

(2) the determination of the investor percentage of the particular investment limited partnership as of a day in the year 2018; and

(3) the application of sections 433.25 to 433.29, 433.31 and 433.32 to the particular investment limited partnership in respect of any information requested under those sections by a selected listed financial institution or by another investment limited partnership described in section 433.19.21, but only if the information is required for

(a) the determination of the percentage referred to in paragraph 1 that applies to the financial institution or other investment limited partnership and that is to be used in the determination of an amount described in any of subparagraphs *a* to *d* of paragraph 1, or

(b) the determination of the investor percentage of the financial institution or other investment limited partnership as of a day in the year 2018.

“433.19.21. Where an investment limited partnership is a selected listed financial institution throughout the reporting period of the investment limited partnership that includes 1 January 2019 but is not a selected listed financial institution throughout the preceding reporting period of the investment limited partnership, the following rules apply:

(1) for the purpose of determining the investor percentage of the investment limited partnership as of a day in the year 2018, the investment limited partnership is deemed to be a selected listed financial institution;

(2) the investment limited partnership is deemed to be, throughout the year 2018, a selected listed financial institution and an investment plan that is a distributed investment plan for the determination, that would be made under section 30 or 33 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) if Québec were a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act, of the investment limited partnership’s percentage for a series of the investment limited partnership, for Québec and for a particular period, within the meaning of subsection 1 of section 16 of those Regulations, of the investment limited partnership, and for the determination, that would be made under section 32 or 34 of those Regulations if Québec were a participating province within the meaning of subsection 1 of section 123 of the Excise Tax Act, of the investment limited partnership’s percentage for Québec and for a particular period, within the meaning of subsection 1 of section 16 of those Regulations, of the investment limited partnership, but only if the percentage is to be used in the determination of

(a) the positive amount that the investment limited partnership is required to add, or the negative amount that the investment limited partnership may deduct, in determining its net tax under section 433.16 or 433.16.2 for a reporting period in a fiscal year of the investment limited partnership that begins in 2019,

(b) the instalment base determined under section 458.0.2 for a reporting period in a fiscal year of the investment limited partnership that begins in 2019,

(c) the interim net tax determined under sections 437.1 and 437.2 for a reporting period in a fiscal year of the investment limited partnership that begins in 2019, or

(d) if a joint election referred to in the first or second paragraph of section 433.22 that is made by the investment limited partnership and the manager of the investment limited partnership is in effect at any time in a fiscal year of the manager that begins in 2019,

i. an amount that, under section 433.16R15 of the Regulation respecting the Québec sales tax (chapter T-0.1, r. 2), is a prescribed amount for the purposes of subparagraph 7 of the second paragraph of section 433.16, or of subparagraph 5 of the second paragraph of section 433.16.2, for a reporting period in the fiscal year, or

ii. the positive amount that the manager is required to add, or the negative amount that the manager may deduct, in determining its net tax under section 433.16 or 433.16.2, in accordance with subparagraph 3 of the third paragraph of section 433.22, for a reporting period in the fiscal year; and

(3) for the purposes of sections 433.25 to 433.29, 433.31 and 433.32, the investment limited partnership is deemed to be

(a) if the units of the investment limited partnership are issued in two or more series, a selected stratified investment plan throughout the year 2018, or

(b) in any other case, a selected non-stratified investment plan throughout the year 2018.”

(2) Subsection 1 has effect from 8 September 2017.

210. (1) Section 433.25 of the Act is amended by replacing subparagraph 2 of the second paragraph by the following subparagraph:

“(2) trusts governed by the same deferred profit sharing plan, employee benefit plan, profit sharing plan, registered education savings plan, registered supplementary unemployment benefit plan, retirement compensation arrangement or employee trust, within the meaning assigned to those expressions by section 1 of the Taxation Act (chapter I-3);”.

(2) Subsection 1 applies in respect of a reporting period of a person that begins after 21 July 2016.

(3) Subsection 1 also applies in respect of any reporting period of a person that begins after 31 December 2012 and before 22 July 2016 (such a period being referred to in this subsection as a “specified reporting period”), if

(1) the person was a trust governed by a registered education savings plan throughout those specified reporting periods;

(2) for each of those specified reporting periods, either

(a) the person, or a manager of the person, reported in the return for the specified reporting period an amount on account of net tax that was determined as though

i. the person were a selected listed financial institution throughout the specified reporting period; and

ii. section 35 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations made under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) applied in respect of the specified reporting period; or

(b) a manager of the person reported in the return for the manager's reporting period that ends in the specified reporting period an amount on account of net tax that was determined as though

i. the person were a selected listed financial institution throughout the specified reporting period;

ii. section 35 of the Selected Listed Financial Institutions Attribution Method (GST/HST) Regulations applied in respect of the specified reporting period; and

iii. a joint election referred to in the first or second paragraph of section 433.22 of the Act respecting the Québec sales tax were made by the manager and the person and were in effect throughout the specified reporting period; and

(3) the person makes either of the following elections:

(a) a valid election under subparagraph iii of paragraph b of subsection 1 of section 41 of the Regulations Amending Various GST/HST Regulations, No. 11 (SOR/2019-59) in respect of those specified reporting periods; or

(b) where the person is not a selected listed financial institution for the purposes of Part IX of the Excise Tax Act, the election described in subsection 5 of section 178 of this Act.

(4) For the purposes of subsection 3, the rules provided for in subsection 6 of section 203 apply.

211. (1) Section 441 of the Act is amended by replacing “section 17, 18, 18.0.1, 437.2 or 438” by “any of sections 17, 18 to 18.0.1.2, 437.2 and 438”.

(2) Subsection 1 applies in respect of a reporting period that ends after 31 December 2012.

212. (1) The Act is amended by inserting the following section after section 458.5.3:

“458.5.4. Where a particular fiscal year of an investment limited partnership begins in 2018 and includes 1 January 2019 and the investment limited partnership would be a selected listed financial institution throughout a reporting period in the particular fiscal year if the particular fiscal year began on 1 January 2019 and ended on 31 December 2019, the following rules apply:

(1) the particular fiscal year ends on 31 December 2018;

(2) subject to section 458.5.2, the fiscal years of the investment limited partnership are calendar years as of 1 January 2019;

(3) any election made by the investment limited partnership under section 458.4 ceases to have effect as of 1 January 2019; and

(4) if the first taxation year of the investment limited partnership that begins after 31 December 2018 does not begin on 1 January 2019, for the purposes of Title I (other than the definitions of “financial institution” and “listed financial institution” in section 1 and sections 349 and 350) the investment limited partnership is deemed, for the period beginning on 1 January 2019 and ending on the day preceding the first day of that taxation year, to be a financial institution, a listed financial institution and a person referred to in paragraph 9 of that definition of “listed financial institution”.”

(2) Subsection 1 has effect from 8 September 2017.

213. (1) Section 472 of the Act is amended

(1) by replacing “section 18 or 18.0.1” in the portion before paragraph 1 by “any of sections 18 to 18.0.1.2”;

(2) by replacing “in the form and containing the information determined by the Minister” in subparagraph *b* of paragraph 1 by “in the prescribed form containing prescribed information”.

(2) Paragraph 1 of subsection 1 applies in respect of a reporting period that ends after 31 December 2012.

214. (1) Section 477.5.6 of the Act is amended, in the first paragraph,

(1) by inserting “, as the case may be,” after “arise” in the portion before subparagraph 1;

(2) by replacing “and” in subparagraph 1 by “or”.

(2) Subsection 1 has effect from 1 July 2021.

215. (1) Section 477.18.5 of the Act is amended, in the first paragraph,

(1) by inserting “, as the case may be,” after “arise” in the portion before subparagraph 1;

(2) by replacing “and” in subparagraph 1 by “or”.

(2) Subsection 1 has effect from 1 July 2021.

216. Section 522 of the Act is amended

(1) by replacing “ou” in the third paragraph in the French text by “et”;

(2) by adding the following paragraph at the end:

“Where the reimbursement exceeds the amount of the tax collected by the person for the period provided for in any of sections 527, 527.1 and 527.2 in which the person makes the reimbursement or no payment of any insurance premium subject to the tax has been received in that period, the person may apply to the Minister, in the prescribed form relating to that period, for the reimbursement of that excess amount or the reimbursement of the tax, as the case may be.”

217. (1) Section 677 of the Act is amended, in the first paragraph,

(1) by replacing subparagraph 1 by the following subparagraph:

“(1) determine, for the purposes of the definition of “specified corporeal movable property” in section 1, which movable property is prescribed movable property;”;

(2) by inserting the following subparagraph after subparagraph 1:

“(1.1) determine, for the purposes of the definition of “virtual payment instrument” in section 1, which property is prescribed property;”;

(3) by replacing subparagraph 2 by the following subparagraph:

“(2) determine, for the purposes of the definition of “financial instrument” in section 1, which instruments are prescribed instruments;”;

(4) by replacing subparagraph 3.1 by the following subparagraph:

“(3.1) determine, for the purposes of the definition of “asset management service” in section 1, which services are prescribed services;”;

(5) by inserting the following subparagraph after subparagraph 3.2:

“(3.3) determine, for the purposes of section 12.2, the prescribed members;”.

(2) Paragraph 2 of subsection 1 has effect from 18 May 2019.

(3) Paragraph 5 of subsection 1 has effect from 8 September 2017.

REGULATION RESPECTING THE TAXATION ACT

218. (1) Section 1015R1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) is amended by adding the following paragraph at the end of the definition of “remuneration”:

“(u) an amount that is required under section 313.15 of the Act to be included in computing a taxpayer’s income;”.

(2) Subsection 1 has effect from 1 January 2020.

219. (1) The Regulation is amended by inserting the following section after section 1086R4:

“**1086R4.1.** A licensed annuities provider must file an information return in prescribed form in respect of a calendar year in which, as the case may be,

(a) a payment is made that is required under Title VI.0.3 of Book VII of Part I of the Act to be included in computing a taxpayer’s income; or

(b) an amount is deemed to be received by a taxpayer under paragraph *a* of section 965.0.44 of the Act.”

(2) Subsection 1 has effect from 1 January 2020.

REGULATION RESPECTING THE QUÉBEC SALES TAX

220. (1) The Regulation respecting the Québec sales tax (chapter T-0.1, r. 2) is amended by inserting the following after section 1R3:

“RESIDENCE

“**12.2R1.** For the purposes of section 12.2 of the Act, a prescribed member is either of the following members of an investment limited partnership:

(1) a member that is a trust not resident in Québec if the total value of the assets of the member in which one or more persons resident in Québec have a beneficial interest is more than 5% of the total value of the assets of the member; or

(2) a member that is a limited partnership not resident in Québec if the total value of all shares in the member held by persons resident in Québec is more than 5% of the total value of all shares in the member.”

(2) Subsection 1 has effect from 8 September 2017.

MISCELLANEOUS AND FINAL PROVISIONS

221. An individual is deemed to have made an overpayment to the Minister of Revenue on account of the individual's tax payable under Part I of the Taxation Act (chapter I-3) for the taxation year ending on 31 December 2021, if

(1) the individual qualifies as an eligible individual for the purposes of Division II.17.2 of Chapter III.1 of Title III of Book IX of Part I of the Taxation Act in respect of the period that begins on 1 July 2021 and ends on 30 June 2022 (in this section referred to as the "designated period");

(2) an amount was determined under section 1029.8.116.25 of the Taxation Act in respect of the individual for the designated period on account of the amount deemed, under section 1029.8.116.16 of that Act, to be an overpayment of the individual's tax payable under Part I of that Act (the deemed amount being referred to in this section as the "solidarity tax credit");

(3) except where section 1029.8.116.18.1 of the Taxation Act applied in respect of the individual for the designated period, the determination under subparagraph 2 was made after a fiscal return referred to in section 1000 of that Act for the taxation year 2020 was filed, before 1 July 2022, by the individual and, if applicable, the individual's cohabiting spouse or was made after an amendment to such a return was applied for in writing before 1 July 2022; and

(4) the amount resulting from the last determination by the Minister of Revenue, before the particular date mentioned in the third paragraph, of the individual's solidarity tax credit for the designated period is greater than zero.

The amount deemed to have been an overpayment by the individual under the first paragraph is equal to the aggregate of

(1) \$200;

(2) \$200, if the amount referred to in subparagraph ii of subparagraph *a* of the second paragraph of section 1029.8.116.16 of the Taxation Act was taken into account in the last determination by the Minister of Revenue, before the particular date mentioned in the third paragraph, of the individual's solidarity tax credit for the designated period; and

(3) \$75, if the amount referred to in subparagraph iii of subparagraph *a* of the second paragraph of section 1029.8.116.16 of the Taxation Act was taken into account in the last determination by the Minister of Revenue, before the particular date mentioned in the third paragraph, of the individual's solidarity tax credit for the designated period.

The Minister of Revenue shall pay, without application, on a date determined by the Minister in relation to the individual (in this paragraph referred to as the “particular date”), the amount determined under the second paragraph in respect of the individual to either of the following persons, and send that person a notice to that effect:

(1) the individual, unless subparagraph 2 applies; or

(2) the individual’s cohabiting spouse, if the spouse is the person to whom all or part of the individual’s solidarity tax credit for the designated period is paid as a consequence of the application of

(a) section 1029.8.116.26.2 of the Taxation Act, where the application of that provision results from the individual’s death before 1 January 2022 or from an application filed, after the individual was confined to a prison or a similar institution, by the cohabiting spouse with the Minister of Revenue before the particular date; or

(b) section 1029.8.116.27 of the Taxation Act.

However, the Minister of Revenue is not required to make the payment provided for in the third paragraph where the person referred to in that paragraph died before 1 January 2022 or ceased to be resident in Québec before that date for the purposes of the Taxation Act or where the person was confined to a prison or a similar institution at the end of 31 December 2021 or was, at that time, allowed to be temporarily absent from the prison or similar institution to which the person has been confined.

Any amount that is not paid to an individual or to the individual’s cohabiting spouse, as the case may be, because of the application of the fourth paragraph is deemed, despite the first paragraph, not to be an overpayment by the individual on account of the individual’s tax payable under Part I of the Taxation Act for the taxation year ending on 31 December 2021.

If, after having made the payment provided for in the third paragraph, the Minister of Revenue makes a new determination of the individual’s solidarity tax credit for the designated period following an application in writing, filed after the particular date mentioned in that paragraph and before 1 July 2022, for an amendment to a fiscal return referred to in section 1000 of the Taxation Act that was filed by the individual or the individual’s cohabiting spouse, if applicable, for the taxation year 2020, and if the new determination, had it been the last one made before the particular date, would have had the effect of increasing by \$75 or \$200, as the case may be, the amount determined in respect of the individual under the second paragraph, the Minister of Revenue shall pay, without application, the additional amount to the person to whom the Minister would have made the payment provided for in the third paragraph if the particular date had been the date of the additional payment and the Minister shall send a notice to that effect to the person.

No interest is payable on an amount paid under the third or sixth paragraph.

The sums necessary for the payment provided for in the third or sixth paragraph are taken out of the tax revenues collected under the Taxation Act.

In this section, “taxation year” has the meaning assigned by Part I of the Taxation Act and “cohabiting spouse” of an individual means the person who is the individual’s cohabiting spouse at the end of 31 December 2020 for the purposes of Division II.17.2 of Chapter III.1 of Title III of Book IX of Part I of that Act.

222. This Act comes into force on 8 June 2022.