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## MINING TAX ACT

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chapter I-0.4

MINING TAX ACT

CHAPTER I  
INTERPRETATION AND GENERALITIES

Definitions:

**L.** In this Act, unless the context indicates otherwise,

**“amalgamation”;**

“amalgamation” means a merger of two or more legal persons (in this section referred to as “predecessor legal persons”) which are replaced to form one legal person (in this section referred to as the “new legal person”), with the following consequences:

(1) all the property belonging to the predecessor legal persons immediately before the merger, except an amount receivable from a predecessor legal person or a share of the capital stock of such a legal person, becomes the property of the new legal person;

(2) all the undertakings of the predecessor legal persons immediately before the merger, except an amount payable to a predecessor legal person, become the undertakings of the new legal person; and

(3) all shareholders who owned a share of the capital stock of a predecessor legal person immediately before the merger, except the predecessor legal persons themselves, receive a share of the capital stock of the new legal person;

**“assessment”;**

“assessment” means an assessment, a reassessment or an additional assessment;

**“concentration”;**

“concentration” means any processing of ore or mine tailings to separate a mineral substance from its gangue and obtain a concentrate;

**“eligible operator”;**

“eligible operator” for a fiscal year means an operator that

(1) during the fiscal year, is not developing any mineral substance in reasonable commercial quantities; and

(2) during the fiscal year, is not associated with an entity that develops a mineral substance in reasonable commercial quantities in the fiscal year;

**“environmental trust”;**

“environmental trust” means an environmental trust, within the meaning of section 1129.51 of the Taxation Act (chapter I-3) that is resident in Québec for the purposes of Part III.12 of that Act;

**“exploration”;**

“exploration” means all work in respect of which expenses referred to in subparagraph a of subparagraph 1 of the second paragraph of section 16.9 are incurred;

**“Far North”;**

“Far North” means the territory of Québec north of 55°00' north latitude;

**“gemstone”;**

“gemstone” means a diamond, emerald, ruby or sapphire;

**“government assistance”;**

“government assistance” means any direct or indirect assistance from a government, municipality or other public body, whether as a subsidy, premium, forgivable loan, tax deduction, advance, or as any other form of assistance other than assistance excluded by regulation of the Government;

**“hydrometallurgy”;**

“hydrometallurgy” means any processing of an ore or concentrate that produces a metal, metallic salt or metallic compound by carrying out a chemical reaction in an aqueous or organic solution;

**“mine”;**

“mine” means a place situated in Québec whose purpose is the extraction of mineral substances;

**“mineral substance”;**

“mineral substance” means any natural mineral substance in solid form, including mine tailings;

**“mining operation”;**

“mining operation” means all work related to the various phases of mineral development, namely exploration, pre-production development, post-production development, the reclamation or rehabilitation of land situated in Québec, the extraction, processing, transportation, handling, storage and marketing of a mineral substance extracted from Québec soil, until its alienation or its use by the operator, and the processing of mine tailings from Québec, but does not include work;

(1) performed for others;

(2) *(paragraph repealed)*;

(3) carried out after 17 October 1990 in respect of surface mineral substances within the meaning assigned to that expression in section 1 of the Mining Act, or of mineral substances the rights in or over which have been surrendered to the owner of the soil under section 5 of that Act;

**“Near North”;**

“Near North” means the territory of Québec situated north of the 49th degree of north latitude and north of the St. Lawrence River and the Gulf of St. Lawrence, and south of the 55th degree of north latitude;

**“northern mine”;**

“northern mine” means a mine, within the meaning assigned to that expression by this section on 30 March 2010, situated north of 55°00' north latitude;

**“Northern Québec”;**

“Northern Québec” means the territory of Québec formed by the Near North and the Far North;

**“operator”;**

“operator” means a person or partnership, other than a joint venture, that performs mining operation work, either alone or with others, or through a mandatary, on land situated in Québec or in a mine the person or partnership owns, leases or occupies;

**“ore”;**

“ore” means a mineral substance that may be extracted for the purpose of obtaining a commercial product;

**“post-production development”;**

“post-production development” means all work in respect of which expenses referred to in subparagraph a of subparagraph 1 of the second paragraph of section 16.13 are incurred;

**“pre-production development”;**

“pre-production development” means all work in respect of which expenses referred to in subparagraph a of subparagraph 1 of the second paragraph of section 16.11 are incurred;

**“processing”;**

“processing” means any activity involving the concentration, smelting or refining of a mineral substance or any hydrometallurgy activity, including any activity involving pelletization, production of powder, production of steel billets or any other prescribed activity;

**“processing asset”;**

“processing asset” means property to which any of sections 10, 10.1.1, 10.9 and 10.11 apply, situated in Québec, that is

- (1) a processing plant;
- (2) equipment used entirely or almost entirely for processing;
- (3) property used mainly to supply water or energy to a processing plant;
- (4) *(paragraph repealed)*;
- (5) property used entirely or almost entirely for the handling or transportation of a mineral substance within a processing plant; or
- (6) property used entirely or almost entirely for the handling or transportation of mine tailings emanating directly from a processing plant, to a mine tailings site or mine tailings heap;

but does not include

- (7) property used during an activity preliminary to primary crushing;
- (8) property used for the primary crushing of a mineral substance;

(9) subject to paragraphs 5 and 6, property used for the transportation, handling, storage or marketing of a mineral substance;

(10) property used for the transportation of solid, liquid or gas fuel;

(11) subject to paragraph 6, property used in the operation of a mine tailings site or mine tailings heap, from the first deposit of tailings in an area laid out for that purpose; or

(12) subject to paragraph 3, service property;

**“processing plant”;**

“processing plant” means the whole or part of a building in which the processing of a mineral substance is carried out and which is used solely for that purpose;

**“processing product”;**

“processing product” means a product, by-product or derivative obtained as a result of the processing of a mineral substance;

**“refining”;**

“refining” means any processing of a product from a smelting or concentration operation to remove impurities, which produces very high grade metal;

**“service property”;**

“service property” means property, other than a railroad not situated at the mine, acquired for the purpose of realizing or producing income from a mine and of providing services to the mine or to a townsite in which a large proportion of persons who ordinarily work in the mine reside, if the property is

- (1) an airport, dam, basin, fire station, natural gas pipeline, energy transmission line, wastewater treatment plant, sewer, street lighting network, water main, water pumping station, water supply network, wharf, or similar property;
- (2) a road, sidewalk, runway, parking lot, storage area, or similar surface construction;
- (3) a machine or material accessory to property referred to in paragraph 1 or 2;

**“smelting”;**

“smelting” means any processing of an ore or concentrate wherein the charge is melted and chemically converted to produce a slag and a matte or metal containing impurities;

**“tax rate”.**

“tax rate” applicable to an operator for a fiscal year that begins before 1 January 2014 means the rate determined for the fiscal year by the formula

$$A + B + C + D.$$

**Definition of “amalgamation” – clarification and interpretation.**

For the purposes of the definition of “amalgamation” in the first paragraph,

(1) the acquisition of property of one legal person by another legal person or the distribution of property of a legal person being wound up to another legal person does not result in an amalgamation; and

(2) for the purposes of paragraph 3 of that definition, when there is a merger of a legal person and one or more of its wholly-controlled subsidiaries or of two or more legal persons each of which is a wholly-controlled subsidiary of the same legal person, any share of the capital stock of a predecessor legal person owned by a shareholder, except a predecessor legal person, immediately before the merger that was not cancelled on the merger is deemed to be a share of the capital stock of the new legal person received by the shareholder as a result of the merger in consideration for the disposition of a share of the capital stock of the predecessor legal person.

**Wholly-controlled subsidiary.**

For the purposes of subparagraph 2 of the second paragraph, a “wholly-controlled subsidiary” of a particular person means a legal person all of the issued and outstanding shares of the capital stock of which are owned

(1) by the particular person;

(2) by a legal person that is a wholly-controlled subsidiary of the particular person; or

(3) by two or more persons each of which is a person described in paragraph 1 or 2.

**Definition of “tax rate” – formula elements.**

In the formula in the definition of “tax rate” in the first paragraph,

(1) A is the rate obtained by multiplying 12% by the proportion that the number of days in the fiscal year that precede 31 March 2010 is of the number of days in the fiscal year;

(2) B is the rate obtained by multiplying 14% by the proportion that the number of days in the fiscal year that follow 30 March 2010 and precede 1 January 2011 is of the number of days in the fiscal year;

(3) C is the rate obtained by multiplying 15% by the proportion that the number of days in the fiscal year that follow 31 December 2010 and precede 1 January 2012 is of the number of days in the fiscal year; and

(4) D is the rate obtained by multiplying 16% by the proportion that the number of days in the fiscal year that

follow 31 December 2011 is of the number of days in the fiscal year.

History: 1975, c. 30, s. 1; 1985, c. 39, s. 1; 1987, c. 64, s. 334; 1994, c. 47, s. 1; 1996, c. 4, s. 1; 1996, c. 39, s. 2; 1997, c. 85, s. 18; 1999, c. 83, s. 4; 2000, c. 5, s. 1; 2001, c. 51, s. 1; 2002, c. 40, s. 13; 2003, c. 8, s. 6; 2006, c. 3, s. 35; 2011, c. 6, s. 16; 2015, c. 8, s. 43; 2015, c. 21, s. 38; 2016, c. 35, s. 23 [in force: O.C. 1255-2018.]; 2017, c. 29, s. 12.

**Fiscal year.**

**2.** In this Act, the expression “fiscal year” means the period for which the mining operation accounts of an operator are ordinarily made up each year and, in the absence of an established practice, the fiscal year adopted by the operator.

**Clarification.**

Nevertheless, no fiscal year shall exceed fifty-three weeks and no change shall be made therein without the written authorization of the Minister.

History: 1975, c. 30, s. 2; 1994, c. 47, s. 2.

**Cessation of mining operation activities.**

**2.1.** In the event that an operator ceases, for an indeterminate period, all activities related to its mining operation, the fiscal year of the operator is deemed to end immediately before the time at which the activities cease and, for the purpose of determining its fiscal year after that time, the operator is deemed not to have established a fiscal year for its mining operation before that time.

History: 1994, c. 47, s. 3.

**3. (Repealed).**

History: 1975, c. 30, s. 3; 2002, c. 6, s. 133; 2009, c. 52, s. 591; 2011, c. 6, s. 17.

**4. (Repealed).**

History: 1975, c. 30, s. 4; 1982, c. 17, s. 44; 2002, c. 6, s. 134; 2011, c. 6, s. 17.

**Associated operator.**

**4.1.** For the purposes of this Act, an operator that is a legal person is associated, in a fiscal year, with one or more entities that are legal persons if, at a particular time in that fiscal year, they are associated with each other within the meaning of Chapter IX of Title II of Book I of Part I of the Taxation Act (chapter I-3).

**Rules for determining association.**

In addition, for the purpose of determining if an operator is associated with an entity in a fiscal year, the first paragraph is to be applied taking into account the following rules:

(1) an individual is deemed to be a legal person all of the voting shares of the capital stock of which are owned by the individual at the particular time;

(2) a partnership is deemed to be a legal person whose fiscal year corresponds to that of the partnership and all of the voting shares of the capital stock of which are owned by each member of the partnership, at the particular time, in the proportion that the member's share of the income or loss of the partnership for the fiscal year that includes the particular time is of the income or loss of the partnership for the fiscal year, assuming, if the income and loss of the partnership for that fiscal year are nil, that the income of the partnership for the fiscal year is equal to \$1,000,000; and

(3) a trust is deemed to be a legal person all of the voting shares of the capital stock of which,

(a) 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 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,

i. are owned at the particular time by such a beneficiary, if that 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 if the particular time occurs before the distribution date, or

ii. are owned at the particular time by such a beneficiary in a 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, if subparagraph i does not apply and the particular time occurs before the distribution date;

(b) if 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 the particular time by the beneficiary, unless subparagraph a applies and the particular time occurs before the distribution date,

(c) in any case in which subparagraph b does not apply, are owned at the particular time by the beneficiary in a 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, unless subparagraph a applies and the particular time occurs before the distribution date, and

(d) in the case of a trust referred to in section 467 of the Taxation Act, are owned at the particular time by the person referred to in that section from whom property of the trust or

property for which property of the trust was substituted was directly or indirectly received.

History: 2011, c. 6, s. 18.

**Deemed association.**

**4.2.** For the purposes of this Act, if it may reasonably be considered that one of the main reasons for the separate existence of two or more entities in a fiscal year is to cause a person or partnership to qualify as an eligible operator for that fiscal year, those entities are deemed to be associated with each other in the fiscal year.

History: 2011, c. 6, s. 18.

**Transaction with a related person.**

**4.2.1.** For the purposes of this Act, except sections 35.3 to 35.5, an outlay or expense resulting from a transaction with a person related, within the meaning of Chapter IV of Title II of Book I of Part I of the Taxation Act (chapter I-3), to the operator is deemed not to exceed the fair market value of property or a service supplied if the outlay or expense exceeds that value; moreover, an operator that supplied property or a service following a transaction with a related person, within the meaning of that Chapter IV, is deemed to have received an amount at least equal to the fair market value of the property or service if the consideration received for the property or service is less than that value or if there is no consideration for the property or service.

History: 2015, c. 21, s. 39.

**Deductions — general limitation.**

**4.2.2.** An amount deductible under this Act in respect of an outlay or expense may be deducted only to the extent that the outlay or expense is reasonable in the circumstances.

History: 2015, c. 21, s. 39.

**Inclusions and deductions.**

**4.2.3.** An operator who, in computing its annual profit or in computing the mine-mouth output value in respect of a mine it operates, for a fiscal year, has already included or deducted an amount, directly or indirectly, is not required to again include or authorized to again deduct the amount, as the case may be, directly or indirectly, unless it is required or authorized by this Act expressly or in terms in which that requirement or authorization may necessarily be inferred.

History: 2015, c. 21, s. 39.

**Negative amounts.**

**4.3.** For the purposes of, and unless otherwise provided in, this Act, if an amount or number is to be determined or calculated by an algebraic formula and if, but for this section, the amount or number determined or calculated would be less than zero, it is deemed to be nil.

History: 2011, c. 6, s. 18.

**CHAPTER I.1**  
**USE OF CANADIAN CURRENCY OR**  
**FUNCTIONAL CURRENCY**

**Definitions:**

**4.4.** In this chapter,

**“Canadian currency year”;**

“Canadian currency year” of an operator means a fiscal year that precedes the first functional currency year of the operator;

**“elected functional currency”;**

“elected functional currency” of an operator means the currency of a country other than Canada that is the elected functional currency of the operator, within the meaning of section 21.4.16 of the Taxation Act (chapter I-3), for the purposes of Chapter V.3 of Title II of Book I of Part I of that Act;

**“functional currency year”;**

“functional currency year” of an operator means a fiscal year in respect of which the rules set out in section 4.7 apply to the operator;

**“Québec mining results”;**

“Québec mining results” of an operator for a fiscal year means

(1) the amount of the operator’s annual profit or loss, as the case may be, for the fiscal year under this Act;

(1.1) the operator’s mine-mouth value output for the fiscal year, under this Act, in respect of all the mines it operates in that fiscal year;

(2) the amount of duties payable by the operator in respect of the fiscal year under this Act;

(3) the amount of duties refundable to the operator in respect of the fiscal year under this Act; and

(4) any amount that is relevant in computing the amounts described in paragraphs 1 to 3 in respect of the fiscal year of the operator;

**“relevant spot rate”;**

“relevant spot rate” for a particular day means, in respect of a conversion of an amount from a particular currency to another currency,

(1) if the particular currency or the other currency is Canadian currency, the rate quoted by the Bank of Canada for noon on the particular day (or, if there is no such rate quoted for the particular day, the closest preceding day for which such a rate is quoted) for the exchange of the particular currency for the other currency, or, for the purposes of paragraph 2 of section 4.5 and paragraph 3 of section 4.7, any other rate of exchange that is acceptable to the Minister; and

(2) if neither the particular currency nor the other currency is Canadian currency, the rate — calculated by reference to the rates quoted by the Bank of Canada for noon on the

particular day (or, if either of such rates is not quoted for the particular day, the closest preceding day for which both such rates are quoted) — for the exchange of the particular currency for the other currency, or, for the purposes of paragraph 2 of section 4.5 and paragraph 3 of section 4.7, any other rate of exchange that is acceptable to the Minister;

**“reversionary year”;**

“reversionary year” of an operator means a fiscal year that begins after the last functional currency year of the operator;

**“reporting currency”.**

“reporting currency” of an operator for a fiscal year, and at any time in the fiscal year, means the currency in which the operator’s Québec mining results for the fiscal year are to be computed.

History: 2011, c. 6, s. 18; 2015, c. 21, s. 40.

**Use of Canadian currency.**

**4.5.** Unless otherwise provided in this chapter, the following rules apply in computing the Québec mining results of an operator for a fiscal year:

(1) Canadian currency is to be used; and

(2) any amount that is relevant in computing those Québec mining results and that is expressed in a currency other than Canadian currency is to be converted to an amount expressed in Canadian currency using the relevant spot rate for the day on which the amount arose.

History: 2011, c. 6, s. 18.

**Application of the rules provided in section 4.7.**

**4.6.** The rules provided in section 4.7 apply to an operator that is a legal person in respect of a particular fiscal year if section 21.4.19 of the Taxation Act (chapter I-3) applies to the operator in respect of its taxation year for the purposes of the Taxation Act that corresponds to the particular fiscal year.

History: 2011, c. 6, s. 18.

**Functional currency.**

**4.7.** The rules to which section 4.6 refers and that apply to an operator in respect of a particular fiscal year are the following:

(1) the operator’s elected functional currency is to be used for the purpose of computing the operator’s Québec mining results for the particular fiscal year;

(2) unless the context requires otherwise, each reference in this Act or the regulations to an amount (other than in respect of a penalty or fine) that is described as a particular number of Canadian dollars is, in respect of the operator and the particular fiscal year, to be read as a reference to that amount expressed in the operator’s elected functional currency using the relevant spot rate for the first day of the particular fiscal year; and



(3) any amount that is relevant in computing the operator's Québec mining results for the particular fiscal year and that is expressed in a currency other than the operator's elected functional currency is to be converted to an amount expressed in the operator's elected functional currency using the relevant spot rate for the day on which the amount arose.

History: 2011, c. 6, s. 18.

**Conversion to functional currency.**

**4.8.** For the purpose of applying this Act to an operator for a functional currency year of the operator (in this section referred to as the "particular fiscal year"), the following amounts are to be converted from Canadian currency to the operator's elected functional currency using the relevant spot rate for the last day of the operator's last Canadian currency year:

(1) the capital cost to the operator of a property that was acquired in a Canadian currency year of the operator;

(2) any amount that

(a) relates to the undepreciated capital cost of the operator's property of a class within the meaning of section 9, the operator's cumulative exploration, mineral deposit evaluation and mine development expenses within the meaning of section 16.1, the operator's cumulative exploration expenses in respect of expenses incurred after 30 March 2010 within the meaning of section 16.9, the operator's cumulative pre-production development expenses in respect of expenses incurred after 30 March 2010 within the meaning of section 16.11, the operator's cumulative post-production development expenses in respect of a mine within the meaning of section 16.13, the cumulative community consultation expenses within the meaning of section 16.13.2, the cumulative environmental studies expenses within the meaning of section 16.13.4, the cumulative sustainable development certification expenses within the meaning of section 16.13.6, the operator's cumulative exploration expenses in respect of expenses incurred before 31 March 2010 within the meaning of section 19.2, and the cumulative expenses relating to a Northern mine within the meaning of section 26.2 (each of which is in this paragraph referred to as a "pool amount"), and

(b) was added or deducted in computing a pool amount of the operator in respect of a Canadian currency year of the operator; and

(3) any other amount determined under this Act for or in respect of a Canadian currency year of the operator that is relevant in computing the Québec mining results of the operator for the particular fiscal year.

History: 2011, c. 6, s. 18; 2019, c. 14, s. 43; 2020, c. 16, s. 13.

**Rules of application.**

**4.9.** Despite sections 4.7 and 4.8, for the purposes of this Act in respect of a functional currency year (in this section referred to as the "particular fiscal year") of an operator, the following rules apply:

(1) for the purpose of computing the payments that the operator is required to make in relation to the particular fiscal year under paragraph 1 of section 46,

(a) each estimated amount described in subparagraph *a* of that paragraph 1 that is payable by the operator for the particular fiscal year is to be determined by converting that amount, as determined in the operator's elected functional currency, to Canadian currency using the relevant spot rate for the day on or before which the amount is required to be paid,

(b) the operator's first basic provisional account referred to in subparagraph *a* of that paragraph 1 for the particular fiscal year is to be determined, if the particular fiscal year is the operator's first functional currency year, without reference to this chapter and, in any other case, as if the duties payable by the operator for the operator's functional currency year (in this subparagraph referred to as the "first base year") preceding the particular fiscal year were equal to the total of

i. the aggregate of the payments that the operator is required to make under that paragraph 1, determined in accordance with this subparagraph *b* or with subparagraph *a* or *c*, as the case may be, in respect of the first base year, and

ii. the remainder of the duties payable by the operator under paragraph 2 of section 46, determined in accordance with paragraph 2, in respect of the first base year;

(c) the operator's second basic provisional account described in subparagraph *b* of paragraph 1 of section 46 for the particular fiscal year is to be determined, if the particular fiscal year is the operator's first functional currency year or the operator's fiscal year that follows the operator's first functional currency year, without reference to this chapter and, in any other case, as if the duties payable by the operator for the operator's functional currency year (in this subparagraph referred to as the "second base year") preceding the first base year were equal to the total of

i. the aggregate of the payments that the operator is required to make under that paragraph 1, determined in accordance with this subparagraph *c* or with subparagraph *a* or *b*, as the case may be, in respect of the second base year, and

ii. the remainder of the duties payable by the operator under paragraph 2 of section 46, determined in accordance with paragraph 2, in respect of the second base year, and

(d) those payments must correspond to the payments based on the method described in paragraph 1 of section 46 that is

referred to in section 52 in respect of the operator in relation to the particular fiscal year;

(2) the remainder of the duties payable by the operator for the particular fiscal year under paragraph 2 of section 46 is equal to the amount obtained by converting to Canadian currency, using the relevant spot rate for the day that is the last day of the period ending two months after the end of the particular fiscal year, the amount by which the duties payable by the operator under this Act for the particular fiscal year, expressed in the operator's elected functional currency, exceeds the aggregate of all amounts each of which is the amount obtained by converting the amount of a payment that the operator is required to make in relation to this Act in respect of the particular fiscal year, determined in accordance with paragraph 1 of section 46, with reference to subparagraph *a*, *b* or *c*, as the case may be, of paragraph 1, to the operator's elected functional currency using the relevant spot rate for the day on or before which the payment is required to be made;

(3) for the purpose of computing an amount payable in respect of the duties that are payable by the operator for the particular fiscal year under this Act, other than the duties themselves, those duties are deemed to be equal to the total of

(a) the aggregate of the payments that the operator is required to make under paragraph 1 of section 46, determined in accordance with subparagraph *a*, *b* or *c*, as the case may be, of paragraph 1, in respect of the particular fiscal year, and

(b) the remainder of the duties payable by the operator under paragraph 2 of section 46, determined in accordance with paragraph 2, in respect of the particular fiscal year;

(4) in relation to an amount that the operator may claim as a refundable duties credit for losses under section 32 for the particular fiscal year, the amount, determined in the operator's elected functional currency, is to be converted to Canadian currency using the relevant spot rate for the day that is the last day of the period ending two months after the end of the particular fiscal year; and

(5) any amount payable by the operator for the particular fiscal year under this Act is to be paid in Canadian currency.

History: 2011, c. 6, s. 18.

**Reversionary year.**

**4.10.** For the purpose of applying this Act to an operator's reversionary year, section 4.8 is to be read as if

(1) "Canadian currency year" was replaced by "functional currency year" in

(a) the portion before paragraph 1,

(b) paragraph 1,

(c) subparagraph *b* of paragraph 2, and

(d) paragraph 3; and

(2) "functional currency year", "Canadian currency" and "the operator's elected functional currency" in the portion before paragraph 1 were replaced, respectively, by "reversionary year", "the operator's elected functional currency" and "Canadian currency".

History: 2011, c. 6, s. 18.

**Windings-up.**

**4.11.** If a winding-up described in section 556 of the Taxation Act (chapter I-3) begins at a particular time and the parent and the subsidiary referred to in that section would, in the absence of this section, have different reporting currencies at the particular time, the following rules apply for the purpose of computing the subsidiary's Québec mining results for its fiscal years that end after the particular time:

(1) if the subsidiary's reporting currency is Canadian currency,

(a) despite section 4.6, section 4.7 is deemed to apply to the subsidiary in respect of its fiscal year that includes the particular time and each of its subsequent fiscal years,

(b) the subsidiary is deemed to have as its elected functional currency the parent's reporting currency, and

(c) if the subsidiary's fiscal year that includes the particular time would, in the absence of this section, be a reversionary year of the subsidiary, this chapter applies with the necessary modifications; and

(2) if neither the subsidiary's reporting currency nor the parent's reporting currency is Canadian currency,

(a) the subsidiary's first reversionary year is deemed to end at the given time that is immediately after the time at which it began,

(b) a new fiscal year of the subsidiary is deemed to begin immediately after the given time,

(c) despite section 4.6, section 4.7 is deemed to apply to the subsidiary in respect of its fiscal year that includes the particular time and each of its subsequent fiscal years, and

(d) the subsidiary is deemed to have as its elected functional currency the parent's reporting currency.

History: 2011, c. 6, s. 18.

**Amalgamations.**

**4.12.** If, in respect of an amalgamation, a predecessor legal person has a reporting currency for its last fiscal year that is different from the reporting currency of the new legal person for its first fiscal year, paragraphs 1 and 2 of section 4.11 apply, for the purpose of computing the predecessor legal person's Québec mining results for its last fiscal year, as if the reporting currencies referred to in those paragraphs were the reporting currencies referred to in this section and as if

(1) "subsidiary" was replaced wherever it appears by "predecessor legal person" in

(a) the portion of that paragraph 1 before subparagraph *c*,

(b) that paragraph 2;

(2) "the subsidiary's fiscal year that includes the particular time" in subparagraph *c* of that paragraph 1 was replaced by "the predecessor legal person's last fiscal year";

(3) "parent's" was replaced by "new legal person's" in

(a) subparagraph *b* of that paragraph 1,

(b) the portion of that paragraph 2 before subparagraph *a*, and

(c) subparagraph *d* of that paragraph 2; and

(4) "its fiscal year that includes the particular time and each of its subsequent fiscal years" was replaced by "its last fiscal year" in

(a) subparagraph *a* of that paragraph 1, and

(b) subparagraph *c* of that paragraph 2.

History: 2011, c. 6, s. 18.

**Québec mining results.**

**4.13.** If, for the purposes of the Taxation Act (chapter I-3), the Québec tax results, within the meaning of that Act, of a legal person for a taxation year are to be computed using either the particular currency or a given currency because of the first or second paragraph of section 21.4.33 of that Act, the Québec mining results of the legal person are to be determined in that particular currency or that given currency, as the case may be, for the fiscal year that corresponds to that taxation year.

History: 2011, c. 6, s. 18.

**CHAPTER II  
LIABILITY****Mining tax liability after 31 December 2013.**

**5.** For a fiscal year that begins after 31 December 2013, an operator is required to pay duties equal to the greater of

(1) its mining tax on its annual profit for the fiscal year, determined under any of sections 29.1 to 29.3; and

(2) its minimum mining tax for the fiscal year, determined under section 30.1.

**Fiscal years beginning before 1 January 2014.**

For a fiscal year that begins before 1 January 2014, an operator is required to pay the duties on its annual profit for the fiscal year that are determined under section 30.

History: 1975, c. 30, s. 5; 1987, c. 64, s. 335; 1990, c. 36, s. 23; 1994, c. 47, s. 4; 2015, c. 21, s. 41; 2017, c. 1, s. 53.

**CHAPTER III  
COMPUTATION OF ANNUAL PROFIT AND OF  
MINE-MOUTH OUTPUT VALUE****DIVISION I  
RULES RELATING TO COMPUTATION OF GROSS  
VALUE OF ANNUAL OUTPUT****Gross value of annual output.**

**6.** Subject to sections 6.1 and 6.2, the gross value of an operator's annual output from a mine for a fiscal year is the value of the mineral substances and, where applicable, of the processing products, derived from the operator's mining operation, that is established

(1) where the mineral substances and, where applicable, the processing products are used by the operator in the fiscal year, at the market price at the time of their use; or

(2) where subparagraph 1 does not apply, according to one of the following methods of valuation:

(a) at the market price at the time of alienation of the mineral substances and, where applicable, of the processing products alienated by the operator in the fiscal year;

(b) according to the method used by the operator to prepare the financial statements for that fiscal year provided that the method is consistent with generally accepted accounting principles;

(c) at the amount received or receivable as consideration for the alienation of the mineral substances and, where applicable, of the processing products alienated by the operator in the fiscal year.

**Excluded gains and losses.**

For the purposes of the first paragraph, the value of the mineral substances and, where applicable, of the processing products does not include a gain or loss resulting from a hedging or speculative transaction.

History: 1975, c. 30, s. 6; 1994, c. 47, s. 6; 1996, c. 4, s. 2; 2001, c. 51, s. 2; 2011, c. 6, s. 19.

**Method of valuation.**

**6.1.** For the purpose of determining the gross value of the annual output of an operator for a fiscal year, the value of the mineral substances and, where applicable, of the processing products, shall be established on the basis of the method of valuation provided for in one of subparagraphs *a* to *c* of subparagraph 2 of the first paragraph of section 6 that was used by the operator to determine the gross value of annual production for the preceding fiscal year, unless the Minister authorizes the operator to use another of the methods provided for in that subparagraph 2, in which case the operator shall comply with the conditions determined by the Minister.

**Minister's authorization.**

In addition, for the purpose of determining the gross value of annual output for a fiscal year, an operator must also obtain the authorization of the Minister and comply with the conditions determined by the Minister, if the method of valuation used by the operator to determine the value of mineral substances and, where applicable, of the processing products is the method provided for in subparagraph *b* of subparagraph 2 of the first paragraph of section 6, and if the method used by the operator to prepare the financial statements for that fiscal year differs from the method used by the operator to prepare the financial statements for the preceding fiscal year.

**Non-application of this section.**

This section does not apply for the purpose of determining the gross value of an operator's annual output for the first fiscal year of the operator other than a fiscal year deemed to be the operator's first fiscal year by reason of section 2.1.

History: 2001, c. 51, s. 3.

**Gross value of annual output of gemstones.**

**6.2.** For the purpose of determining the gross value of the annual output of an operator for a fiscal year, the value of the mineral substances from a mine that are gemstones corresponds to the gross value of the annual output of the gemstones, to be determined according to the following rules:

(1) the gross value of the annual output of the gemstones is determined at the mine site—or outside the mine site with the Minister's authorization, under the conditions determined by the Minister, following a written application by the operator

—on the basis of their value before they are cut or polished and, for that purpose, the operator must sort and clean them to facilitate their valuation;

(2) the gross value of the annual output of the gemstones is determined, on the basis of the criterion set out in subparagraph 1, by both the operator and a valuator mandated by the Minister for that purpose; and

(3) the gross value of the annual output of the gemstones corresponds,

(a) if the operator and the Minister agree on the value, to the amount which they have agreed on, or

(b) if the rules set out in subparagraph 1 are not complied with or if the operator and the Minister do not agree on the value, to the maximum value that could be obtained as consideration for the alienation of the gemstones on the open market after they are sorted into market assortments.

**Gemstones unmixed with other gemstones.**

Despite the first paragraph, if particular gemstones from the mine have not been mixed with other gemstones, if the operator alienates the particular gemstones in a fiscal year in favour of a person to whom the operator is not related within the meaning of Chapter IV of Title II of Book I of Part I of the Taxation Act (chapter I-3) at the time of the alienation, and if the alienation occurs in the same fiscal year as the fiscal year in which the gross value of the annual output of the gemstones was determined in accordance with the first paragraph, their gross value is deemed to correspond to the amount received or receivable as consideration for that alienation.

**Provision of facilities and equipment.**

The operator is bound to provide to the valuator mandated by the Minister the facilities and the equipment, other than computer equipment, required to determine the gross value of the annual output of the gemstones.

History: 2011, c. 6, s. 20; 2015, c. 21, s. 44; 2017, c. 1, s. 54.

**Valuation by the Minister.**

**7.** In case of doubt or where the gross value of an operator's annual output for a fiscal year does not correspond to the market value, the Minister may value the mineral substances and, where applicable, the processing products, derived from the operator's mining operation for the fiscal year, and such valuation shall constitute the gross value of the operator's annual output for the fiscal year for the purposes of this Act.

History: 1975, c. 30, s. 7; 1994, c. 47, s. 7; 1996, c. 4, s. 3; 2001, c. 51, s. 4.

**DIVISION I.1**  
**RULES RELATING TO COMPUTATION OF**  
**ANNUAL PROFIT**

**Operator's annual profit.**

**8.** Subject to section 8.0.1, the annual profit of an operator for a fiscal year that begins after 30 March 2010 is equal to the amount determined by the formula

A – B.

**Formula elements.**

In the formula in the first paragraph,

(1) A is the aggregate of

(a) the total of all amounts each of which is the annual earnings, as determined according to the rules set out in the third and fourth paragraphs, of the operator for that fiscal year in respect of each mine it operates in that fiscal year, and

(b) an amount, other than government assistance, received or receivable by the operator in the fiscal year from a person or partnership, because of an expense incurred by the operator for a particular fiscal year and that is an expense deducted in computing annual profit for the particular fiscal year or an expense taken into account for the particular fiscal year, for the purposes of subparagraph *b* of subparagraph 1 of the second paragraph of section 16.1 or subparagraph *a* of subparagraph 1 of the second paragraph of any of sections 16.9, 16.11, 16.13.2, 16.13.4 and 16.13.6; and

(2) B is the aggregate of

(a) the total of all amounts each of which is an expense incurred by the operator, for the fiscal year, for scientific research and experimental development, within the meaning of section 1 of the Taxation Act (chapter I-3) carried out in Canada, to the extent that the expense may be considered to relate to the operator's mining operation,

(b) the total of all amounts each of which is the eligible amount of a gift, within the meaning of section 7.21 of the Taxation Act, made by the operator in the fiscal year, if

i. the gift would be referred to in section 710 or 752.0.10.1 of that Act, as the case may be, if paragraph *a* of section 999.2 of that Act were read as if “i to v” were replaced by “i to iii” and if section 999.2 of that Act were read without its paragraphs *i* and *j*, and

ii. the total of those amounts does not exceed 10% of the total referred to in subparagraph *a* of subparagraph 1,

(c) subject to section 16, the amount deducted by the operator, for the fiscal year, as an exploration, mineral

deposit evaluation and mine development allowance in respect of expenses incurred before 31 March 2010,

(d) subject to sections 16.7 and 16.8, the amount deducted by the operator, for the fiscal year, as an exploration allowance in respect of expenses incurred after 30 March 2010,

(e) the total of all amounts each of which is a general administrative expense incurred by the operator in the fiscal year, in relation to exploration work,

(f) subject to section 16.10, the amount deducted by the operator, for the fiscal year, as a pre-production development allowance in respect of expenses incurred after 30 March 2010,

(g) subject to section 19.1, the amount deducted by the operator, for the fiscal year, as an additional exploration allowance in respect of expenses incurred before 31 March 2010,

(h) subject to section 16.13.1, the amount deducted by the operator, for the fiscal year, as an allowance for community consultations,

(i) subject to section 16.13.3, the amount deducted by the operator, for the fiscal year, as an allowance for environmental studies; and

(j) subject to section 16.13.5, the amount deducted by the operator, for the fiscal year, as a sustainable development certification allowance.

**Operator's annual earnings.**

For the purposes of subparagraph *a* of subparagraph 1 of the second paragraph, the annual earnings of the operator for a fiscal year in respect of each mine it operates in that fiscal year is equal to the amount determined by the formula

C – D.

**Formula elements.**

In the formula in the third paragraph,

(1) C is the aggregate of

(a) the portion of the gross value of the operator's annual output for the fiscal year that is reasonably attributable to the operation of the mine,

(b) if, for the purpose of determining the gross value of the operator's annual output for the fiscal year, the Minister authorizes under section 6.1 the use of a method for the fiscal year that differs from the method used by the operator for the preceding fiscal year, the amount, if any, by which the amount that would be the portion of the gross value of annual output for the preceding fiscal year that is reasonably

attributable to the operation of the mine if that value had been determined according to the method used by the operator to determine the gross value of annual output for the fiscal year, exceeds the amount that is the portion of the gross value of annual output for the preceding fiscal year that is reasonably attributable to the operation of the mine,

(c) if particular gemstones from the mine have not been mixed with other gemstones, if the operator alienates those particular gemstones in the fiscal year in favour of a person to whom the operator is not related, within the meaning of Chapter IV of Title II of Book I of Part I of the Taxation Act, at the time of the alienation and if the value of the particular gemstones was taken into consideration in determining the gross value of the operator's annual output for a preceding fiscal year, the amount, if any, by which the amount received or receivable as consideration for that alienation exceeds the value taken into consideration,

(d) an amount, other than government assistance, received or receivable by the operator in the fiscal year, from a person or partnership, because of an expense incurred by the operator in respect of the mine for a particular fiscal year that is an expense deducted in computing the operator's annual earnings in respect of the mine for the particular fiscal year or an expense taken into account for the particular fiscal year, for the purposes of subparagraph *a* of subparagraph 1 of the second paragraph of section 16.13,

(e) the amount determined in accordance with any of sections 10.2, 10.3, 10.12 and 10.13 for the fiscal year that is reasonably attributable to the operation of the mine,

(f) the lesser of the operator's cumulative contributions account at the end of the fiscal year relating to the mine and the aggregate of all amounts each of which is an amount that relates to the reclamation of land that is or was used for the operation of the mine, and that is included, under paragraph *z* or *z.1* of section 87 of the Taxation Act, in computing the operator's income for the fiscal year for the purposes of that Act, in respect of an environmental trust under which the operator is a beneficiary,

(g) any amount included, under paragraph *w* of section 87 of the Taxation Act, in computing the operator's income for the fiscal year for the purposes of that Act, in relation to an amount that the operator is deemed to have paid to the Minister under sections 1029.8.36.168, 1029.8.36.170, 1029.8.36.171.1, 1029.8.36.171.2 and 1029.8.36.173 of that Act and that is reasonably attributable to the operation of the mine,

(h) if the operator is a partnership, any amount included, under paragraph *w* of section 87 of the Taxation Act because of sections 87.3 and 87.3.1 of that Act, in computing the operator's income for the fiscal year for the purposes of that Act, in relation to an amount that a legal person that is a partner of the operator is deemed to have paid to the Minister under section 1029.8.36.169 or 1029.8.36.171 of that Act and

that is reasonably attributable to the operation of the mine, and

(i) if the operator is a partnership, any amount included, under paragraph *w* of section 87 of the Taxation Act because of section 87.3 of that Act, in computing the operator's income for the fiscal year for the purposes of that Act, in relation to an amount that a legal person that is a partner of the operator is deemed to have paid to the Minister under sections 1029.8.36.174 and 1029.8.36.175 of that Act and that is reasonably attributable to the operation of the mine; and

(2) D is the aggregate of

(a) the total of all expenses each of which is an expense, other than an expense referred to in subparagraph *e* of subparagraph 2 of the second paragraph, incurred by the operator in respect of the mine, for the fiscal year, to the extent that the expense was incurred to realize the portion of the gross value of the operator's annual output that is reasonably attributable to the operation of the mine and provided that the expense relates directly thereto,

(b) subject to sections 10, 10.1.1 and 10.17, the amount deducted by the operator, for the fiscal year, as a depreciation allowance that is reasonably attributable to the operation of the mine,

(c) the amount that the operator is required to deduct, for the fiscal year, in respect of the mine as a post-production development allowance in accordance with the first paragraph of section 16.12,

(d) subject to sections 20.1 and 21, the amount deducted by the operator, for the fiscal year, in respect of the mine as a processing allowance,

(e) subject to section 26.0.1, the amount deducted by the operator, for the fiscal year, as an additional depreciation allowance that is reasonably attributable to the operation of the mine,

(f) the amount determined in accordance with any of sections 10.4, 10.5, 10.15 and 10.16, for the fiscal year, that is reasonably attributable to the operation of the mine,

(g) subject to section 26.1, the amount deducted by the operator, for the fiscal year, as an additional allowance for a northern mine that is reasonably attributable to the operation of the mine,

(h) subject to section 26.4, the amount deducted by the operator, for the fiscal year, in respect of the mine as an additional allowance for a mine situated in Northern Québec,

(i) the aggregate of all amounts each of which is an amount paid by the operator for the reclamation of land that is or was used for the operation of the mine, and deductible under

paragraph *r* or *s* of section 157 of the Taxation Act in computing the operator's income for the fiscal year for the purposes of that Act, in respect of an environmental trust under which the operator is a beneficiary,

(*j*) if, for the purpose of determining the gross value of the operator's annual output for a fiscal year, the Minister authorizes under section 6.1 the use of a method for the fiscal year that differs from the method used by the operator for the preceding fiscal year, the amount, if any, by which the amount that is the portion of the gross value of the operator's annual output for the preceding fiscal year that is reasonably attributable to the operation of the mine exceeds the amount that would be the portion of the gross value of the operator's annual output for the preceding fiscal year that is reasonably attributable to the operation of the mine if that value had been determined using the method used by the operator to determine the gross value of the annual output for the fiscal year, and

(*k*) if particular gemstones from the mine have not been mixed with other gemstones, if the operator alienates those particular gemstones in the fiscal year in favour of a person to whom the operator is not related, within the meaning of Chapter IV of Title II of Book I of Part I of the Taxation Act, at the time of the alienation and if the value of those particular gemstones was taken into consideration in determining the gross value of the operator's annual output for a preceding fiscal year, the amount, if any, by which the value thus taken into consideration exceeds the amount received or receivable as consideration for that alienation.

**Computing annual profit.**

For the purpose of computing the annual profit of an eligible operator for a fiscal year that begins after 30 March 2010, the following rules apply:

(1) the operator is deemed, for that fiscal year, to operate only one mine;

(2) subparagraph *a* of subparagraph 1 of the second paragraph is to be read as follows:

“(a) the amount, positive or negative, determined for the fiscal year in respect of the operator according to the rules set out in the third and fourth paragraphs;”;

(3) subparagraph *b* of subparagraph 2 of the second paragraph is to be read as if “of the total” was replaced by “of the positive amount, if any;” and

(4) the portion of the third paragraph before the formula is to be read as follows:

“For the purposes of subparagraph *a* of subparagraph 1 of the second paragraph, the amount, positive or negative, determined for the fiscal year in respect of the operator that is the annual earnings from the mine that the operator is

deemed to operate in that fiscal year, is equal to the amount determined by the formula”.

**Rule of application.**

The annual profit of an operator for a fiscal year that begins before 31 March 2010 is equal to the amount determined under this section, as it read before that date. However, for the purpose of determining the annual profit of an operator for a fiscal year that ends after 30 March 2010 and that includes that date, this section, as it read on 30 March 2010, is to be read

(1) as if “for the purposes of subparagraph *b* of subparagraph 1 of section 16.1” in subparagraph *b* of paragraph 1 was replaced by “for the purposes of subparagraph *b* of subparagraph 1 of the second paragraph of section 16.1 and subparagraph *a* of subparagraph 1 of the second paragraph of any of sections 16.9, 16.11 and 16.13”;

(2) as if “8.6 and 10” in subparagraph *d* of paragraph 2 was replaced by “8.6, 10 and 10.1.1”; and

(3) as if the following subparagraphs were inserted after subparagraph *e* of paragraph 2:

“(e.1) subject to sections 16.7 and 16.8, the amount deducted by the operator, for the fiscal year, as an exploration allowance in respect of expenses incurred after 30 March 2010;

“(e.2) subject to section 16.10, the amount deducted by the operator, for the fiscal year, as a pre-production development allowance in respect of expenses incurred after 30 March 2010;

“(e.3) the amount that the operator is required to deduct, for the fiscal year, as a post-production development allowance in respect of expenses incurred after 30 March 2010 in accordance with the first paragraph of section 16.12.”.

History: 1975, c. 30, s. 8; 1979, c. 45, s. 149; 1985, c. 6, s. 477; 1994, c. 47, s. 8; 1996, c. 4, s. 4; 1996, c. 39, s. 3; 1997, c. 85, s. 19; 1999, c. 83, s. 5; 2000, c. 5, s. 2; 2001, c. 51, s. 5; 2004, c. 21, s. 30; 2011, c. 6, s. 21; 2015, c. 8, s. 44; 2015, c. 21, s. 46; 2019, c. 14, s. 44; 2020, c. 16, s. 14.

**Cumulative contributions account of an operator.**

**8.0.0.1.** The cumulative contributions account of a particular operator relating to a mine, at any time (in this section referred to as “that time”), is equal to the amount determined by the formula

$$A - B.$$

**Formula elements.**

In the formula in the first paragraph,

(1) A is the aggregate of

(a) the total of all amounts each of which is a contribution paid by the particular operator after 12 May 1994 and before that time to an environmental trust under which the particular operator is a beneficiary, for the reclamation of land that is or was used for the operation of the mine,

(b) the total of all amounts each of which is the consideration paid by the particular operator after 12 May 1994 and before that time for the acquisition, from another person or partnership, of all or part of the particular operator's interest as a beneficiary under an environmental trust maintained for the sole purpose of financing the reclamation of land that is or was used for the operation of the mine, other than consideration that is the assumption of a reclamation obligation in respect of the trust,

(c) the amount of an operator's cumulative contributions account in respect of the environmental trust in which all or part of an interest as a beneficiary is acquired by the particular operator as consideration for the assumption of a reclamation obligation, in respect of the trust, in relation to land that is or was used for the operation of the mine, determined immediately before the time of acquisition, and

(d) the aggregate of all amounts each of which is a balance of the cumulative contributions account of the particular operator in relation to the mine, as determined before that time under paragraph 8 of section 35.3; and

(2) B is the aggregate of

(a) all amounts each of which is an amount included, either under subparagraph *d* of paragraph 1 of section 8, as it read on 30 March 2010, in computing the operator's annual profit for a fiscal year beginning before that date, or under subparagraph *f* of subparagraph 1 of the fourth paragraph of section 8 in computing the operator's annual earnings from a mine, for a fiscal year ending before that time, and

(b) the amount included in determining an operator's cumulative contributions account relating to the mine, under subparagraph *c* of paragraph 1, because of the acquisition by that operator of all or part of the interest of the particular operator, as a beneficiary under an environmental trust.

History: 1996, c. 39, s. 4; 2000, c. 5, s. 3; 2011, c. 6, s. 21.

**Amounts not deductible.**

**8.0.1.** For the purposes of section 8, an operator shall not, in computing its annual profit or annual earnings from a mine for a fiscal year, deduct any of the following amounts:

(1) an expense, except to the extent that it was incurred by the operator in respect of a mining operation to realize the gross value of the annual output from the mining operation and provided that the expense relates directly thereto;

(2) an expense to the extent that it may reasonably be considered that an amount is received or receivable by the operator, in respect of the expense, as government assistance;

(3) an expense incurred for constitution, organization or reorganization;

(4) a capital loss or replacement of capital, a payment or outlay of capital or a depreciation, obsolescence or depletion allowance, except to the extent permitted by sections 10, 10.1.1, 10.17, 20.1, 21 and 26.0.1;

(5) a royalty paid or payable in respect of output;

(6) a premium or assessment paid in respect of an insurance contract, except where the insurance contract pertains to property regularly used in mining operation or a person, other than an executive or director, who is an employee of the operator and whose duties relate to mining operation;

(7) costs of financing;

(8) an amount paid or payable under this Act;

(9) taxes on profits and on capital, income tax under a federal, provincial or foreign law and professional fees incurred in respect of an objection, contestation or appeal in respect of an assessment provided for in any such law;

(10) a reserve or provision other than a prescribed reserve or provision;

(11) an amount referred to in paragraph 3 of section 16.3;

(12) a loss resulting from a hedging or speculative transaction;

(13) an amount, other than a gift that the operator may deduct under subparagraph *b* of subparagraph 2 of the second paragraph of section 8 in computing the operator's annual profit for the fiscal year, paid to a community or municipality under an agreement for the purpose of securing advantages or benefits for that community or municipality.

History: 1994, c. 47, s. 8; 1997, c. 85, s. 20; 1999, c. 40, s. 111; 2011, c. 6, s. 22; 2015, c. 8, s. 45; 2015, c. 21, s. 47; 2020, c. 12, s. 145.

**Rules of application..**

**8.0.2.** An amount referred to in subparagraph *a* or *e* of subparagraph 2 of the second paragraph of section 8 or in subparagraph *a* of subparagraph 2 of the fourth paragraph of that section does not include an amount taken into account in computing an allowance referred to in any of subparagraphs *c*, *d* and *f* to *j* of subparagraph 2 of the second paragraph of that section or in subparagraph *b* or *c* of subparagraph 2 of the fourth paragraph of that section.

History: 2015, c. 21, s. 48; 2019, c. 14, s. 45; 2020, c. 16, s. 15.



**Operator's annual loss.**

**8.1.** Despite section 4.3, if, for the purpose of determining an operator's annual profit for a fiscal year, the amount determined by the formula in the first paragraph of section 8 is less than zero, that amount, expressed as a positive number, is the operator's annual loss for the fiscal year.

History: 1985, c. 39, s. 2; 2011, c. 6, s. 23.

**DIVISION 1.2**  
**RULES RELATING TO COMPUTATION OF**  
**MINE-MOUTH OUTPUT VALUE**

**Mine-mouth output value.**

**8.1.1.** Subject to the third paragraph, an operator's mine-mouth output value for a fiscal year that begins after 31 December 2013 in respect of a mine it operates in the fiscal year is equal to the amount determined by the formula

A – B.

**Formula elements.**

In the formula in the first paragraph,

(1) A is the aggregate of

(a) the portion of the gross value of the operator's annual output for the fiscal year that is reasonably attributable to the operation of the mine,

(b) if, for the purpose of determining the gross value of the operator's annual output for the fiscal year, the Minister authorizes, under section 6.1, the use of a method for the fiscal year that differs from the method used by the operator for the preceding fiscal year and the preceding fiscal year began after 31 December 2013, the amount included in computing the annual earnings from the mine for the fiscal year under subparagraph *b* of subparagraph 1 of the fourth paragraph of section 8,

(c) if particular gemstones from the mine have not been mixed with other gemstones, if the operator alienates those particular gemstones in the fiscal year in favour of a person to whom the operator is not related, within the meaning of Chapter IV of Title II of Book I of Part I of the Taxation Act (chapter I-3), at the time of the alienation and if the value of the particular gemstones was taken into consideration in determining the gross value of the operator's annual output for a preceding fiscal year that began after 31 December 2013, the amount included in computing the annual earnings from the mine for the fiscal year under subparagraph *c* of subparagraph 1 of the fourth paragraph of section 8,

(d) an amount, other than government assistance, received or receivable by the operator in the fiscal year, from a person or partnership, because of an expense incurred by the operator in respect of the mine for a particular fiscal year that

began after 31 December 2013 and that is an expense deducted in computing the operator's mine-mouth output value in respect of the mine for the particular fiscal year, and

(e) the amount determined in accordance with section 10.12 or 10.13 for the fiscal year that is reasonably attributable to the operation of the mine; and

(2) B is the aggregate of

(a) the total of all expenses each of which is an expense incurred by the operator in respect of the mine, for the fiscal year, that is deductible in computing the operator's annual earnings from the mine for the fiscal year and that is reasonably attributable to activities consisting in the crushing, milling, sieving, processing, handling, transportation or storage of a mineral substance from its first accumulation site following its extraction from the mine and, if applicable, of the processing products obtained, and activities consisting in the marketing of the mineral substance and, if applicable, of the processing products obtained, including the general and administrative expenses that the operator incurs in the fiscal year and that relate to the crushing, milling, sieving, processing, handling, transportation, storage and marketing activities,

(b) subject to sections 10.9 and 10.11, the amount deducted by the operator, for the fiscal year, as a depreciation allowance that is reasonably attributable to the operation of the mine,

(c) the adjustment amount determined in accordance with section 10.14, for the fiscal year, that is reasonably attributable to the operation of the mine,

(d) subject to section 20.1, the amount deducted by the operator, for the fiscal year, in respect of the mine as a processing allowance,

(e) the amount determined in accordance with section 10.15 or 10.16, for the fiscal year, that is reasonably attributable to the operation of the mine,

(f) if, for the purpose of determining the gross value of the operator's annual output for the fiscal year, the Minister authorizes, under section 6.1, the use of a method for the fiscal year that differs from the method used by the operator for the preceding fiscal year and the preceding fiscal year began after 31 December 2013, the amount deducted in computing the annual earnings from the mine for the fiscal year under subparagraph *j* of subparagraph 2 of the fourth paragraph of section 8, and

(g) if particular gemstones from the mine have not been mixed with other gemstones, if the operator alienates those particular gemstones in the fiscal year in favour of a person to whom the operator is not related, within the meaning of Chapter IV of Title II of Book I of Part I of the Taxation Act, at the time of the alienation and if the value of those

particular gemstones was taken into consideration in determining the gross value of the operator's annual output for a preceding fiscal year that began after 31 December 2013, the amount deducted in computing the annual earnings from the mine for the fiscal year under subparagraph *k* of subparagraph 2 of the fourth paragraph of section 8.

**Presumption.**

Where the operator's mine-mouth output value for the fiscal year in respect of a mine it operates in the fiscal year is less than 10% of the amount that would be determined as such for the fiscal year in respect of the mine if the second paragraph were read without reference to subparagraphs *d* and *e* of its subparagraph 1 and subparagraphs *a* to *e* of its subparagraph 2, the operator's mine-mouth output value for the fiscal year in respect of the mine is deemed to be equal to 10% of the amount so determined.

History: 2015, c. 21, s. 49; 2017, c. 29, s. 13.

**8.2. (Repealed).**

History: 1994, c. 47, s. 9; 2015, c. 21, s. 50.

**8.3. (Repealed).**

History: 1994, c. 47, s. 9; 2011, c. 6, s. 24; 2015, c. 21, s. 50.

**8.4. (Repealed).**

History: 1994, c. 47, s. 9; 2015, c. 21, s. 50.

**8.5. (Repealed).**

History: 1994, c. 47, s. 9; 2011, c. 6, s. 25; 2015, c. 21, s. 50.

**8.6. (Repealed).**

History: 1994, c. 47, s. 9; 1997, c. 85, s. 21; 2011, c. 6, s. 26.

**DIVISION II  
DEPRECIATION ALLOWANCE**

§1. — *Interpretation and general rules*

**Definitions:**

**9.** In this division,

**“alienation of property”;**

“alienation of property” means any transaction or event which confers the right to the proceeds of the alienation of property;

**“class 1 property”;**

“class 1 property” means a road, a building or equipment purchased before 1 April 1975 and actually used in the mining operation;

**“class 1A property”;**

“class 1A property” means a property used in mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine,

that the operator owns at the time of the transfer and that is included in class 1 property at that time;

**“class 2 property”;**

“class 2 property” means a road, building or equipment purchased after 31 March 1975 and before 13 May 1994 and actually used in the mining operation;

**“class 2A property”;**

“class 2A property” means a property used in mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine, that the operator owns at the time of the transfer and that is included in class 2 property at that time;

**“class 3 property”;**

“class 3 property” means a road, a building, equipment or service property regularly used in the mining operation and acquired either after 12 May 1994 and before 31 March 2010 or after 30 March 2010 but not later than 30 March 2011 if, in the latter case,

(1) the property is acquired in accordance with a written obligation contracted not later than 30 March 2010; or

(2) the construction of the property by the operator, or on the operator's behalf, is begun on or before 30 March 2010;

**“class 3A property”;**

“class 3A property” means a property used in mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine, that the operator owns at the time of the transfer and that is included in class 3 property at that time;

**“class 4 property”;**

“class 4 property” means a road, a building, equipment or service property acquired after 30 March 2010 that is neither class 3 property nor class 4A property and that is regularly used in the mining operation;

**“class 4A property”;**

“class 4A property” means

(1) a property used in mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine, that the operator owns at the time of the transfer and that is included in class 4 property at that time; and

(2) a property used in mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine, that is acquired by the operator after the time of the transfer, that is a road, a building, equipment or service property and that is regularly used in the mining operation;

**“proceeds of alienation”;**

“proceeds of alienation” of property means, subject to subdivision 5,

(1) the sale price of property alienated;

(2) compensation for property unlawfully appropriated by a person;

(3) compensation for property destroyed, and any amount received or receivable under an insurance policy in respect of the loss or destruction of property;

(4) compensation for property appropriated by a person under statutory authority, or in respect of which the person has given a notice of intention to so appropriate it;

(5) compensation for acts or omissions of a person whether or not acting in the exercise of a right, under statutory authority or otherwise, that injuriously affect property;

(6) compensation for property damage and any amount received or receivable under an insurance policy covering such damage, except to the extent that the compensation or amount, as the case may be, is expended to repair the damage within a reasonable time after the damage is caused; and

(7) the amount by which the liability of the owner of property to a creditor is extinguished as a result of the transfer of the property to the creditor or of the forgiveness of the debt;

***“property used in mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine”;***

“property used in mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine” means, subject to the second paragraph, a processing asset or a property all or substantially all of which is used in the crushing, milling, sieving, handling, transportation or storage of the mineral substance from its first accumulation site following its extraction from the mine and, if applicable, the processing products obtained;

***“time of the transfer”;***

“time of the transfer” means the time that corresponds to the beginning of the first fiscal year of an operator that begins after 31 December 2013;

***“undepreciated capital cost”.***

“undepreciated capital cost” of property of a class of an operator, at any time, means the amount by which

(1) the aggregate of

(a) the total of all amounts each of which is the capital cost to the operator of each property of the class acquired before that time;

(b) the total of all amounts each of which is an amount determined in accordance with the second paragraph of section 10.2 or 10.12, in respect of that class, for a fiscal year ending before that time;

(c) the total of all amounts each of which is an amount determined in accordance with section 10.3 or 10.13, in respect of that class, for a fiscal year ending before that time; and

(d) the total of all amounts each of which is an amount of government assistance that was repaid by the operator, before

that time, pursuant to a legal obligation, subsequent to the alienation of the property and that would have been included in determining the capital cost of the property under section 9.1 had the repayment been made before the alienation; exceeds

(2) the aggregate of

(a) the total of all amounts each of which is an amount allowed to the operator as a depreciation allowance for a fiscal year ending before that time, in respect of property of that class;

(b) the total of all amounts each of which is an amount, where the operator before that time alienated property of that class, that is the lesser of the proceeds of alienation of the property minus any expenses made or incurred by the operator for the purpose of making the alienation, and the capital cost to the operator of the property;

(c) the total of all amounts each of which is an amount determined in accordance with the second paragraph of section 10.4 or 10.15, in respect of that class, for a fiscal year ending before that time;

(d) the total of all amounts each of which is an amount determined in accordance with section 10.5 or 10.16, in respect of that class, for a fiscal year ending before that time;

(e) the total of all amounts each of which is an amount of government assistance that the operator received or was entitled to receive before that time subsequent to the alienation of the property and that would have been included under section 9.1 in the amount of assistance that the operator received or was entitled to receive in respect of the property had the amount been received before the alienation of the property;

(f) the total of all amounts each of which is an amount determined for a fiscal year ending before 13 May 1994 and that is applied to reduce the depreciation allowance in respect of a property of that class, for the portion of the property used in part for purposes other than mining operation;

(g) the total of all amounts each of which is an amount determined for a fiscal year ending before that time under section 8.6, as it read before being repealed, and that is applied to reduce the depreciation allowance in respect of the property of that class; and

(h) the total of all amounts each of which is an amount determined in respect of that class in accordance with paragraph *c* of section 13, as it read before 13 May 1994.

**Marketing and administrative activities.**

A property used in the course of the operator’s marketing activities or administrative activities is not a property used in

mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine.

History: 1975, c. 30, s. 9; 1994, c. 47, s. 11; 2011, c. 6, s. 27; 2015, c. 21, s. 52.

**Government assistance in respect of, or for the acquisition of, property.**

**9.1.** For the purposes of this Act, if an operator has received or is entitled to receive government assistance in respect of property or for the acquisition of property, the capital cost to the operator of the property at a particular time is deemed to be the amount by which the total of the capital cost of the property, determined without reference to this section, and the amount of the assistance in respect of the property, repaid by the operator pursuant to a legal obligation, before alienation of the property and before the particular time, exceeds the amount of assistance that the operator received or is entitled to receive, before the particular time, in respect of the property before its alienation.

History: 1994, c. 47, s. 11; 2011, c. 6, s. 28.

**Short fiscal year.**

**9.1.1.** Where the fiscal year of an operator comprises fewer than 12 months, the depreciation allowance must not exceed the proportion of the maximum amount deductible under any of sections 10, 10.1.1, 10.9 and 10.11 that the number of days in the fiscal year is of 365.

History: 2015, c. 21, s. 53.

**9.2. (Repealed).**

History: 1994, c. 47, s. 11; 2011, c. 6, s. 29.

§2. — *Rules relating to classes 1, 2, 3 and 4*

**Deduction as depreciation allowance.**

**10.** Subject to section 9.1.1, the amount that an operator may deduct, under subparagraph *b* of subparagraph 2 of the fourth paragraph of section 8, in respect of class 1 property, class 2 property or class 3 property as a depreciation allowance in computing the operator's annual earnings from a mine for a fiscal year must not exceed the portion, reasonably attributable to the operation of the mine, of the lesser of

(1) the part of the capital cost of the property of that class, for that fiscal year;

(2) the undepreciated capital cost of the property of that class, before any deduction under that subparagraph *b*, at the end of the fiscal year; and

(3) where the operator is no longer the owner of property of that class at the end of the fiscal year, zero.

History: 1975, c. 30, s. 10; 1994, c. 47, s. 12; 2011, c. 6, s. 30; 2015, c. 21, s. 55.

**Part of the capital cost.**

**10.1.** The part of the capital cost referred to in section 10 for a fiscal year is equal to the amount obtained by applying, in respect of the property of a class acquired before the end of the fiscal year, the following percentage:

(1) 15% of the total of all amounts each of which is the capital cost of each class 1 property, except if that capital cost has been wholly allowed under section 10, as it read before 13 May 1994;

(2) 30% of the total of all amounts each of which is the capital cost of each class 2 property, except if that capital cost has been wholly allowed under section 10, as it read before 13 May 1994;

(3) 100% of the total of all amounts each of which is the capital cost of each class 3 property.

History: 1994, c. 47, s. 12; 2011, c. 6, s. 31.

**Deduction as depreciation allowance.**

**10.1.1.** Subject to section 9.1.1, the amount that an operator may deduct, under subparagraph *b* of subparagraph 2 of the fourth paragraph of section 8, as a depreciation allowance in computing the operator's annual earnings from a mine for a fiscal year in respect of class 4 property must not exceed the portion, reasonably attributable to the operation of the mine, of the lesser of

(1) the amount obtained by multiplying the undepreciated capital cost of property of that class at the end of that fiscal year before any deduction under that subparagraph *b* at the end of that fiscal year, by 30%; and

(2) if the operator no longer owns property of that class at the end of the fiscal year, nil.

**Restriction.**

Despite the first paragraph, an operator may deduct an amount as a depreciation allowance in respect of class 4 property in computing its annual earnings from a mine it operates for a fiscal year only if it deducts the maximum amount as a depreciation allowance in respect of class 1 property, class 2 property and class 3 property in computing its annual earnings from the mine for the fiscal year.

History: 2011, c. 6, s. 32; 2015, c. 21, s. 56.

**Inclusion in computing annual earnings.**

**10.2.** The amount that an operator is required to include in computing its annual earnings from a mine for a particular

fiscal year, under subparagraph *e* of subparagraph 1 of the fourth paragraph of section 8, in respect of class 1 property or class 2 property, is equal to the proportion of the amount determined under the second paragraph that the use of the property of the class that is reasonably attributable to the operation of the mine for the particular fiscal year is of the total use of that property in that fiscal year.

**Amount referred to.**

The amount referred to in the first paragraph is equal to the amount by which the aggregate of the amounts referred to in subparagraphs *a* to *h* of paragraph 2 of the definition of “undepreciated capital cost” in the first paragraph of section 9, in respect of the class, exceeds the aggregate of the amounts referred to in subparagraphs *a* to *d* of paragraph 1 of the definition of that expression.

History: 1994, c. 47, s. 12; 2011, c. 6, s. 33; 2015, c. 21, s. 57.

**Inclusion in computing annual earnings.**

**10.3.** The amount that an operator is required to include in computing its annual earnings from a mine for a particular fiscal year, under subparagraph *e* of subparagraph 1 of the fourth paragraph of section 8, in respect of class 3 property or class 4 property, is equal to the amount by which the aggregate of the amounts referred to in subparagraphs *a* to *h* of paragraph 2 of the definition of “undepreciated capital cost” in the first paragraph of section 9, in respect of that class, exceeds the aggregate of the amounts referred to in subparagraphs *a* to *d* of paragraph 1 of the definition of that expression, up to the portion of that excess amount that is reasonably attributable to the operation of the mine.

History: 1994, c. 47, s. 12; 2011, c. 6, s. 34; 2015, c. 21, s. 58.

**Deduction in computing annual earnings.**

**10.4.** For the purposes of subparagraph *f* of subparagraph 2 of the fourth paragraph of section 8, if, at the end of a particular fiscal year, an operator is no longer the owner of class 1 property or class 2 property, the amount that the operator is required to deduct in computing its annual earnings from a mine for that particular fiscal year, in respect of property of that class, is equal to the proportion of the amount determined under the second paragraph that the use of the property of the class that is reasonably attributable to the operation of the mine for the particular fiscal year is of the total use of that property in that fiscal year.

**Amount referred to.**

The amount referred to in the first paragraph is equal to the amount by which the aggregate of the amounts referred to in subparagraphs *a* to *d* of paragraph 1 of the definition of “undepreciated capital cost” in the first paragraph of section 9, in respect of the class, exceeds the aggregate of the amounts referred to in subparagraphs *a* to *h* of paragraph 2 of the definition of that expression.

History: 1994, c. 47, s. 12; 2011, c. 6, s. 35; 2015, c. 21, s. 59.

**Deduction in computing annual earnings.**

**10.5.** For the purposes of subparagraph *f* of subparagraph 2 of the fourth paragraph of section 8, if, at the end of a particular fiscal year, an operator is no longer the owner of class 3 property or class 4 property, the amount that the operator is required to deduct in computing its annual earnings from a mine for that particular fiscal year, in respect of property of that class, is equal to the amount by which the aggregate of the amounts referred to in subparagraphs *a* to *d* of paragraph 1 of the definition of “undepreciated capital cost” in the first paragraph of section 9, in respect of property of that class, exceeds the aggregate of the amounts referred to in subparagraphs *a* to *h* of paragraph 2 of the definition of that expression, up to the portion of the excess amount that is reasonably attributable to the operation of the mine.

History: 1994, c. 47, s. 12; 2011, c. 6, s. 36; 2015, c. 21, s. 60.

**§3. — Rules relating to class transfers**

**Class transfers.**

**10.6.** Property used in mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine, that an operator owns at the time of the transfer and that is at that time class 1 property, class 2 property, class 3 property or class 4 property of the operator, is deemed to become, immediately after that time, class 1A property, class 2A property, class 3A property or class 4A property of the operator, respectively.

History: 2015, c. 21, s. 61.

**Class 1A property.**

**10.7.** The undepreciated capital cost of the operator’s class 1A property, immediately after the time of the transfer, is deemed to be equal to the proportion of the undepreciated capital cost of the operator’s class 1 property at the time of the transfer that the capital cost to the operator of all the class 1A property referred to in section 10.6 is of the capital cost of all the class 1 property the operator owns at the time of the transfer.

**Class 1 property.**

The undepreciated capital cost of the operator’s class 1 property, immediately after the time of the transfer, is deemed to be equal to the amount by which the undepreciated capital cost of the operator’s class 1 property at the time of the transfer exceeds the undepreciated capital cost of the operator’s class 1A property immediately after the time of the transfer.

**Class 2A property.**

The undepreciated capital cost of the operator’s class 2A property, immediately after the time of the transfer, is deemed to be equal to the proportion of the undepreciated capital cost of the operator’s class 2 property at the time of

the transfer that the capital cost to the operator of all the class 2A property referred to in section 10.6 is of the capital cost of all the class 2 property the operator owns at the time of the transfer.

**Class 2 property.**

The undepreciated capital cost of the operator's class 2 property, immediately after the time of the transfer, is deemed to be equal to the amount by which the undepreciated capital cost of the operator's class 2 property at the time of the transfer exceeds the undepreciated capital cost of the operator's class 2A property immediately after the time of the transfer.

**Class 3A property.**

The undepreciated capital cost of the operator's class 3A property, immediately after the time of the transfer, is deemed to be equal to the proportion of the undepreciated capital cost of the operator's class 3 property at the time of the transfer that the capital cost to the operator of all the class 3A property referred to in section 10.6 is of the capital cost of all the class 3 property the operator owns at the time of the transfer.

**Class 3 property.**

The undepreciated capital cost of the operator's class 3 property, immediately after the time of the transfer, is deemed to be equal to the amount by which the undepreciated capital cost of the operator's class 3 property at the time of the transfer exceeds the undepreciated capital cost of the operator's class 3A property immediately after the time of the transfer.

**Class 4A property.**

The undepreciated capital cost of the operator's class 4A property, immediately after the time of the transfer, is deemed to be equal to the proportion of the undepreciated capital cost of the operator's class 4 property at the time of the transfer that the capital cost to the operator of all the class 4A property referred to in section 10.6 is of the capital cost of all the class 4 property the operator owns at the time of the transfer.

**Class 4 property.**

The undepreciated capital cost of the operator's class 4 property, immediately after the time of the transfer, is deemed to be equal to the amount by which the undepreciated capital cost of the operator's class 4 property at the time of the transfer exceeds the undepreciated capital cost of the operator's class 4A property immediately after the time of the transfer.

History: 2015, c. 21, s. 61.

**Rules applicable.**

**10.8.** Where, because of section 10.6, one or more of an operator's particular properties of one class (in this section referred to as the "old class") are deemed to have become properties of another class (in this section referred to as the "new class"), the following rules apply for the purpose of determining, at a given time that is subsequent to the time of the transfer, the undepreciated capital cost to the operator of the property of the old class and of the new class:

(1) for the purposes of subparagraph *a* of paragraph 1 of the definition of "undepreciated capital cost" in the first paragraph of section 9, each of the particular properties is deemed to be a property of the new class acquired before the given time and never to have been included in the old class; and

(2) the amount by which the aggregate of all amounts each of which is the capital cost to the operator of each of the particular properties exceeds the undepreciated capital cost of the property of the new class immediately after the time of the transfer is deemed to be a depreciation allowance granted to the operator in respect of the property of the new class and to no longer be a depreciation allowance granted to the operator in respect of the property of the old class.

History: 2015, c. 21, s. 61.

*§4. — Rules relating to classes 1A, 2A, 3A and 4A*

**Deduction as depreciation allowance — class 1A, 2A and 3A property.**

**10.9.** Subject to section 9.1.1, the amount that an operator may deduct, under subparagraph *b* of subparagraph 2 of the second paragraph of section 8.1.1, in respect of class 1A property, class 2A property or class 3A property as a depreciation allowance in computing the mine-mouth output value in respect of a mine it operates, for a fiscal year, must not exceed the portion, reasonably attributable to the operation of the mine, of the least of

(1) the part of the capital cost of the property of that class, for the fiscal year;

(2) the undepreciated capital cost of the property of that class, before any deduction under that subparagraph *b*, at the end of the fiscal year; and

(3) where the operator no longer owns property of that class at the end of the fiscal year, zero.

History: 2015, c. 21, s. 61.

**Part of the capital cost.**

**10.10.** The part of the capital cost referred to in paragraph 1 of section 10.9 for a fiscal year is equal to the amount obtained by applying, in respect of the property of a

class acquired before the end of the fiscal year, the following percentage:

- (1) 15% of the total of all amounts each of which is the capital cost of each class 1A property;
- (2) 30% of the total of all amounts each of which is the capital cost of each class 2A property; and
- (3) 100% of the total of all amounts each of which is the capital cost of each class 3A property.

History: 2015, c. 21, s. 61.

#### **Deduction as depreciation allowance — class 4A property.**

**10.11.** Subject to section 9.1.1, the amount that an operator may deduct, under subparagraph *b* of subparagraph 2 of the second paragraph of section 8.1.1, in respect of class 4A property as a depreciation allowance in computing the mine-mouth output value in respect of a mine it operates, for a fiscal year, must not exceed the portion, reasonably attributable to the operation of the mine, of the lesser of

- (1) the amount obtained by multiplying the undepreciated capital cost of the property of that class at the end of the fiscal year before any deduction under that subparagraph *b* at the end of the fiscal year, by 30%; and
- (2) where the operator no longer owns property of that class at the end of the fiscal year, zero.

#### **Restriction.**

Despite the first paragraph, an operator may deduct an amount as a depreciation allowance in respect of class 4A property in computing the mine-mouth output value in respect of a mine it operates, for a fiscal year, only if it deducts the maximum amount as a depreciation allowance in respect of class 1A property, class 2A property and class 3A property in computing the mine-mouth output value in respect of the mine, for the fiscal year.

History: 2015, c. 21, s. 61.

#### **Inclusion in computing annual earnings — class 1A and class 2A property.**

**10.12.** The amount that an operator is required to include in computing its annual earnings from a mine for a fiscal year, under subparagraph *e* of subparagraph 1 of the fourth paragraph of section 8, and in computing the mine-mouth output value in respect of the mine it operates, for the fiscal year, under subparagraph *e* of subparagraph 1 of the second paragraph of section 8.1.1, in respect of class 1A property or class 2A property, is equal to the proportion of the amount determined under the second paragraph that the use of the property of the class that is reasonably attributable to the operation of the mine for the particular fiscal year is of the total use of that property in that fiscal year.

#### **Amount referred to.**

The amount referred to in the first paragraph is equal to the amount by which the aggregate of the amounts referred to in subparagraphs *a* to *h* of paragraph 2 of the definition of “undepreciated capital cost” in the first paragraph of section 9, in respect of the class, exceeds the aggregate of the amounts referred to in subparagraphs *a* to *d* of paragraph 1 of the definition of that expression.

History: 2015, c. 21, s. 61.

#### **Inclusion in computing annual earnings — class 3A and class 4A property.**

**10.13.** The amount that an operator is required to include in computing its annual earnings from a mine for a fiscal year, under subparagraph *e* of subparagraph 1 of the fourth paragraph of section 8, and in computing the mine-mouth output value in respect of the mine it operates, for the fiscal year, under subparagraph *e* of subparagraph 1 of the second paragraph of section 8.1.1, in respect of class 3A property or class 4A property, is equal to the amount by which the aggregate of the amounts referred to in subparagraphs *a* to *h* of paragraph 2 of the definition of “undepreciated capital cost” in the first paragraph of section 9, in respect of that class, exceeds the aggregate of the amounts referred to in subparagraphs *a* to *d* of paragraph 1 of the definition of that expression, up to the portion of that excess amount that is reasonably attributable to the operation of the mine.

History: 2015, c. 21, s. 61.

#### **Adjustment amount.**

**10.14.** Where, because of section 10.6, one or more of an operator’s properties included in any of classes 1, 2, 3 and 4 are deemed, immediately after the time of the transfer, to have become properties of any of classes 1A, 2A, 3A and 4A (in this section referred to as the “new class”), the adjustment amount the operator may deduct in computing the mine-mouth output value in respect of a mine it operates, for a particular fiscal year, in relation to the new class, under subparagraph *c* of subparagraph 2 of the second paragraph of section 8.1.1, is equal to

- (1) in relation to any of classes 1A, 2A and 3A, the proportion of the amount that is required to be included in computing the mine-mouth output value in respect of the mine, for the particular fiscal year, in relation to the new class, under subparagraph *e* of subparagraph 1 of the second paragraph of section 8.1.1 that the amount determined under paragraph 2 of section 10.8 in relation to the new class is of the total of the amount determined under that paragraph 2 and any depreciation allowance granted to the operator in respect of the property of the new class under subparagraph *b* of subparagraph 2 of the second paragraph of section 8.1.1; or
- (2) in relation to class 4A, the lesser of

(a) the proportion of the amount that is required to be included in computing the mine-mouth output value in respect of the mine, for the particular fiscal year, in relation to the new class, under subparagraph *e* of subparagraph 1 of the second paragraph of section 8.1.1 that the amount determined under paragraph 2 of section 10.8 in relation to the new class is of the total of the amount determined under that paragraph 2 and any depreciation allowance granted to the operator in respect of the property of the new class under subparagraph *b* of subparagraph 2 of the second paragraph of section 8.1.1, and

(b) the amount by which the amount determined under paragraph 2 of section 10.8 in relation to the new class exceeds the aggregate of all amounts each of which is an adjustment amount the operator deducted, in relation to the new class, under subparagraph *c* of subparagraph 2 of the second paragraph of section 8.1.1 for a fiscal year preceding the particular fiscal year, in respect of the mine or any other mine it operated in that preceding fiscal year, or for the particular fiscal year, in respect of another mine it operates in the particular fiscal year.

History: 2015, c. 21, s. 61.

**Deduction in computing annual earnings.**

**10.15.** For the purposes of subparagraph *f* of subparagraph 2 of the fourth paragraph of section 8 and subparagraph *e* of subparagraph 2 of the second paragraph of section 8.1.1, if, at the end of a fiscal year, an operator no longer owns class 1A property or class 2A property, the amount that the operator is required to deduct in computing its annual earnings from a mine for the fiscal year, and in computing the mine-mouth output value in respect of the mine for the fiscal year, in respect of property of that class, is equal to the proportion of the amount determined under the second paragraph that the use of the property of the class that is reasonably attributable to the operation of the mine for the fiscal year is of the total use of that property in the fiscal year.

**Amount referred to.**

The amount referred to in the first paragraph is equal to the amount by which the aggregate of the amounts referred to in subparagraphs *a* to *d* of paragraph 1 of the definition of “undepreciated capital cost” in the first paragraph of section 9, in respect of the class, exceeds the aggregate of the amounts referred to in subparagraphs *a* to *h* of paragraph 2 of the definition of that expression.

History: 2015, c. 21, s. 61.

**Deduction in computing annual earnings.**

**10.16.** For the purposes of subparagraph *f* of subparagraph 2 of the fourth paragraph of section 8 and subparagraph *e* of subparagraph 2 of the second paragraph of section 8.1.1, if, at the end of a fiscal year, an operator no longer owns class 3A property or class 4A property, the

amount that the operator is required to deduct in computing its annual earnings from a mine for the fiscal year, and in computing the mine-mouth output value in respect of the mine, for the fiscal year, in respect of property of that class, is equal to the amount by which the aggregate of the amounts referred to in subparagraphs *a* to *d* of paragraph 1 of the definition of “undepreciated capital cost” in the first paragraph of section 9, in respect of property of that class, exceeds the aggregate of the amounts referred to in subparagraphs *a* to *h* of paragraph 2 of the definition of that expression, up to the portion of the excess amount that is reasonably attributable to the operation of the mine.

History: 2015, c. 21, s. 61.

**Deduction as depreciation allowance.**

**10.17.** In computing the annual earnings from a mine an operator operates for a fiscal year, the operator is required to deduct for the fiscal year, as a depreciation allowance in respect of class 1A property, class 2A property, class 3A property and class 4A property, under subparagraph *b* of subparagraph 2 of the fourth paragraph of section 8, an amount equal to the amount the operator deducted as such for the fiscal year in computing the mine-mouth output value in respect of the mine under subparagraph *b* of subparagraph 2 of the second paragraph of section 8.1.1.

History: 2015, c. 21, s. 61.

§5. — *Deemed alienation of property*

**Deemed alienation of property.**

**10.18.** A person or partnership ceasing, for an indeterminate period, all activities that relate to the person’s or partnership’s mining operation is deemed to alienate, at the time (in this paragraph referred to as the “time of the deemed alienation”) that is immediately before the time the fiscal year in which those activities cease ends, in accordance with section 2.1, each of the person’s or partnership’s properties of a class for proceeds of alienation equal to

(1) where the person or partnership alienates the property at any time, in the course of the cessation of those activities, in favour of another person or partnership to which the person or partnership is related, within the meaning of Chapter IV of Title II of Book I of Part I of the Taxation Act (chapter I-3), and that other person or partnership is an operator for the fiscal year of that other person or partnership including that time, the proportion of the undepreciated capital cost of the class of property which includes the property, determined immediately before the time of the deemed alienation, that the capital cost of the property at that time is of the aggregate of all amounts each of which is the capital cost of a property of that class at the time of the deemed alienation; or

(2) in any other case, the lesser of the fair market value of the property at the time of the deemed alienation and the capital cost of the property at that time.



**Deemed reacquisition of property.**

Persons or partnerships resuming, at any time, their activities that relate to the mining operation referred to in the first paragraph are deemed to reacquire, at that time, each of the properties referred to in the first paragraph and owned by them at that time for a capital cost equal to the lesser of the fair market value of the property at that time and the proceeds of alienation of the property determined in accordance with the first paragraph.

History: 2015, c. 21, s. 61; 2017, c. 1, s. 55.

**Alienation and reacquisition.**

**10.19.** Operators ceasing, at any time and otherwise than in the circumstances described in section 10.18, to actually use in their mining operation a class 1 property, a class 1A property, a class 2 property or a class 2A property, or to regularly use in their mining operation a class 3 property, a class 3A property, a class 4 property or a class 4A property, are deemed to alienate the property at that time for proceeds of alienation equal to the lesser of the fair market value of the property at that time and its capital cost at that time and to reacquire it after that time for a capital cost equal to those proceeds of alienation.

History: 2015, c. 21, s. 61.

**11. (Repealed).**

History: 1975, c. 30, s. 11; 1994, c. 47, s. 13.

**12. (Repealed).**

History: 1975, c. 30, s. 12; 1994, c. 47, s. 13.

**13. (Repealed).**

History: 1975, c. 30, s. 13; 1994, c. 47, s. 13.

**14. (Repealed).**

History: 1975, c. 30, s. 14; 1994, c. 47, s. 14; 2015, c. 21, s. 62.

**15. (Repealed).**

History: 1975, c. 30, s. 15; 1994, c. 47, s. 15.

**DIVISION III  
EXPLORATION, MINERAL DEPOSIT  
EVALUATION AND MINE DEVELOPMENT  
ALLOWANCE**

**Deduction as exploration, mineral deposit evaluation and mine development allowance.**

**16.** The amount that an operator may deduct as an exploration, mineral deposit evaluation and mine development allowance in respect of expenses incurred before 31 March 2010 in computing its annual profit for a fiscal year under subparagraph *c* of subparagraph 2 of the second paragraph of section 8 must not exceed its cumulative

exploration, mineral deposit evaluation and mine development expenses at the end of that fiscal year.

History: 1975, c. 30, s. 16; 1994, c. 47, s. 16; 2011, c. 6, s. 37.

**Cumulative exploration, mineral deposit evaluation and mine development expenses.**

**16.1.** The cumulative exploration, mineral deposit evaluation and mine development expenses of an operator, at any time (in this section referred to as “that time”), are the amount determined by the formula

$$A - B.$$

**Formula elements.**

In the formula in the first paragraph,

(1) A is the aggregate of

(a) subject to paragraph *c* of section 27, as it read before 13 May 1994, the aggregate of all amounts each of which is a deductible expense referred to in paragraph *m* or *n* of section 8, as it read before 13 May 1994, and incurred by the operator after 31 December 1964,

(b) subject to sections 16.2 to 16.6, the aggregate of all amounts each of which is a deductible expense incurred by the operator after 12 May 1994 and before 31 March 2010 in respect of exploration, mineral deposit evaluation and mine development work performed in connection with the operator’s mining operation,

(c) 25% of the aggregate of all amounts each of which is an amount referred to in subparagraph *b*, other than an amount relating to expenses referred to in any of paragraphs *c* to *d* of the definition of “eligible expenses” in the first paragraph of section 1029.8.36.167 of the Taxation Act (chapter I-3) that was taken into account in computing an amount that the operator or a legal person that is a partner of the operator is deemed to have paid to the Minister for a taxation year, within the meaning of Part I of that Act, under Division II.6.15 of Chapter III.1 of Title III of Book IX of Part I of that Act, that was incurred by the operator after 31 March 1998 and before that time in respect of exploration work performed in

i. the territory in which the program entitled “Near North Mineral Exploration Program”, implemented by the Ministère des Ressources naturelles et de la Faune, applies, or

ii. the territory north of the 55°00’ north latitude;

(d) the aggregate of all amounts each of which is an amount repaid by the operator before that time pursuant to a legal obligation to repay, in whole or in part, government assistance relating to an amount referred to in subparagraph *a* or *b*, and

(e) 25% of the aggregate of all amounts each of which is an amount repaid by the operator before that time pursuant to a legal obligation to repay, in whole or in part, government assistance relating to an amount referred to in subparagraph *c*; and

(2) B is the aggregate of

(a) the aggregate of all amounts each of which is an amount allowed to the operator as a development allowance under paragraph *o* of section 8, as it read before 13 May 1994, in computing its annual profit for a fiscal year ending before 13 May 1994,

(b) the aggregate of all amounts each of which is an amount deducted by the operator under paragraph *m* or *n* of section 8, as it read before 13 May 1994, in computing its annual profit for a fiscal year ending before 13 May 1994,

(c) the aggregate of all amounts each of which is an amount deducted by the operator under subparagraph *e* of paragraph 2 of section 8, as it read on 30 March 2010, or subparagraph *c* of subparagraph 2 of the second paragraph of section 8 in computing its annual profit for a fiscal year ending before that time,

(d) the aggregate of all amounts each of which is an amount of government assistance relating to an amount referred to in subparagraph *a* or *b* of subparagraph 1 that the operator received or was entitled to receive before that time, and

(e) 25% of the aggregate of all amounts each of which is an amount of government assistance relating to an amount referred to in subparagraph *c* of subparagraph 1 that the operator received or was entitled to receive before that time.

**Rule of interpretation.**

For the purposes of subparagraph *b* of subparagraph 1 of the second paragraph and sections 16.3 to 16.6, “exploration”, “mine development”, “mineral deposit”, “mineral deposit evaluation”, “mining operation” and “orebody” have the meaning assigned by section 1, as it read on 30 March 2010.

History: 1994, c. 47, s. 16; 1999, c. 83, s. 6; 2002, c. 40, s. 14; 2003, c. 8, s. 6; 2004, c. 21, s. 31; 2005, c. 23, s. 20; 2006, c. 3, s. 35; 2011, c. 6, s. 37; 2015, c. 8, s. 46.

**Deductible expenses.**

**16.2.** For the purposes of subparagraphs *a* and *b* of subparagraph 1 of the second paragraph of section 16.1, expenses are deductible only if the operator has declared the expenses to be deductible expenses, on or before the date on or before which the operator is required to file a return, in accordance with section 36,

(1) for the operator’s first fiscal year commencing after 12 May 1994, where the expenses are incurred before 13 May 1994; and

(2) for the fiscal year following that in which the expenses are incurred, where the expenses are incurred after 12 May 1994.

History: 1994, c. 47, s. 16; 2011, c. 6, s. 38.

**Excluded amounts.**

**16.3.** An amount referred to in subparagraph *b* of subparagraph 1 of the second paragraph of section 16.1 does not include an amount that is

(1) the capital cost of property taken into account in determining the undepreciated capital cost referred to in the first paragraph of section 9;

(2) a general and administrative expense related to exploration, mineral deposit evaluation and mine development work, which is otherwise deductible under section 8;

(3) the cost of acquiring a mining property or an interest therein, payment of an option to purchase, staking costs and survey fees related to the delimitation of the property, and fees, duties and rents in respect of an immovable real right referred to in section 8 of the Mining Act (chapter M-13.1).

History: 1994, c. 47, s. 16; 2011, c. 6, s. 39; 2015, c. 21, s. 63.

**Effect of renunciation.**

**16.4.** Where a share of the capital stock of an operator is issued to a person under an agreement in writing entered into between that person and the operator, under which the operator has agreed to incur expenses in respect of exploration, mineral deposit evaluation or mine development work, that would be expenses referred to in subparagraph *b* of subparagraph 1 of the second paragraph of section 16.1, and to renounce, under the Taxation Act (chapter I-3), in favour of that person, an amount that does not exceed the consideration received by the operator for the share, relating to expenses so incurred by the operator, the expenses to which the amount relates are deemed, from the day on which they are incurred, never to have been such expenses incurred by the operator.

**Exception.**

The first paragraph does not apply if the share is issued to a legal person that gives an undertaking in writing to the Minister not to renounce, under the Taxation Act, the expenses described in the agreement referred to in the first paragraph and the legal person fulfills such undertaking.

History: 1994, c. 47, s. 16; 1996, c. 4, s. 11; 1999, c. 83, s. 7; 2011, c. 6, s. 40.

**Effect of renunciation.**

**16.5.** Where a share of the capital stock of an operator is issued to a partnership under an agreement in writing entered into between the partnership and the operator, under which

the operator has agreed to incur expenses in respect of exploration, mineral deposit evaluation or mine development work, that would be expenses referred to in subparagraph *b* of subparagraph 1 of the second paragraph of section 16.1, and to renounce, under the Taxation Act (chapter I-3), in favour of the partnership, an amount that does not exceed the consideration received by the operator for the share, relating to expenses so incurred by the operator, the expenses which relate to the amount or part thereof that has been renounced and which the partnership attributes to each partner are deemed, from the day on which they are incurred, never to have been such expenses incurred by the operator.

**Exception.**

The first paragraph does not apply to the part of the expenses which relates to the amount attributed by the partnership to a partner that is a legal person if the legal person gives an undertaking in writing to the Minister not to renounce, under the Taxation Act, that part of the expenses and the legal person fulfills such undertaking.

History: 1994, c. 47, s. 16; 1996, c. 4, s. 11; 1999, c. 83, s. 8; 2011, c. 6, s. 41.

**Presumption.**

**16.6.** Where an operator is a partnership that incurs expenses in respect of exploration, mineral deposit evaluation or mine development work that would be expenses referred to in subparagraph *b* of subparagraph 1 of the second paragraph of section 16.1, the expenses relating to the share, described in paragraph *d* of section 395 of the Taxation Act (chapter I-3), which is attributed to each partner of the operator, are deemed, from the day on which they are incurred, never to have been such expenses incurred by the operator.

**Exception.**

The first paragraph does not apply to the expenses which are attributed by the operator to a partner that is a legal person if the legal person gives an undertaking in writing to the Minister not to renounce, under the Taxation Act, those expenses and the legal person fulfills such undertaking.

History: 1994, c. 47, s. 16; 1996, c. 4, s. 11; 1999, c. 83, s. 9; 2011, c. 6, s. 42.

**DIVISION III.1**  
**EXPLORATION, DEVELOPMENT, COMMUNITY**  
**CONSULTATIONS, ENVIRONMENTAL STUDIES**  
**AND SUSTAINABLE DEVELOPMENT**  
**CERTIFICATION ALLOWANCES**

§1. — *Exploration allowance*

**Deduction as exploration allowance.**

**16.7.** The amount that an eligible operator may deduct as an exploration allowance in respect of expenses incurred

after 30 March 2010 under subparagraph *e.1* of paragraph 2 of section 8, as it read on 30 March 2010, in computing its annual profit for its fiscal year that ends after 30 March 2010 and includes that date, or under subparagraph *d* of subparagraph 2 of the second paragraph of section 8 in computing its annual profit for a fiscal year that begins after 30 March 2010, must not exceed its cumulative exploration expenses in respect of such expenses at the end of the fiscal year.

History: 2011, c. 6, s. 43.

**Deduction as exploration allowance.**

**16.8.** The amount that an operator other than an eligible operator may deduct, as an exploration allowance in respect of expenses incurred after 30 March 2010, under subparagraph *e.1* of paragraph 2 of section 8, as it read on 30 March 2010, in computing its annual profit for its fiscal year that ends after 30 March 2010 and includes that date, or under subparagraph *d* of subparagraph 2 of the second paragraph of section 8 in computing its annual profit for a fiscal year that begins after 30 March 2010, must not exceed the lesser of

- (1) the operator’s cumulative exploration expenses in respect of such expenses at the end of the fiscal year; and
- (2) if the operator’s fiscal year
  - (a) ends after 30 March 2010 and includes that date, the amount obtained by multiplying its annual profit for the fiscal year, determined without reference to subparagraphs *e.1*, *e.2*, *g*, *h*, *h.1* and *j* of paragraph 2 of section 8, as they read on 30 March 2010, by the proportion of 10% that the number of days in the fiscal year that follow 30 March 2010 is of the number of days in the fiscal year, or
  - (b) begins after 30 March 2010, 10% of its annual profit for the fiscal year, determined without reference to subparagraphs *d* to *j* of subparagraph 2 of the second paragraph of section 8.

History: 2011, c. 6, s. 43; 2019, c. 14, s. 47; 2020, c. 16, s. 17.

**Cumulative exploration expenses.**

**16.9.** The cumulative exploration expenses of an operator in respect of expenses incurred after 30 March 2010, at any time (in this section referred to as “that time”), are the amount determined by the formula

$$A - B.$$

**Formula elements.**

In the formula in the first paragraph,

- (1) A is the aggregate of

(a) subject to sections 16.14 to 16.18, the aggregate of all amounts each of which is expenses incurred by the operator, after 30 March 2010 and before that time, to determine the existence of a mineral substance in Québec, to locate such a substance or to determine the extent or quality of such a substance, including expenses incurred in prospecting, carrying out geological, geophysical or geochemical surveys, drilling and trenching or digging test pits or preliminary sampling and expenses for environmental studies or community consultations (including, despite subparagraphs i and ii, studies or consultations that are undertaken to obtain a right, licence or privilege to determine the existence of a mineral substance in Québec, to locate such a substance or to determine the extent or quality of such a substance), but not including

- i. any pre-production development expense,
- ii. any post-production development expense, or
- iii. any expense that may reasonably be considered to be attributable to a mine which has come into production in reasonable commercial quantities or to an actual or potential extension of such a mine,

(b) 25% of the aggregate of all amounts each of which is an amount referred to in subparagraph *a*, other than an amount relating to expenses referred to in any of paragraphs *c* to *d* of the definition of “eligible expenses” in the first paragraph of section 1029.8.36.167 of the Taxation Act (chapter I-3) that was taken into account in computing an amount that the operator or a legal person that is a partner of the operator is deemed to have paid to the Minister for a taxation year, within the meaning of Part I of that Act, under Division II.6.15 of Chapter III.1 of Title III of Book IX of Part I of that Act, that was incurred by the operator before that time in Northern Québec,

(c) the aggregate of all amounts each of which is an amount repaid by the operator before that time pursuant to a legal obligation to repay, in whole or in part, government assistance relating to an amount referred to in subparagraph *a*, and

(d) 25% of the aggregate of all amounts each of which is an amount repaid by the operator before that time pursuant to a legal obligation to repay, in whole or in part, government assistance relating to an amount referred to in subparagraph *b*; and

(2) B is the aggregate of

(a) the aggregate of all amounts each of which is an amount deducted by the operator in computing its annual profit for a fiscal year that ends after 30 March 2010 and before that time, as an exploration allowance in respect of expenses incurred after 30 March 2010 under subparagraph *e.1* of paragraph 2 of section 8, as it read on 30 March 2010, or

under subparagraph *d* of subparagraph 2 of the second paragraph of section 8,

(b) the aggregate of all amounts each of which is an amount of government assistance relating to an amount referred to in subparagraph *a* of subparagraph 1, that the operator received or was entitled to receive before that time, and

(c) 25% of the aggregate of all amounts each of which is an amount of government assistance relating to an amount referred to in subparagraph *b* of subparagraph 1, that the operator received or was entitled to receive before that time.

History: 2011, c. 6, s. 43; 2015, c. 8, s. 47; 2017, c. 29, s. 14.

## §2. — *Pre-production development allowance*

### **Deduction as pre production development allowance.**

**16.10.** The amount that an operator may deduct, as a pre-production development allowance in respect of expenses incurred after 30 March 2010, under subparagraph *e.2* of paragraph 2 of section 8, as it read on 30 March 2010, in computing its annual profit for its fiscal year that ends after 30 March 2010 and includes that date, or under subparagraph *f* of subparagraph 2 of the second paragraph of section 8 in computing its annual profit for a fiscal year that begins after 30 March 2010, must not exceed its cumulative pre-production development expenses at the end of the fiscal year.

History: 2011, c. 6, s. 43.

### **Cumulative pre production development expenses.**

**16.11.** The cumulative pre-production development expenses of an operator in respect of expenses incurred after 30 March 2010, at any time (in this section referred to as “that time”), are the amount determined by the formula

A – B.

### **Formula elements.**

In the formula in the first paragraph,

(1) A is the aggregate of

(a) subject to sections 16.14 to 16.18, the aggregate of all amounts each of which is expenses incurred by the operator, after 30 March 2010 and before that time, to bring a new mine for a mineral substance into production in reasonable commercial quantities, including expenses incurred in clearing, removing overburden and stripping, sinking a mine shaft and constructing an adit or other underground entry, to the extent that those expenses were incurred before the mine came into production in reasonable commercial quantities, and

(b) the aggregate of all amounts each of which is an amount repaid by the operator before that time pursuant to a legal

obligation to repay, in whole or in part, government assistance relating to an amount referred to in subparagraph *a*; and

(2) B is the aggregate of

(a) the aggregate of all amounts each of which is an amount deducted by the operator in computing its annual profit for a fiscal year that ends after 30 March 2010 and before that time, as a pre-production development allowance in respect of expenses incurred after 30 March 2010, under subparagraph *e.2* of paragraph 2 of section 8, as it read on 30 March 2010, or under paragraph *f* of subparagraph 2 of the second paragraph of section 8, and

(b) the aggregate of all amounts each of which is an amount of government assistance relating to an amount referred to in subparagraph *a* of subparagraph 1 that the operator received or was entitled to receive before that time.

History: 2011, c. 6, s. 43.

### §3. — *Post-production development allowance*

#### **Deduction as post production development allowance.**

**16.12.** The amount that an operator is required to deduct as a post-production development allowance,

(1) in computing its annual profit for its fiscal year that ends after 30 March 2010 and includes that date, under subparagraph *e.3* of paragraph 2 of section 8, as it read on 30 March 2010, is equal to the lesser of

(a) 30% of its total cumulative post-production development expenses at the end of the fiscal year in respect of each of its mines, and

(b) its annual profit, determined without reference to subparagraphs *e* to *h.1* and *j* of paragraph 2 of section 8, as they read on 30 March 2010; and

(2) in computing its annual earnings from a mine for a fiscal year that begins after 30 March 2010 under subparagraph *c* of subparagraph 2 of the fourth paragraph of section 8, is equal to the lesser of

(a) 30% of its cumulative post-production development expenses, at the end of the fiscal year, in respect of the mine, and

(b) its annual earnings from the mine for the fiscal year, determined without reference to subparagraphs *c* to *e*, *g* and *h* of subparagraph 2 of the fourth paragraph of section 8.

#### **Short fiscal year.**

For the purposes of the first paragraph, when the operator's fiscal year has less than 365 days, the 30% rate specified in subparagraph *a* of subparagraphs 1 and 2 of that first

paragraph must be reduced by the proportion of that percentage that the number of days by which 365 exceeds the number of days in the fiscal year is of 365.

History: 2011, c. 6, s. 43.

#### **Cumulative post production development expenses.**

**16.13.** The cumulative post-production development expenses of an operator in respect of a mine, at any time (in this section referred to as "that time"), are the amount determined by the formula

$A - B.$

#### **Formula elements.**

In the formula in the first paragraph,

(1) A is the aggregate of

(a) subject to sections 16.14 to 16.18, the aggregate of all amounts each of which is expenses incurred by the operator, in respect of the mine, after 30 March 2010 and before that time, in sinking or excavating a mine shaft, main haulage way or similar underground work designed for continuing use, built or excavated after the mine came into production in reasonable commercial quantities, or in extending any such shaft, haulage way or work, and;

(b) the aggregate of all amounts each of which is an amount repaid by the operator before that time pursuant to a legal obligation to repay, in whole or in part, government assistance relating to an amount referred to in subparagraph *a*; and

(2) B is the aggregate of

(a) the aggregate of all amounts each of which is an amount deducted by the operator for a fiscal year that ends after 30 March 2010 and before that time, as a post-production development allowance in respect of expenses incurred after 30 March 2010, under subparagraph *e.3* of paragraph 2 of section 8, as it read on 30 March 2010, or under subparagraph *c* of subparagraph 2 of the fourth paragraph of section 8, and

(b) the aggregate of all amounts each of which is an amount of government assistance relating to an amount referred to in subparagraph *a* of subparagraph 1 that the operator received or was entitled to receive before that time.

History: 2011, c. 6, s. 43.

### §3.1. — *Allowance for community consultations*

#### **Maximum deduction.**

**16.13.1.** The amount that an operator may deduct, as an allowance for community consultations, under subparagraph *h* of subparagraph 2 of the second paragraph of

section 8, in computing its annual profit for a fiscal year that ends after 28 March 2017, must not exceed its cumulative community consultation expenses at the end of the fiscal year.

History: 2019, c. 14, s. 48.

**Cumulative community consultation expenses.**

**16.13.2.** The cumulative community consultation expenses of an operator, at any time (in this section referred to as “that time”), are the amount determined by the formula

A – B.

**Formula elements.**

In the formula in the first paragraph,

(1) A is the aggregate of

(a) subject to sections 16.14 and 16.15, 50% of the aggregate of all amounts each of which is expenses incurred by the operator after 28 March 2017 and before that time to consult the communities concerned by a mining operation project, including those incurred before the exploration stage, but not including

i. expenses for community consultations referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.9,

ii. an expense that may reasonably be considered to be attributable to a mine which has come into production in reasonable commercial quantities or to an actual or potential extension of such a mine, or

iii. an amount paid under an impact and benefit agreement or to enter into such an agreement, and

(b) 50% of the aggregate of all amounts each of which is an amount repaid by the operator before that time pursuant to a legal obligation to repay, in whole or in part, government assistance relating to an amount referred to in subparagraph *a*; and

(2) B is the aggregate of

(a) the aggregate of all amounts each of which is an amount deducted by the operator in computing its annual profit for a fiscal year that ends after 28 March 2017 and before that time, as an allowance for community consultations in respect of expenses incurred after 28 March 2017, under subparagraph *h* of subparagraph 2 of the second paragraph of section 8, and

(b) 50% of the aggregate of all amounts each of which is an amount of government assistance relating to an amount

referred to in subparagraph *a* of subparagraph 1, that the operator received or was entitled to receive before that time.

History: 2019, c. 14, s. 48.

§3.2. — *Allowance for environmental studies*

**Maximum deduction.**

**16.13.3.** The amount that an operator may deduct, as an allowance for environmental studies, under subparagraph *i* of subparagraph 2 of the second paragraph of section 8, in computing its annual profit for a fiscal year that ends after 27 March 2018, must not exceed its cumulative environmental studies expenses at the end of the fiscal year.

History: 2019, c. 14, s. 48.

**Cumulative environmental studies expenses.**

**16.13.4.** The cumulative environmental studies expenses of an operator, at any time (in this section referred to as “that time”), are the amount determined by the formula

A – B.

**Formula elements.**

In the formula in the first paragraph,

(1) A is the aggregate of

(a) subject to sections 16.14 and 16.15, 50% of the aggregate of all amounts each of which is expenses incurred by the operator after 27 March 2018 and before that time to carry out environmental studies in relation to a mining operation project, including those incurred before the exploration stage, but not including

i. expenses for environmental studies referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.9,

ii. an expense that may reasonably be considered to be attributable to a mine which has come into production in reasonable commercial quantities or to an actual or potential extension of such a mine, or

iii. fees payable under an Act or a regulation as rates, administrative costs, guarantees, compensatory measures or other fees of a similar nature, and

(b) 50% of the aggregate of all amounts each of which is an amount repaid by the operator before that time pursuant to a legal obligation to repay, in whole or in part, government assistance relating to an amount referred to in subparagraph *a*; and

(2) B is the aggregate of

(a) the aggregate of all amounts each of which is an amount deducted by the operator in computing its annual profit for a fiscal year that ends after 27 March 2018 and before that time, as an allowance for environmental studies under subparagraph *i* of subparagraph 2 of the second paragraph of section 8, and

(b) 50% of the aggregate of all amounts each of which is an amount of government assistance relating to an amount referred to in subparagraph *a* of subparagraph 1, that the operator received or was entitled to receive before that time.

History: 2019, c. 14, s. 48.

### §3.3. — Sustainable development certification allowance

#### Maximum deduction.

**16.13.5.** The amount that an operator may deduct, as a sustainable development certification allowance, under subparagraph *j* of subparagraph 2 of the second paragraph of section 8, in computing its annual profit for a fiscal year that ends after 21 March 2019, must not exceed its cumulative sustainable development certification expenses at the end of the fiscal year.

History: 2020, c. 16, s. 18.

#### Cumulative sustainable development certification expenses.

**16.13.6.** The cumulative sustainable development certification expenses of an operator, at any time (in this section referred to as “that time”), are the amount determined by the formula

A – B.

#### Formula elements.

In the formula in the first paragraph,

(1) A is the aggregate of

(a) subject to sections 16.14 and 16.15, the aggregate of all amounts each of which is expenses incurred by the operator after 21 March 2019 and before that time, to the extent that they are required by the body responsible for certification in relation to the sustainable development standard of the mineral exploration industry, developed by the UQAT-UQAM Chair in Mining Entrepreneurship, to obtain or maintain such certification, and

(b) the aggregate of all amounts each of which is an amount repaid by the operator before that time pursuant to a legal obligation to repay, in whole or in part, government assistance relating to an amount referred to in subparagraph *a*; and

(2) B is the aggregate of

(a) the aggregate of all amounts each of which is an amount deducted by the operator in computing its annual profit for a fiscal year that ends after 21 March 2019 and before that time, as a sustainable development certification allowance under subparagraph *j* of subparagraph 2 of the second paragraph of section 8, and

(b) the aggregate of all amounts each of which is an amount of government assistance relating to an amount referred to in subparagraph *a* of subparagraph 1, that the operator received or was entitled to receive before that time.

History: 2020, c. 16, s. 18.

### §4. — Common provisions

#### Reporting deductible expenses.

**16.14.** An operator may include expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of any of sections 16.9, 16.11, 16.13, 16.13.2, 16.13.4 and 16.13.6 in computing its cumulative exploration expenses, cumulative pre-production development expenses, cumulative post-production development expenses, cumulative community consultation expenses, cumulative environmental studies expenses or cumulative sustainable development certification expenses, as the case may be, for a fiscal year only if the operator reports them to the Minister on or before the date on or before which it is required to file a return, in accordance with section 36, for the fiscal year following the one in which the expenses were incurred.

History: 2011, c. 6, s. 43; 2019, c. 14, s. 49; 2020, c. 16, s. 19.

#### Excluded amounts.

**16.15.** An amount referred to in subparagraph *a* of subparagraph 1 of the second paragraph of any of sections 16.9, 16.11, 16.13, 16.13.2, 16.13.4 and 16.13.6 does not include an amount that is

(1) the capital cost of property taken into account in determining the undepreciated capital cost of property of a class of an operator, within the meaning of the first paragraph of section 9;

(2) a general and administrative expense that is otherwise deductible under subparagraph *e* of subparagraph 2 of the second paragraph of section 8 or subparagraph *a* of subparagraph 2 of the fourth paragraph of section 8; or

(3) the cost of acquiring a mining property or an interest in a mining property, the payment of an option to purchase, staking costs and survey fees related to the delimitation of the property, and fees, duties and rents in respect of an immovable real right referred to in section 8 of the Mining Act (chapter M-13.1).

History: 2011, c. 6, s. 43; 2015, c. 21, s. 64; 2019, c. 14, s. 50; 2020, c. 16, s. 20.

**Effect of renunciation.**

**16.16.** Where a share of the capital stock of an operator is issued to a person under an agreement in writing entered into between the person and the operator under which the operator has agreed to incur expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of any of sections 16.9, 16.11 and 16.13 and to renounce, under the Taxation Act (chapter I-3) or the Income Tax Act (R.S.C. 1985, c. 1 (5th Suppl.)), in favour of that person, an amount that does not exceed the consideration received by the operator for the share, relating to expenses so incurred by the operator, the expenses to which the amount relates are deemed, from the day on which they are incurred, never to have been such expenses incurred by the operator.

**Exception.**

The first paragraph does not apply if the share is issued to a legal person that gives an undertaking in writing to the Minister not to renounce, under the Taxation Act or the Income Tax Act, the expenses described in the agreement referred to in the first paragraph and the legal person fulfills that undertaking.

History: 2011, c. 6, s. 43.

**Effect of renunciation.**

**16.17.** Where a share of the capital stock of an operator is issued to a partnership under an agreement in writing entered into between the partnership and the operator under which the operator has agreed to incur expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of any of sections 16.9, 16.11 and 16.13, and to renounce, under the Taxation Act (chapter I-3) or the Income Tax Act (R.S.C. 1985, c. 1 (5th Suppl.)), in favour of the partnership, an amount that does not exceed the consideration received by the operator for the share, relating to expenses so incurred by the operator, the expenses which relate to the amount or part of the amount that has been renounced and which the partnership attributes to each partner are deemed, from the day on which they are incurred, never to have been such expenses incurred by the operator.

**Exception.**

The first paragraph does not apply to the part of the expenses which relates to the amount attributed by the partnership to a partner that is a legal person if the legal person gives an undertaking in writing to the Minister not to renounce, under the Taxation Act or the Income Tax Act, that part of the expenses and the legal person fulfills that undertaking.

History: 2011, c. 6, s. 43.

**Presumption.**

**16.18.** Where an operator is a partnership that incurs expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.9, the expenses relating to

the share, described in paragraph *d* of section 395 of the Taxation Act (chapter I-3), which is attributed to each partner of the operator are deemed, from the day on which they are incurred, never to have been such expenses incurred by the operator.

**Exception.**

The first paragraph does not apply to the expenses which are attributed by the operator to a partner that is a legal person if the legal person gives an undertaking in writing to the Minister not to renounce, under the Taxation Act or the Income Tax Act (R.S.C. 1985, c. 1 (5th Suppl.)), those expenses and the legal person fulfills that undertaking.

History: 2011, c. 6, s. 43.

**DIVISION IV**

*(Repealed)*

**17.** *(Repealed).*

History: 1975, c. 30, s. 17; 1994, c. 47, s. 17; 2011, c. 6, s. 44.

**17.1.** *(Repealed).*

History: 1994, c. 47, s. 17; 2011, c. 6, s. 44.

**18.** *(Repealed).*

History: 1975, c. 30, s. 18; 1979, c. 74, s. 1; 2011, c. 6, s. 44.

**18.1.** *(Repealed).*

History: 1985, c. 39, s. 3; 1989, c. 43, s. 1; 1996, c. 4, s. 11; 2011, c. 6, s. 44.

**19.** *(Repealed).*

History: 1975, c. 30, s. 19; 1994, c. 47, s. 18; 1996, c. 4, s. 5; 1997, c. 85, s. 22; 2011, c. 6, s. 44.

**DIVISION IV.1**

**ADDITIONAL EXPLORATION ALLOWANCE**

**Deduction as additional exploration allowance.**

**19.1.** The amount that an operator may deduct as an additional exploration allowance in respect of expenses incurred before 31 March 2010 in computing its annual profit for a fiscal year under subparagraph *g* of paragraph 2 of section 8, as it read on 30 March 2010, or under subparagraph *g* of subparagraph 2 of the second paragraph of section 8 must not exceed, at the end of the fiscal year, 50% of the lesser of its cumulative exploration expenses in respect of expenses incurred before 31 March 2010 and its annual ceiling on exploration expenses for the fiscal year.

History: 1994, c. 47, s. 19; 2011, c. 6, s. 45.

**Cumulative exploration expenses.**

**19.2.** The cumulative exploration expenses of an operator, at any time (in this section referred to as “that time”), in



respect of expenses incurred before 31 March 2010, are the amount determined by the formula

A – B.

**Formula elements.**

In the formula in the first paragraph,

(1) A is the aggregate of

(a) subject to sections 19.4 to 19.7, the aggregate of all amounts each of which is an expense incurred by the operator after 12 May 1994 and before 31 March 2010, in respect of exploration or underground core drilling work carried out in Québec, where the mineral substances in respect of which the work is carried out form part of the domain of the State and where the work is performed in connection with the operator's mining operation

i. elsewhere than on land under a mining lease or mining concession, and before ore is extracted, or

ii. on land under a mining lease or mining concession, except land from which ore has been or was extracted in the five fiscal years preceding that time, and

(b) the aggregate of all amounts each of which is an amount repaid by the operator before that time pursuant to a legal obligation to repay, in whole or in part, government assistance relating to expenses referred to in subparagraph a; and

(2) B is the aggregate of

(a) the aggregate of all amounts each of which is twice an amount deducted by an operator under subparagraph g of paragraph 2 of section 8, as it read on 30 March 2010, or under subparagraph g of subparagraph 2 of the second paragraph of section 8 in computing its annual profit for a fiscal year ending before that time, and

(b) the aggregate of all amounts each of which is an amount of government assistance relating to an amount referred to in subparagraph a of paragraph 1 that the operator received or was entitled to receive before that time.

**Rule of interpretation.**

For the purposes of subparagraph a of subparagraph 1 of the second paragraph and sections 19.4 to 19.7, “exploration”, “mine development”, “mineral deposit”, “mineral deposit evaluation”, “mining operation” and “orebody” have the meaning assigned by section 1, as it read on 30 March 2010.

History: 1994, c. 47, s. 19; 1999, c. 40, s. 111; 2011, c. 6, s. 45.

**Annual ceiling on exploration expenses.**

**19.3.** The annual ceiling on exploration expenses of an operator for a fiscal year is equal,

(1) if the fiscal year begins before 31 March 2010, to the amount corresponding to the operator’s annual profit for that fiscal year, determined without reference to subparagraphs g to h.1 and j of paragraph 2 of section 8, as they read on 30 March 2010; or

(2) if the fiscal year begins after 30 March 2010, to the amount corresponding to the operator’s annual profit for that fiscal year, determined without reference to subparagraph g of subparagraph 2 of the second paragraph of section 8.

History: 1994, c. 47, s. 19; 1996, c. 4, s. 6; 1997, c. 85, s. 23; 2011, c. 6, s. 45.

**Excluded amounts.**

**19.4.** An amount referred to in subparagraph a of subparagraph 1 of the second paragraph of section 19.2 does not include an amount that is

(1) the capital cost of property taken into account in determining the undepreciated capital cost referred to in the first paragraph of section 9;

(2) a general and administrative expense relating to exploration and underground core drilling work carried out in Québec and which is otherwise deductible under section 8;

(3) the cost of acquiring a mining property or an interest therein, payment of an option to purchase, staking costs and survey fees related to the delimitation of the property, and fees, duties and rents in respect of an immovable real right referred to in section 8 of the Mining Act (chapter M-13.1).

History: 1994, c. 47, s. 19; 2011, c. 6, s. 46; 2015, c. 21, s. 65.

**Effect of renunciation.**

**19.5.** Where a share of the capital stock of an operator is issued to a person under an agreement in writing entered into between that person and the operator, under which the operator has agreed to incur expenses in respect of exploration or underground core drilling work carried out in Québec, that would be expenses referred to in subparagraph a of subparagraph 1 of the second paragraph of section 19.2, and to renounce, under the Taxation Act (chapter I-3), in favour of that person, an amount that does not exceed the consideration received by the operator for the share, relating to expenses so incurred by the operator, the expenses to which the amount relates are deemed, from the day on which they are incurred, never to have been such expenses incurred by the operator.

**Exception.**

The first paragraph does not apply if the share is issued to a legal person that gives an undertaking in writing to the Minister not to renounce, under the Taxation Act, the

expenses described in the agreement referred to in the first paragraph and the legal person fulfills such undertaking.

History: 1994, c. 47, s. 19; 1996, c. 4, s. 11; 1999, c. 83, s. 10; 2011, c. 6, s. 47.

#### Effect of renunciation.

**19.6.** Where a share of the capital stock of an operator is issued to a partnership under an agreement in writing entered into between the partnership and the operator, under which the operator has agreed to incur expenses in respect of exploration or underground core drilling work carried out in Québec, that would be expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 19.2, and to renounce, under the Taxation Act (chapter I-3), in favour of the partnership, an amount that does not exceed the consideration received by the operator for the share, relating to expenses so incurred by the operator, the expenses which relate to the amount or part thereof that has been renounced and which the partnership attributes to each partner, are deemed, from the day on which they are incurred, never to have been such expenses incurred by the operator.

#### Exception.

The first paragraph does not apply to the part of the expenses which relates to the amount attributed by the partnership to a partner that is a legal person if the legal person gives an undertaking in writing to the Minister not to renounce, under the Taxation Act, that part of the expenses and the legal person fulfills such undertaking.

History: 1994, c. 47, s. 19; 1996, c. 4, s. 11; 1999, c. 83, s. 11; 2011, c. 6, s. 48.

#### Presumption.

**19.7.** Where an operator is a partnership that incurs expenses in respect of exploration or underground core drilling work carried out in Québec, that would be expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 19.2, the expenses relating to the share, described in paragraph *d* of section 395 of the Taxation Act (chapter I-3), which is attributed to each partner of the operator, are deemed, from the day on which they are incurred, never to have been such expenses incurred by the operator.

#### Exception.

The first paragraph does not apply to the expenses which are attributed by the operator to a partner that is a legal person if the legal person gives an undertaking in writing to the Minister not to renounce, under the Taxation Act, those expenses and the legal person fulfills such undertaking.

History: 1994, c. 47, s. 19; 1996, c. 4, s. 11; 1999, c. 83, s. 12; 2011, c. 6, s. 49.

## DIVISION V PROCESSING ALLOWANCE

### **20.** *(Repealed).*

History: 1975, c. 30, s. 20; 1994, c. 47, s. 21.

### **Deduction as processing allowance — fiscal year beginning after 31 December 2013.**

**20.1.** Subject to section 25, the amount that an operator may deduct as a processing allowance in computing its annual earnings from a mine for a fiscal year that begins after 31 December 2013, under subparagraph *d* of subparagraph 2 of the fourth paragraph of section 8, and in computing the mine-mouth output value in respect of a mine it operates, for such a fiscal year, under subparagraph *d* of subparagraph 2 of the second paragraph of section 8.1.1, must not exceed the lesser of

(1) the aggregate of the amounts determined by the following formula in respect of each property of the operator (in this section referred to as the “particular property”) that is a processing asset used in processing ore from the mine in the fiscal year and that is in the operator’s possession at the end of the fiscal year:

$A \times B$ ; and

(2) an amount corresponding to the greater of

(a) 75% of the operator’s annual earnings from the mine, for the fiscal year, determined without reference to subparagraphs *d*, *e*, *g* and *h* of subparagraph 2 of the fourth paragraph of section 8, and

(b) 30% of the operator’s mine-mouth output value in respect of the mine, for the fiscal year, determined without reference to subparagraph *d* of subparagraph 2 of the second paragraph of section 8.1.1.

#### Formula elements.

In the formula in subparagraph 1 of the first paragraph,

(1) A is the proportion that the use of the particular property in processing ore from the mine is of the total use of the particular property for the purpose of processing ore from the mine and for any other purpose in the fiscal year; and

(2) B is an amount equal to,

(a) if the operator does not engage in smelting, refining or hydrometallurgy, 10% of the capital cost to the operator of the particular property,

(b) if the operator engages in smelting, refining or hydrometallurgy exclusively outside Québec,

i. 10% of the capital cost of the particular property where the property is used solely in processing ore from a gold or silver mine, or

ii. the amount by which 13% of the capital cost of the particular property, where the property is used in processing ore other than ore from a gold or silver mine, exceeds 3% of the proportion of the capital cost of the particular property, where it is used for concentration purposes, that the quantity of ore concentrated by the operator, which is not smelted or refined by the operator, or is not the subject of hydrometallurgy activity carried on by the operator, and the processing of which required the use of the particular property, is of the total quantity of ore the processing of which required the use of the particular property, or

(c) if the operator engages in smelting, refining or hydrometallurgy in Québec,

i. 10% of the capital cost of the particular property where the property is used solely in processing ore from a gold or silver mine, or

ii. the amount by which 20% of the capital cost of the particular property, where the property is used in processing ore other than ore from a gold or silver mine, exceeds the aggregate of 7% of the proportion of the capital cost of the particular property that the quantity of ore that is smelted or refined by the operator outside Québec, or is the subject of hydrometallurgy activity carried on by the operator outside Québec, and the processing of which required the use of the particular property, is of the total quantity of ore the processing of which required the use of the particular property, and 10% of the proportion of the capital cost of the particular property, where it is used for concentration purposes, that the quantity of ore concentrated by the operator, which is not smelted or refined by the operator, or is not the subject of hydrometallurgy activity carried on by the operator, and the processing of which required the use of the particular property, is of the total quantity of ore the processing of which required the use of the particular property.

History: 2015, c. 21, s. 66.

**Deduction as processing allowance — fiscal year beginning before 1 January 2014.**

**21.** Subject to section 25, the amount that an operator may deduct as a processing allowance in computing its annual earnings from a mine for a fiscal year that begins after 30 March 2010 but before 1 January 2014, under subparagraph *d* of subparagraph 2 of the fourth paragraph of section 8, must not exceed the lesser of

(1) the aggregate of the amounts determined by the following formula in respect of each property of the operator (in this section referred to as the “particular property”) that is a processing asset used in processing ore from the mine in

the fiscal year and that is in the operator’s possession at the end of the fiscal year:

$A \times B$ ; and

(2) an amount that is 55% of the annual earnings from the mine, for the fiscal year, determined without reference to subparagraphs *d*, *e*, *g* and *h* of subparagraph 2 of the fourth paragraph of section 8.

**Formula elements.**

In the formula in subparagraph 1 of the first paragraph,

(1) A is the proportion that the use of the particular property in processing ore from the mine is of the total use of the particular property for the purpose of processing ore from the mine and for any other purpose in the fiscal year; and

(2) B is an amount equal to,

(a) if the operator does not engage in smelting or refining, 7% of the capital cost to the operator of the particular property, or

(b) if the operator engages in smelting or refining,

i. 7% of the capital cost of the particular property where the property is used solely in processing ore from a gold or silver mine, or

ii. the amount by which 13% of the capital cost of the particular property, where the property is used in processing ore other than ore from a gold or silver mine, exceeds 6% of the proportion of the capital cost of the particular property, where it is used for concentration purposes, that the quantity of ore concentrated by the operator, which is not smelted or refined by the operator and the processing of which required the use of the particular property, is of the total quantity of ore the processing of which required the use of the particular property.

**Rules of application.**

The amount that an operator may deduct as a processing allowance in computing its annual profit for a fiscal year that begins before 31 March 2010 under subparagraph *h* of paragraph 2 of section 8, as it read on 30 March 2010, is equal to the amount determined under this section, as it read on 30 March 2010. However, where this section applies for the purpose of determining the operator’s annual profit for a fiscal year that ends after 30 March 2010 and includes that date, the amount that the operator may deduct, as a processing allowance, is equal to the amount determined under this section, as it read on 30 March 2010, as if

(1) the 8% rate specified in subparagraph *i* of subparagraph *a* of paragraph 1 and in subparagraph 1 of subparagraph *ii* of subparagraph *a* of paragraph 1 was replaced by the total of

(a) 8% multiplied by the proportion that the number of days in the fiscal year that precede 31 March 2010 is of the number of days in the fiscal year, and

(b) 7% multiplied by the proportion that the number of days in the fiscal year that follow 30 March 2010 is of the number of days in the fiscal year;

(2) the 15% rate specified in subparagraph 2 of subparagraph ii of subparagraph a of paragraph 1 was replaced by the total of

(a) 15% multiplied by the proportion that the number of days in the fiscal year that precede 31 March 2010 is of the number of days in the fiscal year, and

(b) 13% multiplied by the proportion that the number of days in the fiscal year that follow 30 March 2010 is of the number of days in the fiscal year;

(3) the 7% rate specified in subparagraph 2 of subparagraph ii of subparagraph a of paragraph 1 was replaced by the total of

(a) 7% multiplied by the proportion that the number of days in the fiscal year that precede 31 March 2010 is of the number of days in the fiscal year, and

(b) 6% multiplied by the proportion that the number of days in the fiscal year that follow 30 March 2010 is of the number of days in the fiscal year;

(4) the 15% rate specified in subparagraph b of paragraph 1 was replaced by a rate equal to the rate obtained by multiplying 15% by the proportion that the number of days in the fiscal year that precede 31 March 2010 is of the number of days in the fiscal year; and

(5) the 65% rate specified in paragraph 2 was replaced by the total of

(a) 65% multiplied by the proportion that the number of days in the fiscal year that precede 31 March 2010 is of the number of days in the fiscal year, and

(b) 55% multiplied by the proportion that the number of days in the fiscal year that follow 30 March 2010 is of the number of days in the fiscal year.

History: 1975, c. 30, s. 21; 1994, c. 47, s. 22; 1996, c. 4, s. 7; 1997, c. 85, s. 24; 1999, c. 83, s. 13; 2011, c. 6, s. 50; 2015, c. 21, s. 67.

**21.1.** *(Repealed).*

History: 1999, c. 83, s. 14; 2011, c. 6, s. 51.

**22.** *(Repealed).*

History: 1975, c. 30, s. 22; 1994, c. 47, s. 23.

**23.** *(Repealed).*

History: 1975, c. 30, s. 23; 1994, c. 47, s. 24; 1999, c. 83, s. 15; 2011, c. 6, s. 52.

**23.1.** *(Repealed).*

History: 1994, c. 47, s. 24; 1999, c. 83, s. 15; 2011, c. 6, s. 52.

**24.** *(Repealed).*

History: 1975, c. 30, s. 24; 1994, c. 47, s. 25.

**Short fiscal year.**

**25.** Where the fiscal year of an operator comprises fewer than 12 months, the amount determined under subparagraph 2 of the second paragraph of section 20.1 or 21 must be reduced by the proportion of the amount that the number of days by which 365 exceeds the number of days in the fiscal year is of 365.

History: 1975, c. 30, s. 25; 1994, c. 47, s. 26; 1999, c. 83, s. 16; 2011, c. 6, s. 53; 2015, c. 21, s. 68.

**26.** *(Repealed).*

History: 1975, c. 30, s. 26; 1994, c. 47, s. 27.

**DIVISION V.0.1**

**ADDITIONAL DEPRECIATION ALLOWANCE**

**Deduction as additional depreciation allowance.**

**26.0.1.** Subject to section 26.0.2, the amount deductible under subparagraph e of subparagraph 2 of the fourth paragraph of section 8 by an operator as an additional depreciation allowance, in relation to a processing plant, in computing its annual earnings for a fiscal year from a mine whose ore is processed by that plant must not exceed the portion of the least of the following amounts that is reasonably attributable to the operation of the mine:

(1) the aggregate of

(a) the aggregate of all amounts each of which is 15% of the capital cost to the operator of each property, described in the second paragraph, in relation to that processing plant, and

(b) the lesser of

i. the aggregate of all amounts each of which is 15% of the capital cost to the operator of each property, described in the third paragraph, in relation to that processing plant, and

ii. zero, if the aggregate of all amounts each of which is the capital cost to the operator of each property, described in the third paragraph, in relation to that processing plant, is less than \$150,000,000;

(2) \$50,000,000;

(3) the amount by which the aggregate of all amounts each of which is an amount deducted by the operator, in relation to that processing plant, under subparagraph *h.1* of paragraph 2 of section 8, as it read on 30 March 2010, or under subparagraph *e* of subparagraph 2 of the fourth paragraph of section 8, in computing its annual profit or its annual earnings from any mine, for a preceding fiscal year is exceeded by the aggregate of

(a) the lesser of

i. the aggregate of all amounts each of which is the capital cost to the operator of each property, described in the second paragraph, in relation to that processing plant, and

ii. \$350,000,000, and

(b) the lesser of

i. the aggregate of all amounts each of which is the capital cost to the operator of each property, described in the third paragraph, in relation to that processing plant, and

ii. the lesser of

(2) zero, if the aggregate of all amounts each of which is the capital cost to the operator of each property, described in the third paragraph, in relation to that processing plant, is less than \$150,000,000;

(1) \$200,000,000, and

(4) an amount that is the annual earnings from the mine for the fiscal year, determined without reference to subparagraphs *e*, *g* and *h* of subparagraph 2 of the fourth paragraph of section 8; and

(5) zero, if the aggregate of all amounts, each of which is the capital cost to the operator of each property, described in the second paragraph, in relation to that processing plant, is less than \$300,000,000.

**Interpretation.**

Property to which the first paragraph refers is class 3 property, within the meaning assigned by the first paragraph of section 9, that

(1) was acquired new by the operator after 25 March 1997 and before 1 April 1998, otherwise than as property to replace or modernize any other property;

(2) was used for the first time by the operator after 25 March 1997 and before 1 April 1998;

(3) (*subparagraph repealed*).

**Interpretation.**

Property to which the first paragraph refers is class 3 property, within the meaning assigned by the first paragraph of section 9, that

(1) was acquired new by the operator after 31 December 2003 and before 1 January 2008, otherwise than as property to replace another property;

(2) was used for the first time by the operator after 31 December 2003 and before 1 January 2008; and

(3) was, during a minimum period of 730 days beginning on the day of its first use, or during a shorter period in the case of the loss or involuntary destruction of the property by fire, theft or water or of a major breakdown of the property, held and regularly used in mining operation by the operator, in relation to the part of that period during which the operator owned the property, or by another person who acquired the property

(a) in the course of a reorganization in respect of which, if a dividend were received by a partnership in the course of the reorganization, section 308.1 of the Taxation Act (chapter I-3) would not apply to the dividend because of the application of section 308.3 of that Act, or

(b) from a person with whom the other person was not dealing at arm's length, within the meaning of the Taxation Act, otherwise than because of a right referred to in paragraph *b* of section 20 of that Act, at the time the property was acquired.

History: 1997, c. 85, s. 25; 2001, c. 51, s. 6; 2007, c. 12, s. 7; 2011, c. 6, s. 54; 2015, c. 21, s. 69.

**Short fiscal year.**

**26.0.2.** Where the fiscal year of an operator comprises fewer than 12 months, the amount referred to in subparagraph 2 of the first paragraph of section 26.0.1 and each of the amounts determined under subparagraphs 1 and 3 of that paragraph shall be reduced respectively by the proportion of those amounts that the number of days by which 365 exceeds the number of days in the fiscal year is of 365.

History: 1997, c. 85, s. 25.

**Allocation agreement.**

**26.0.3.** If in a fiscal year an operator is associated with one or more other operators, each of the amounts referred to in subparagraph 2 of the first paragraph of section 26.0.1, in subparagraph ii of subparagraph *a* of subparagraph 3 of that paragraph and in subparagraph 1 of subparagraph ii of subparagraph *b* of that subparagraph 3 must be allocated among the operators in the proportion established pursuant to an agreement a copy of which is to be sent to the Minister within six months after the end of their fiscal year and the

amount allocated or the aggregate of the amounts allocated must be equal to

- (1) \$50,000,000, or the lesser amount determined, where applicable, in accordance with section 26.0.2, for the amount referred to in that subparagraph 2;
- (2) \$350,000,000 for the amount referred to in subparagraph ii of subparagraph *a* of that subparagraph 3; and
- (3) \$200,000,000 for the amount referred to in subparagraph 1 of subparagraph ii of subparagraph *b* of that subparagraph 3.

**Allocation by the Minister.**

In the absence of an agreement, or if the proportion is not established in a reasonable manner, the Minister shall allocate the amounts as is reasonable in the circumstances.

History: 1997, c. 85, s. 25; 2007, c. 12, s. 8; 2011, c. 6, s. 55.

**DIVISION V.1  
ADDITIONAL ALLOWANCE FOR A NORTHERN  
MINE**

**Deduction as additional allowance for northern mines.**

**26.1.** The amount that an operator may deduct as an additional allowance for a northern mine in computing its annual earnings from a mine for a particular fiscal year, under subparagraph *g* of subparagraph 2 of the fourth paragraph of section 8, must not exceed the lesser of

- (1) the operator’s annual earnings from the mine, for the particular fiscal year, determined without reference to that subparagraph *g*; and
- (2) the part of the cumulative northern mine expenses at the end of the particular fiscal year that relates to the mine.

**Exceptions.**

Despite the first paragraph, the following rules apply:

- (1) if the particular fiscal year ends after the ninth fiscal year following the fiscal year during which the operator begins processing ore from a northern mine, no amount may be deducted by the operator for the particular fiscal year under subparagraph *g* of subparagraph 2 of the fourth paragraph of section 8; and
- (2) no amount may be deducted by the operator, in respect of a northern mine, for the particular fiscal year under subparagraph *g* of subparagraph 2 of the fourth paragraph of section 8, if the processing of ore from the mine begins after 30 March 2010.

History: 1996, c. 4, s. 8; 2011, c. 6, s. 56.

**Cumulative northern mine expenses.**

**26.2.** Cumulative northern mine expenses, at any time, are equal to the amount by which the amount described in the second paragraph is exceeded by the aggregate of all amounts each of which is 166 2/3% of the capital cost to a northern mine operator of each asset situated in Québec that is used immediately before that time in processing ore from the mine and that is acquired after 9 May 1995 and before that time.

**Amount referred to.**

The amount to which the first paragraph refers is equal to the aggregate of all amounts each of which is an amount deducted by the operator, for a fiscal year ending before the time referred to in that paragraph, as an additional allowance for a northern mine under subparagraph *j* of paragraph 2 of section 8, as it read on 30 March 2010, or under subparagraph *g* of subparagraph 2 of the fourth paragraph of section 8.

History: 1996, c. 4, s. 8; 2011, c. 6, s. 56.

**New operator of a northern mine – rules applicable.**

**26.3.** For the purposes of sections 26.1 and 26.2, if an operator (in this section referred to as the “new operator”) obtains as a result of a distribution or acquires, at a particular time, an asset situated in Québec that is used in processing ore from a northern mine of a particular operator, and if such operator has deducted an amount under subparagraph *j* of paragraph 2 of section 8, as it read on 30 March 2010, or under subparagraph *g* of subparagraph 2 of the fourth paragraph of section 8, the following rules apply:

- (1) each fiscal year ending after the fiscal year during which the particular operator begins processing ore from the northern mine and before the particular time is deemed to be a fiscal year of the new operator, and the new operator is deemed to have begun processing ore from the northern mine at the same time as the particular operator began processing ore;
- (2) the capital cost of the asset to the particular operator, immediately before the particular time, is deemed to be, at the particular time, the capital cost of that asset to the new operator;
- (3) the part of each of the amounts that may reasonably be considered to relate to the asset distributed to or acquired by the new operator, and that is deducted by the particular operator under subparagraph *j* of paragraph 2 of section 8, as it read on 30 March 2010, or under subparagraph *g* of subparagraph 2 of the fourth paragraph of section 8 for a fiscal year ending before the particular time, as an additional allowance for a northern mine, is deemed to be an amount granted for that fiscal year to the new operator under that subparagraph *j* or *g*, as the case may be.

History: 1996, c. 4, s. 8; 2011, c. 6, s. 57.

**DIVISION V.2**  
**ADDITIONAL ALLOWANCE FOR A MINE**  
**SITUATED IN NORTHERN QUÉBEC**

**Deduction as additional allowance for Northern Québec mines.**

**26.4.** The amount that an operator may deduct for a fiscal year, as an additional allowance for a mine situated in Northern Québec, in computing its annual earnings from a mine under subparagraph *h* of subparagraph 2 of the fourth paragraph of section 8 must not exceed the lesser of

(1) if the mine is situated

(a) in the Near North, the amount by which \$2,000,000 exceeds the aggregate of all amounts each of which is an amount deducted by the operator in computing its annual earnings from the mine for a preceding fiscal year under subparagraph *h* of subparagraph 2 of the fourth paragraph of section 8, or

(b) in the Far North, the amount by which \$5,000,000 exceeds the aggregate of all amounts each of which is an amount deducted by the operator in computing its annual earnings from the mine for a preceding fiscal year under subparagraph *h* of subparagraph 2 of the fourth paragraph of section 8; and

(2) the part of the operator's annual earnings from the mine for the fiscal year that is attributable to the operator's eligibility period in respect of the mine.

**Conditions.**

Despite the first paragraph, the operator may deduct an amount, as an additional allowance for a mine situated in Northern Québec, in computing its annual earnings from the mine for a fiscal year under subparagraph *h* of subparagraph 2 of the fourth paragraph of section 8 only if

(1) the mine has come into production in reasonable commercial quantities after 30 March 2010; and

(2) the operator may not deduct an amount, as an additional allowance for a northern mine, in computing its annual earnings from the mine for the fiscal year under subparagraph *g* of subparagraph 2 of the fourth paragraph of section 8.

History: 2011, c. 6, s. 58.

**Rules of application.**

**26.5.** For the purposes of subparagraph 2 of the first paragraph of section 26.4, the following rules apply:

(1) an operator's eligibility period in respect of a mine means the period that begins on the date on which the mine comes into production in reasonable commercial quantities and that ends 36 months after that date; and

(2) the part of an operator's annual earnings from a mine for a fiscal year that is attributable to the operator's eligibility period in respect of the mine is equal to the annual earnings from the mine for the fiscal year, computed without reference to subparagraph *h* of subparagraph 2 of the fourth paragraph of section 8, multiplied by the proportion that the number of days in the fiscal year that are included in the operator's eligibility period in respect of the mine is of the number of days in the fiscal year.

History: 2011, c. 6, s. 58.

**DIVISION VI**  
*(Repealed)*

**27.** *(Repealed).*

History: 1975, c. 30, s. 27; 1985, c. 39, s. 4; 1989, c. 43, s. 2; 1994, c. 47, s. 27.

**27.1.** *(Repealed).*

History: 1985, c. 39, s. 5; 1989, c. 43, s. 3; 1994, c. 47, s. 27.

**28.** *(Repealed).*

History: 1975, c. 30, s. 28; 1994, c. 47, s. 27.

**29.** *(Repealed).*

History: 1975, c. 30, s. 29; 1994, c. 47, s. 27.

**CHAPTER IV**  
**COMPUTATION OF DUTIES**

**DIVISION I**  
**MINING TAX ON ANNUAL PROFIT**

§1. — *Interpretation and general rules*

**Definitions:**

**29.0.1.** In this division,

**“adjusted annual profit”;**

“adjusted annual profit” of an operator for a fiscal year means the amount that would be the operator's annual profit for the fiscal year if the fourth paragraph of section 8 were read without reference to subparagraph *e* of subparagraph 1 and subparagraph *f* of subparagraph 2;

**“adjusted profit margin”;**

“adjusted profit margin” of an operator for a fiscal year means the proportion that the operator's adjusted annual profit for the fiscal year is of the aggregate of all amounts each of which is the gross value of the operator's annual output, for the fiscal year, from a mine it operates in the fiscal year;

**“profit margin”.**

“profit margin” of an operator for a fiscal year means the proportion that the operator's annual profit for the fiscal year is of the aggregate of all amounts each of which is the gross

value of the operator's annual output, for the fiscal year, from a mine it operates in the fiscal year.

History: 2017, c. 1, s. 56.

**Determination of the profit margin.**

**29.0.2.** For the purpose of determining the profit margin of an operator for a fiscal year, the following rules apply:

(1) where the annual profit of the operator for the fiscal year is greater than the aggregate described in the definition of "profit margin" in section 29.0.1 for the fiscal year, the operator's profit margin for the fiscal year is deemed to be equal to 100%; and

(2) where the aggregate described in the definition of "profit margin" in section 29.0.1 for the fiscal year is equal to zero, the aggregate is deemed to be equal to \$1.

History: 2017, c. 1, s. 56.

**Determination of the adjusted profit margin.**

**29.0.3.** For the purpose of determining the adjusted profit margin of an operator for a fiscal year, the following rules apply:

(1) where the adjusted annual profit of the operator for the fiscal year is greater than the aggregate described in the definition of "adjusted profit margin" in section 29.0.1 for the fiscal year, the operator's adjusted profit margin for the fiscal year is deemed to be equal to 100%; and

(2) where the aggregate described in the definition of "adjusted profit margin" in section 29.0.1 for the fiscal year is equal to zero, the aggregate is deemed to be equal to \$1.

History: 2017, c. 1, s. 56.

§2. — *Computation of the mining tax on annual profit*

**Mining tax on annual profit.**

**29.1.** An operator's mining tax on its annual profit for a fiscal year that begins after 31 December 2013 is equal to the aggregate of

(1) the amount determined by the formula

$$16\% (A \times B/C);$$

(2) the amount determined by the formula

$$22\% (A \times D/C); \text{ and}$$

(3) the amount determined by the formula

$$28\% (A \times E/C).$$

**Formula elements.**

In the formulas in the first paragraph,

(1) A is the operator's annual profit for the fiscal year;

(2) B is 35% or, if it is lesser, the operator's profit margin for the fiscal year;

(3) C is the operator's profit margin for the fiscal year;

(4) D is 15% or, if it is lesser, the amount by which the operator's profit margin for the fiscal year exceeds 35%; and

(5) E is the amount by which the operator's profit margin for the fiscal year exceeds 50%.

History: 2015, c. 21, s. 70; 2017, c. 1, s. 57.

**Cessation of mining operation activities.**

**29.2.** Despite section 29.1, where an operator so elects in the return it is required to file under section 36 for a fiscal year that begins after 31 December 2013 and that is deemed under section 2.1 to end immediately before the time at which the operator ceases for an indeterminate period all activities that relate to its mining operation, the operator's mining tax on its annual profit for that fiscal year is equal to the mining tax that would otherwise be determined under section 29.1 if "profit margin" were replaced in subparagraphs 2 to 5 of the second paragraph of section 29.1 by "adjusted profit margin".

History: 2017, c. 1, s. 58.

**Rate of the mining tax.**

**29.3.** Despite sections 29.1 and 29.2, an operator's mining tax on its annual profit, for a fiscal year that begins after 31 December 2013 and that is deemed under section 2.1 to end immediately before the time at which the operator ceases for an indeterminate period all activities that relate to its mining operation, is equal to 16% of its annual profit for that fiscal year if the aggregate of all amounts each of which is the gross value of the operator's annual output, for the fiscal year, from a mine it operates in the fiscal year is equal to zero.

History: 2017, c. 1, s. 58.

**Duties payable — fiscal year beginning before 1 January 2014.**

**30.** The amount that an operator is required to pay, under the second paragraph of section 5, as duties for a fiscal year that begins before 1 January 2014 is equal to the amount obtained by multiplying its annual profit for the fiscal year by its tax rate for the fiscal year.

History: 1975, c. 30, s. 30; 1979, c. 74, s. 2; 1985, c. 39, s. 6; 1994, c. 47, s. 28; 2011, c. 6, s. 59; 2015, c. 21, s. 71.



## DIVISION II MINIMUM MINING TAX

### Minimum mining tax.

**30.1.** An operator's minimum mining tax for a fiscal year that begins after 31 December 2013 is equal to the aggregate of

- (1) the amount obtained by multiplying 1% by the lesser of
  - (a) the aggregate of all amounts each of which is the operator's mine-mouth output value for the fiscal year in respect of a mine it operates in the fiscal year, and
  - (b) the operator's reduced-rate taxable amount for the fiscal year; and
- (2) the amount obtained by multiplying 4% by the amount by which the aggregate of all amounts each of which is the operator's mine-mouth output value for the fiscal year in respect of a mine it operates in the fiscal year exceeds the operator's reduced-rate taxable amount for the fiscal year.

History: 2015, c. 21, s. 72.

### Reduced-rate taxable amount.

**30.2.** For the purposes of section 30.1, an operator's reduced-rate taxable amount for a fiscal year is equal to

- (1) if the operator is not a member of an associated group in the fiscal year, \$80,000,000; and
- (2) if the operator is a member of an associated group in the fiscal year, an amount attributed for the fiscal year to the operator pursuant to the agreement described in the second paragraph and filed with the Minister in the prescribed form containing prescribed information or, if no amount is attributed to the operator under the agreement or in the absence of such an agreement, zero.

### Agreement.

The agreement to which subparagraph 2 of the first paragraph refers is the agreement under which all the operators that are members of the associated group in the fiscal year attribute for the fiscal year to one or more of their number, for the purposes of this section, one or more amounts the total of which does not exceed \$80,000,000.

### Agreement.

If the aggregate of the amounts attributed, for a fiscal year, pursuant to an agreement described in the second paragraph and entered into with the operators that are members of an associated group in the fiscal year exceeds \$80,000,000, the amount determined under subparagraph 2 of the first paragraph in respect of each of those operators for the fiscal year is deemed, for the purposes of this section, to be equal to the proportion of \$80,000,000 that that amount is of the

aggregate of the amounts attributed for the fiscal year under the agreement.

### Associated group.

For the purposes of this section, an associated group in a fiscal year means all the operators that are associated with each other at any time in the fiscal year.

History: 2015, c. 21, s. 72.

### Attribution by the Minister.

**30.3.** If an operator that is a member of an associated group, within the meaning of the fourth paragraph of section 30.2, fails to file with the Minister the agreement described in the second paragraph of that section within 30 days after notice in writing by the Minister has been sent to any of the operators that are members of that group that such an agreement is required for the purposes of an assessment under this Act, the Minister may, for the purposes of subparagraph *b* of paragraph 1 of section 30.1 and paragraph 2 of that section, attribute an amount to one or more of those operators for the fiscal year, which amount or the aggregate of which amounts must be equal to \$80,000,000, and in such a case, despite subparagraph 2 of the first paragraph of section 30.2, the reduced-rate taxable amount of each of the operators is equal to the amount so attributed to it.

History: 2015, c. 21, s. 72.

### Short fiscal year.

**30.4.** Where the fiscal year of an operator comprises fewer than 12 months, the operator's reduced-rate taxable amount for the fiscal year is equal to the proportion of that amount, determined in accordance with sections 30.2 and 30.3, that the number of days in the fiscal year is of 365.

History: 2015, c. 21, s. 72.

## CHAPTER V DUTIES CREDIT

### DIVISION I (Repealed)

#### **3L.** (Repealed).

History: 1975, c. 30, s. 31; 1985, c. 39, s. 6; 1994, c. 47, s. 29.

#### **3L.1.** (Repealed).

History: 1985, c. 39, s. 6; 1994, c. 47, s. 30; 2011, c. 6, s. 60.

#### **3L.2.** (Repealed).

History: 1985, c. 39, s. 6; 1994, c. 47, s. 31.

**DIVISION I.1**  
**NON-REFUNDABLE DUTIES CREDIT ON**  
**ACCOUNT OF MINIMUM MINING TAX**

**Non-refundable duties credit.**

**31.3.** An operator may deduct, from its duties otherwise payable under section 5 for a particular fiscal year that begins after 31 December 2013, an amount equal to the lesser of

- (1) the amount by which the operator's mining tax on its annual profit for the particular fiscal year, determined under any of sections 29.1 to 29.3, exceeds its minimum mining tax for the fiscal year, determined under section 30.1; and
- (2) the cumulative balance on account of the operator's minimum mining tax at the end of the particular fiscal year.

**Cumulative balance on account of minimum mining tax.**

The cumulative balance on account of an operator's minimum mining tax at the end of a particular fiscal year is equal to the aggregate of the cumulative balance on account of the operator's minimum mining tax, as determined, before that time, under paragraph 8.1 of section 35.3, if applicable, and of the amount by which the aggregate of all amounts each of which is an amount deducted by the operator, in accordance with this division, for a fiscal year preceding the particular fiscal year is exceeded by the aggregate of all amounts each of which is an amount determined, for a fiscal year preceding the particular fiscal year, by the formula

A – B.

**Formula elements.**

In the formula in the second paragraph,

- (1) A is the operator's minimum mining tax for the preceding fiscal year, determined under section 30.1; and
- (2) B is the operator's mining tax on its annual profit for the preceding fiscal year, determined under any of sections 29.1 to 29.3.

History: 2015, c. 21, s. 74; 2017, c. 1, s. 59.

**DIVISION II**  
**REFUNDABLE DUTIES CREDIT FOR LOSSES**

**Maximum amount claimable.**

**32.** An operator that sustains an annual loss in a fiscal year may claim, on or before the date on or before which the operator is required to file its return under section 36 for the fiscal year, an amount as a refundable duties credit for losses which must not exceed

- (1) for a fiscal year that ends before 31 March 2010, 12% of the lesser of

(a) its adjusted annual loss for the fiscal year, and

(b) the aggregate of the following amounts, without however exceeding the amount deducted by the operator under subparagraph *e* of paragraph 2 of section 8, as it read on 30 March 2010, in computing its annual profit for the fiscal year:

i. the amount that is the amount by which the expenses in respect of exploration, mineral deposit evaluation and mine development work, incurred by the operator for the fiscal year in connection with mining operation, exceeds the amount of government assistance that the operator received or was entitled to receive for the fiscal year and that relates to those expenses, and provided that such expenses, despite section 16.2, have been declared by the operator to be deductible expenses, on or before the date on or before which the operator is required to file its return under section 36 for the fiscal year, and

ii. the aggregate of all amounts each of which is the amount by which an amount referred to in subparagraph *b.1* of paragraph 1 of section 16.1, as it read on 30 March 2010, that relates to expenses incurred by the operator during the fiscal year and declared by the operator to be deductible expenses, on or before the date provided in subparagraph *i*, exceeds the amount that is 25% of the government assistance that the operator received or was entitled to receive for the fiscal year and that relates to those expenses;

(2) for a fiscal year that ends after 30 March 2010 and includes that date, if the operator is an eligible operator, the amount obtained by multiplying its tax rate for the fiscal year by the lesser of

(a) its adjusted annual loss for the fiscal year, and

(b) the aggregate of

i. the expenses referred to in subparagraph *b* of subparagraph 1 of the second paragraph of section 16.1 that were incurred by the operator for the fiscal year, without exceeding the amount deducted by the operator for the fiscal year under subparagraph *e* of paragraph 2 of section 8, as it read on 30 March 2010,

ii. 50% of the amount of the expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.9 that were incurred by the operator for the fiscal year, without exceeding the amount deducted by the operator for the fiscal year under subparagraph *e.1* of paragraph 2 of section 8, as it read on 30 March 2010, and

iii. the amount of the expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.11 that were incurred by the operator for the fiscal year, without exceeding the amount deducted by the operator for the fiscal year under subparagraph *e.2* of paragraph 2 of section 8, as it read on 30 March 2010;

(3) for a fiscal year that ends after 30 March 2010 and includes that date, if the operator is not an eligible operator, the amount obtained by multiplying its tax rate for the fiscal year by the lesser of

(a) its adjusted annual loss for the fiscal year, and

(b) the aggregate of

i. the expenses referred to in subparagraph *b* of subparagraph 1 of the second paragraph of section 16.1 that were incurred by the operator for the fiscal year, without exceeding the amount deducted by the operator for the fiscal year under subparagraph *e* of paragraph 2 of section 8, as it read on 30 March 2010, and

ii. the amount of the expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.11 that were incurred by the operator for the fiscal year, without exceeding the amount deducted by the operator for the fiscal year under subparagraph *e.2* of paragraph 2 of section 8, as it read on 30 March 2010;

(4) if the operator is an eligible operator, the amount obtained by multiplying, for a fiscal year that begins after 30 March 2010 but before 1 January 2014, its tax rate for that fiscal year and, for a fiscal year that begins after 31 December 2013, 16% by the lesser of

(a) its adjusted annual loss for the fiscal year, and

(b) the aggregate of

i. 50% of the amount of the expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.9 that were incurred by the operator for the fiscal year, without exceeding the amount deducted by the operator for the fiscal year under subparagraph *d* of subparagraph 2 of the second paragraph of section 8,

ii. the amount of the expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.11 that were incurred by the operator for the fiscal year, without exceeding the amount deducted by the operator for the fiscal year under subparagraph *f* of subparagraph 2 of the second paragraph of section 8,

iii. the aggregate of all amounts each of which is the amount of the expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.13.2 that were incurred by the operator for the fiscal year, without exceeding the amount deducted by the operator for the fiscal year under subparagraph *h* of subparagraph 2 of the second paragraph of section 8,

iv. the aggregate of all amounts each of which is the amount of the expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.13.4 that were incurred by the operator for the fiscal year, without

exceeding the amount deducted by the operator for the fiscal year under subparagraph *i* of subparagraph 2 of the second paragraph of section 8, and

v. the aggregate of all amounts each of which is the amount of the expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.13.6 that were incurred by the operator for the fiscal year, without exceeding the amount deducted by the operator for the fiscal year under subparagraph *j* of subparagraph 2 of the second paragraph of section 8; and

(5) if the operator is not an eligible operator, the amount obtained by multiplying, for a fiscal year that begins after 30 March 2010 but before 1 January 2014, its tax rate for that fiscal year and, for a fiscal year that begins after 31 December 2013, 16% by the lesser of

(a) its adjusted annual loss for the fiscal year, and

(b) the aggregate of

i. the amount of the expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.11 that were incurred by the operator for the fiscal year, without exceeding the amount deducted by the operator for the fiscal year under subparagraph *f* of subparagraph 2 of the second paragraph of section 8,

ii. the aggregate of all amounts each of which is the amount of the expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.13.2 that were incurred by the operator for the fiscal year, without exceeding the amount deducted by the operator for the fiscal year under subparagraph *h* of subparagraph 2 of the second paragraph of section 8,

iii. the aggregate of all amounts each of which is the amount of the expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.13.4 that were incurred by the operator for the fiscal year, without exceeding the amount deducted by the operator for the fiscal year under subparagraph *i* of subparagraph 2 of the second paragraph of section 8, and

iv. the aggregate of all amounts each of which is the amount of the expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.13.6 that were incurred by the operator for the fiscal year, without exceeding the amount deducted by the operator for the fiscal year under subparagraph *j* of subparagraph 2 of the second paragraph of section 8.

**Rules applicable.**

For the purpose of determining the amount of the expenses referred to in subparagraphs i and ii of subparagraph *b* of subparagraph 1 of the first paragraph, of the expenses referred to in subparagraphs i to iii of subparagraph *b* of subparagraph 2 of that paragraph, of the expenses referred to

in subparagraphs i and ii of subparagraph b of subparagraph 3 of that paragraph, of the expenses referred to in subparagraphs i to v of subparagraph b of subparagraph 4 of that paragraph and of the expenses referred to in subparagraphs i to iv of subparagraph b of subparagraph 5 of that paragraph that were incurred by an operator for a fiscal year, the following rules apply:

(1) the amount of the expenses is to be reduced by the amount of government assistance that the operator received or was entitled to receive for the fiscal year and that relates to the expenses; and

(2) despite section 16.14, the expenses incurred by the operator in the fiscal year may be included in the expenses referred to in those subparagraphs only if the operator declares them as such to the Minister on or before the date on or before which the operator is required to file its return under section 36 for the fiscal year.

**Rule of interpretation.**

For the purposes of subparagraph i of subparagraph b of subparagraph 1 of the first paragraph, “exploration”, “mine deposit evaluation”, “mine development”, “mineral deposit”, “mining operation” and “orebody” have the meaning assigned by section 1, as it read on 30 March 2010.

History: 1975, c. 30, s.32; 1985, c. 39, s.6; 1994, c. 47, s.32; 1999, c. 83, s.17; 2011, c. 6, s.61; 2015, c. 21, s.76; 2019, c. 14, s. 51; 2020, c. 16, s. 21.

**Operator’s adjusted annual loss.**

**32.0.1.** For the purposes of subparagraph a of subparagraphs 1 to 5 of the first paragraph of section 32, the adjusted annual loss of an operator for a fiscal year is equal to the amount by which the annual loss sustained by the operator for the fiscal year exceeds the lesser of

(1) the amount determined under section 20.1 or 21 for the fiscal year, as if that section were read without reference to subparagraph 2 of its first paragraph; and

(2) the amount of the annual loss sustained by the operator for the fiscal year multiplied by

(a) if the fiscal year ends before 31 March 2010, 65%,

(b) if the fiscal year ends after 30 March 2010 and includes that date, the total of the following rates:

i. 65% multiplied by the proportion that the number of days in the fiscal year that precede 31 March 2010 is of the number of days in the fiscal year, and

ii. 55% multiplied by the proportion that the number of days in the fiscal year that follow 30 March 2010 is of the number of days in the fiscal year,

(c) if the fiscal year begins after 30 March 2010 but before 1 January 2014, 55%, or

(d) if the fiscal year begins after 31 December 2013, 75%.

History: 1994, c. 47, s. 33; 2011, c. 6, s. 61; 2015, c. 21, s. 77.

**32.1. (Repealed).**

History: 1985, c. 39, s. 6; 1994, c. 47, s. 34.

**DIVISION II.1**

*(Repealed)*

**32.2. (Repealed).**

History: 1996, c. 4, s.9; 1999, c. 40, s.111; 2002, c. 40, s.15; 2011, c. 6, s. 62.

**32.3. (Repealed).**

History: 1996, c. 4, s. 9; 2011, c. 6, s. 62.

**32.4. (Repealed).**

History: 1996, c. 4, s. 9; 2011, c. 6, s. 62.

**32.5. (Repealed).**

History: 1996, c. 4, s. 9; 2011, c. 6, s. 62.

**32.6. (Repealed).**

History: 1996, c. 4, s. 9; 2011, c. 6, s. 62.

**DIVISION III**

*(Repealed)*

**33. (Repealed).**

History: 1975, c. 30, s.33; 1979, c. 74, s.3; 1985, c. 39, s.6; 1994, c. 47, s. 35; 2011, c. 6, s. 62.

**DIVISION IV**

*(Repealed)*

**34. (Repealed).**

History: 1975, c. 30, s. 34; 1979, c. 74, s.4; 1985, c. 39, s. 6; 1994, c. 47, s. 36; 2011, c. 6, s. 62.

**34.1. (Repealed).**

History: 1985, c. 39, s. 6; 2011, c. 6, s. 62.

**34.2. (Repealed).**

History: 1985, c. 39, s. 6; 2011, c. 6, s. 62.

**DIVISION V**

*(Repealed)*

**35. (Repealed).**

History: 1975, c. 30, s. 35; 1985, c. 39, s. 6; 1994, c. 47, s. 37.

**35.1.** *(Repealed).*

History: 1985, c. 39, s. 6; 1994, c. 47, s. 37.

**CHAPTER V.1****AMALGAMATION AND ACQUISITION OF ASSETS****DIVISION I****AMALGAMATION****Amalgamation – fiscal year-end.**

**35.2.** Where an amalgamation takes place, the fiscal year of each predecessor legal person that is an operator referred to in section 5 is deemed to end immediately before the amalgamation and the first fiscal year of the new legal person is deemed to begin at the time of the amalgamation.

History: 1994, c. 47, s. 38; 1996, c. 4, s. 11.

**Rules applicable.**

**35.3.** The following rules apply in the case of an amalgamation referred to in section 35.2 for the purposes of fiscal years ending after the amalgamation:

(1) each property of each class described in section 9 belonging to a predecessor legal person immediately before the amalgamation is deemed

(a) to have been acquired by the new legal person at the time at which the predecessor legal person acquired it; and

(b) to have a capital cost to the new legal person equal to its capital cost to the predecessor legal person;

(2) each of the amounts deducted or included in determining the undepreciated capital cost of property of a class of a predecessor legal person, and each of the amounts that would have been deducted or included by the predecessor legal person in determining such undepreciated capital cost for the first fiscal year ending after the amalgamation, assuming there were such a fiscal year, are deemed to be amounts deducted or included by the new legal person in determining the undepreciated capital cost of property of that class;

(3) each of the amounts incurred before the amalgamation by a predecessor legal person as an expense referred to in subparagraph *a* or *b* of subparagraph 1 of the second paragraph of section 16.1, or allowed the predecessor legal person as a deduction in computing its annual profit under any of paragraphs *m*, *n* and *o* of section 8, as they read before 13 May 1994, under subparagraph *e* of paragraph 2 of section 8, as it read on 30 March 2010, or under subparagraph *c* of subparagraph 2 of the second paragraph of section 8, is deemed to be an amount so incurred by the new legal person or an amount so allowed the new legal person as a deduction;

(4) *(paragraph repealed)*;

(5) each of the amounts incurred before the amalgamation by a predecessor legal person in respect of exploration and underground core drilling work carried out in Québec and referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 19.2, or allowed the predecessor legal person as a deduction in computing its annual profit under subparagraph *g* of paragraph 2 of section 8, as it read on 30 March 2010, or under subparagraph *g* of subparagraph 2 of the second paragraph of section 8, is deemed to be an amount so incurred by the new legal person or an amount so allowed the new legal person as a deduction;

(6) each of the amounts of government assistance received or receivable, or repaid pursuant to a legal obligation, by a predecessor legal person before the amalgamation is deemed to be an amount received or receivable, or so repaid, by the new legal person;

(7) *(paragraph repealed)*;

(8) for the purposes of subparagraph *d* of subparagraph 1 of the second paragraph of section 8.0.0.1, the cumulative contributions account of a predecessor legal person, determined immediately before the amalgamation, is deemed, immediately after the amalgamation, to be the balance of the cumulative contributions account of the new legal person;

(8.1) for the purposes of Division I.1 of Chapter V, the cumulative balance on account of a predecessor legal person's minimum mining tax, determined immediately before the amalgamation, is deemed, immediately after the amalgamation, to be the cumulative balance on account of the new legal person's minimum mining tax;

(9) each of the amounts allowed before the amalgamation to a predecessor legal person, as a deduction in computing its annual profit under subparagraph *h.1* of paragraph 2 of section 8, as it read on 30 March 2010, or in computing its annual earnings from a mine under subparagraph *e* of subparagraph 2 of the fourth paragraph of section 8, is deemed to be an amount so allowed the new legal person as a deduction;

(10) each of the amounts incurred before the amalgamation by a predecessor legal person in respect of an expense referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.9, or allowed the predecessor legal person as a deduction in computing its annual profit under subparagraph *e.1* of paragraph 2 of section 8, as it read on 30 March 2010, or under subparagraph *d* of subparagraph 2 of the second paragraph of section 8, is deemed to be an amount so incurred by the new legal person or an amount so allowed the new legal person as a deduction;

(11) each of the amounts incurred before the amalgamation by a predecessor legal person in respect of an expense referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.11, or allowed the predecessor legal

person as a deduction in computing its annual profit under subparagraph *e.2* of paragraph 2 of section 8, as it read on 30 March 2010, or under subparagraph *f* of subparagraph 2 of the second paragraph of section 8, is deemed to be an amount so incurred by the new legal person or an amount so allowed the new legal person as a deduction;

(12) each of the amounts incurred before the amalgamation by a predecessor legal person in respect of an expense referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.13, or allowed the predecessor legal person as a deduction in computing its annual profit under subparagraph *e.3* of paragraph 2 of section 8, as it read on 30 March 2010, or in computing its annual earnings from a mine under subparagraph *c* of subparagraph 2 of the fourth paragraph of section 8, is deemed to be an amount so incurred by the new legal person or an amount so allowed the new legal person as a deduction;

(13) each of the amounts allowed before the amalgamation to a predecessor legal person, as a deduction in computing its annual earnings from a mine under subparagraph *h* of subparagraph 2 of the fourth paragraph of section 8, is deemed to be an amount so allowed the new legal person as a deduction;

(14) each of the amounts incurred before the amalgamation by a predecessor legal person in respect of expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.13.2, or allowed the predecessor legal person as a deduction in computing its annual profit under subparagraph *h* of subparagraph 2 of the second paragraph of section 8, is deemed to be an amount so incurred by the new legal person or an amount so allowed the new legal person as a deduction;

(15) each of the amounts incurred before the amalgamation by a predecessor legal person in respect of expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.13.4, or allowed the predecessor legal person as a deduction in computing its annual profit under subparagraph *i* of subparagraph 2 of the second paragraph of section 8, is deemed to be an amount so incurred by the new legal person or an amount so allowed the new legal person as a deduction; and

(16) each of the amounts incurred before the amalgamation by a predecessor legal person in respect of expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.13.6, or allowed the predecessor legal person as a deduction in computing its annual profit under subparagraph *j* of subparagraph 2 of the second paragraph of section 8, is deemed to be an amount so incurred by the new legal person or an amount so allowed the new legal person as a deduction.

History: 1994, c. 47, s.38; 1996, c. 4, s.11; 1996, c. 39, s.5; 1997, c. 85, s.26; 2011, c. 6, s.63; 2015, c. 21, s.78; 2019, c. 14, s.52; 2020, c. 16, s.22.

## DIVISION II ACQUISITION OF ASSETS

### Acquisition of assets.

**35.4.** If a person or a partnership (in this section referred to as the “purchaser”) acquires, after 12 May 1994, property described in section 9, otherwise than as part of an amalgamation, from another person or partnership (in this section referred to as the “former owner”) to whom the person or partnership is related, within the meaning of Chapter IV of Title II of Book I of Part I of the Taxation Act (chapter I-3), and if the purchaser is an operator for its fiscal year that includes the acquisition, the following rules apply to a fiscal year ending after the acquisition of the property:

(1) the property is deemed to have been alienated by the former owner for an amount equal to the proportion of the undepreciated capital cost of the class of property which includes the property, determined immediately before the acquisition, that the capital cost of the property to the former owner is of the aggregate of all amounts each of which is the capital cost of a property of that class;

(2) subject to paragraphs 3, 4 and 6, the property is deemed to have been acquired by the purchaser at a capital cost equal to the amount determined under paragraph 1;

(3) for the purposes of sections 20.1 and 21, the capital cost of the property to the purchaser is deemed to be equal to the capital cost of the property to the former owner;

(4) where the cost of the property to the purchaser exceeds the capital cost of the property to the former owner immediately before the acquisition, the capital cost of the property to the purchaser is deemed to be equal to the capital cost of the property to the former owner immediately before that time;

(5) for the purposes of the definition of “undepreciated capital cost” in the first paragraph of section 9, where the capital cost of the property to the former owner exceeds the amount determined under paragraph 1, the capital cost of the property to the purchaser is deemed to be the capital cost of the property to the former owner and the excess amount is deemed to have been allowed to the purchaser as a depreciation allowance in respect of the property for the fiscal years preceding the purchaser’s acquisition of the property;

(6) for the purposes of section 26.0.1, where the purchaser acquired from the former owner all or substantially all of the class 3 property referred to in that section that was owned by the former owner immediately before the acquisition,

(a) the property is deemed to have a capital cost to the purchaser equal to the capital cost of the property to the former owner;

(b) the property is deemed to have been acquired new by the purchaser at the same time as the property was acquired new by the former owner;

(c) the property is deemed to have been used for the first time by the purchaser at the same time as the property was used for the first time by the former owner;

(c.1) the property is deemed to have been held by the purchaser and regularly used by the purchaser in a mining operation during any period throughout which the property was held and so used by the former owner; and

(d) each of the amounts allowed to the former owner as an additional depreciation allowance under subparagraph *h.1* of paragraph 2 of section 8 is deemed to have been so allowed to the purchaser as a deduction.

**Rules of application.**

For the purposes of this section, where the acquisition of a property occurs in the circumstances described in subparagraph 1 of the first paragraph of section 10.18, the following rules apply:

(1) no reference is to be made to subparagraph 1 of the first paragraph;

(2) the capital cost of the property to the former owner immediately before the acquisition is deemed to be the capital cost of the property to the former owner determined for the purposes of section 10.18; and

(3) subparagraphs 2 and 5 of the first paragraph are to be read as if “amount determined under paragraph 1” were replaced by “amount determined under subparagraph 1 of the first paragraph of section 10.18 in respect of the property”.

History: 1994, c. 47, s.38; 1997, c. 85, s.27; 2001, c. 51, s.7; 2002, c. 40, s. 16; 2007, c. 12, s.9; 2011, c. 6, s. 64; 2015, c. 21, s. 79; 2017, c. 1, s. 60.

**Dividend payable in kind.**

**35.5.** Subject to section 35.4, where at a particular time a person or partnership that is an operator receives from a person a dividend payable in kind consisting of property described in section 9, the person or partnership is deemed to have acquired the property at a cost equal to its fair market value at that time, and if the person paying the dividend is also an operator, that person is deemed to have alienated the property at the same time for proceeds equal to its fair market value.

History: 1994, c. 47, s. 38.

**CHAPTER V.2  
ANTI-AVOIDANCE**

**Anti-avoidance rule.**

**35.6.** For the purposes of this Act, where an operator alienates, in a fiscal year, directly or indirectly, in favour of an entity with which it is associated in the fiscal year, all or part of mineral substances and, if applicable, of processing products from the operation of a mine, where the associated entity would be considered to have performed mining operation work in respect of those mineral substances and, if applicable, of those processing products if it had itself extracted those mineral substances and where, in the Minister’s opinion, it may reasonably be considered that one of the main reasons for the separate existence of the operator and the associated entity, in the fiscal year, is to reduce the amount of duties that would otherwise be payable under this Act or to increase the non-refundable duties credit on account of the minimum mining tax or the refundable duties credit for losses that may be claimed for the fiscal year, the operator is deemed, for the fiscal year and in respect of those mineral substances, to be the same person as the associated entity and to have performed all the mining operation work in respect of those mineral substances and, if applicable, of those processing products that the associated entity would be so considered to have performed.

History: 2015, c. 21, s. 80.

**CHAPTER VI  
ADMINISTRATIVE PROCEDURE**

**DIVISION I  
RETURNS**

**Filing requirements.**

**36.** Every operator shall, within six months after the end of its fiscal year, file with the Minister a mining duties return in the prescribed form containing prescribed information, accompanied by

(1) the financial statements of the mine or, failing that, of the operator;

(2) a reconciliation report of the financial statements and of the return; and

(3) relevant detailed analyses justifying any amount claimed under this Act.

History: 1975, c. 30, s.36; 1985, c. 39, s.7; 1994, c. 47, s.39; 2011, c. 6, s. 65; 2015, c. 8, s. 49; 2015, c. 21, s. 81.

**Demand for return.**

**36.1.** Regardless of whether they are liable to pay duties or whether a return has been filed, every person and partnership shall, on receiving a formal notice from the Minister, send the Minister a return in the prescribed form containing

prescribed information, for the fiscal year and within the time mentioned in the formal notice.

History: 1994, c. 47, s. 39; 2015, c. 8, s. 50.

**Person administering the property of another.**

**37.** Every person administering, winding-up or controlling in any manner whatever the property, business, succession or income of an operator who has not filed the return mentioned in section 36 for a fiscal year, shall file such return for that fiscal year.

History: 1975, c. 30, s. 37; 1989, c. 54, s. 168; 1994, c. 47, s. 40; 1996, c. 4, s. 12; 1999, c. 40, s. 111.

**Estimate of mining tax.**

**38.** Every operator or person required to file a return under this division shall in such return estimate the amount of the duties payable.

History: 1975, c. 30, s. 38; 1982, c. 3, s. 1; 1994, c. 47, s. 41; 2011, c. 6, s. 66; 2015, c. 8, s. 51.

**DIVISION II  
ASSESSMENTS**

**Examination and determination by the Minister.**

**39.** The Minister shall, with dispatch, examine an operator's return sent to the Minister for a fiscal year and determine the duties payable for the fiscal year, interest and penalties, if any, and also the refundable duties credit for losses of the operator for the fiscal year.

History: 1975, c. 30, s. 39; 1985, c. 39, s. 8; 1994, c. 47, s. 42; 2011, c. 6, s. 67; 2015, c. 8, s. 52; 2015, c. 21, s. 82.

**Notice of assessment.**

**40.** After examination of a return, the Minister shall send a notice of assessment to the operator or the person by whom the return was filed.

History: 1975, c. 30, s. 40; 2015, c. 8, s. 53.

**41. (Repealed).**

History: 1975, c. 30, s. 41; 2015, c. 8, s. 54.

**Minister's power to assess duties, interest and penalties.**

**42.** The Minister may at any time assess duties, interest and penalties under this Act, or give notice in writing to any operator by whom a return has been filed for a fiscal year that no duty is payable for that fiscal year.

History: 1975, c. 30, s. 42; 2015, c. 8, s. 55; I.N. 2016-01-01 (NCCP).

**Redeterminations, reassessments and additional assessments.**

**43.** The Minister may redetermine the duties, interest and penalties under this Act, and also the refundable duties credit

for losses, if any, and make a reassessment or an additional assessment, as the case may be,

(1) at any time, if the operator or the person who filed the return

(a) has made a misrepresentation that is attributable to neglect or wilful default or has committed fraud in filing the return or in supplying information required under this Act; or

(b) has filed with the Minister a waiver in the prescribed form containing prescribed information; or

(2) *(paragraph repealed)*;

(3) within four years after the later of the day of sending of a notice of an original assessment or that no duty is payable for a fiscal year and the day on which a return for the fiscal year is filed in all other cases.

History: 1975, c. 30, s. 43; 1985, c. 39, s. 9; 1994, c. 47, s. 43; 2011, c. 6, s. 68; 2015, c. 8, s. 56; 2015, c. 21, s. 83; I.N. 2016-01-01 (NCCP).

**Credit on duties for the cost of bringing an orebody into production.**

**43.0.1.** The Minister may redetermine the credit on duties for the cost of bringing an orebody into production that is provided for in Division II.1 of Chapter V, as it read before being repealed, and make a reassessment

(1) at any time, if the operator who obtained, under section 32.3, as it read before being repealed, an advance on the credit on duties for the cost of bringing an orebody into production

(a) has made a misrepresentation that is attributable to negligence or wilful default or has committed fraud in supplying information required under Division II.1 of Chapter V, as it read before being repealed, or

(b) has filed a waiver with the Minister in the prescribed form containing prescribed information; or

(2) within four years after the day of sending of the statement determining, in accordance with section 32.5, as it read before being repealed, the amount of the credit on duties for the cost of bringing an orebody into production, in all other cases.

History: 1996, c. 4, s. 10; 2011, c. 6, s. 69; 2015, c. 8, s. 57.

**Suspension of prescription following notification of a formal demand.**

**43.0.2.** Where an operator has filed the fiscal return required by section 36 for a fiscal year and where a formal demand relating to an amount that may be owed by the operator under this Act or to a refundable duties credit for losses to which the operator may be entitled under that Act



for the fiscal year has been notified in accordance with the first paragraph of section 39 of the Tax Administration Act (chapter A-6.002) to a person regarding the filing of information, additional information or documents, the time limit described in paragraph 3 of section 43 for redetermining the duties, interest and penalties payable by the operator and the refundable duties credit for losses, if applicable, and for making a reassessment or an additional assessment, in respect of the fiscal year concerned, is suspended for the period that begins on the day the formal demand is notified by registered mail or by personal service and ends on the day the formal demand or the order provided for in section 39.2 of the Tax Administration Act is complied with or, in case of contestation, the day on which a final judgement is rendered in relation to the formal demand or the order and on which, if applicable, the information, additional information or documents, as the case may be, are filed in accordance with the formal demand or the order.

History: 2019, c. 14, s. 53.

**43.1.** *(Repealed).*

History: 1985, c. 39, s. 10; 1988, c. 21, s. 66; 1994, c. 47, s. 43; 2011, c. 6, s. 70.

**43.2.** *(Repealed).*

History: 1985, c. 39, s. 10; 1994, c. 47, s. 43; 2011, c. 6, s. 70.

**44.** *(Repealed).*

History: 1975, c. 30, s. 44; 2011, c. 6, s. 71; 2015, c. 8, s. 58.

**45.** *(Repealed).*

History: 1975, c. 30, s. 45; 2015, c. 8, s. 58.

### DIVISION III

#### PAYMENT OF DUTIES

##### Payment obligation.

**46.** Every operator liable to pay duties under this Act shall pay to the Minister

(1) the amounts determined in accordance with either of the following methods:

(a) on or before the last day of each month of the current fiscal year, an amount equal to 1/12 of the operator's estimated duties for the fiscal year in accordance with section 38 or of its first basic provisional account determined in the manner provided for in section 46.0.1 for the fiscal year, or

(b) on or before the last day of each of the first two months of the current fiscal year, an amount equal to 1/12 of its second basic provisional account determined in the manner provided for in section 46.0.2 for the fiscal year and, on or before the last day of each of the following months of the fiscal year, an amount equal to 1/10 of the amount by which

its first basic provisional account referred to in subparagraph *a* exceeds the amount determined for the first two months of the fiscal year; and

(2) on or before the last day of the period ending two months after the end of its fiscal year, the balance of its duties payable for the fiscal year.

##### Exception.

However, subparagraph 1 of the first paragraph does not apply to an operator whose duties for the fiscal year or whose first basic provisional account does not exceed \$3,000.

History: 1975, c. 30, s. 46; 1982, c. 3, s. 2; 1994, c. 47, s. 44; 2011, c. 6, s. 72; 2015, c. 8, s. 59.

##### First basic provisional account.

**46.0.1.** For the purposes of subparagraph *a* of paragraph 1 of section 46, the first basic provisional account of an operator for a fiscal year is the proportion of the operator's duties payable for the preceding fiscal year that 365 is of the number of days in the fiscal year.

##### Taxation rate applicable.

For the purpose of determining the first basic provisional account of an operator for a particular fiscal year that ends after 30 March 2010 and begins before 1 January 2014, if its taxation rate for the particular fiscal year is different from its taxation rate for the preceding fiscal year, its duties payable for the preceding fiscal year must be determined as if its taxation rate for the preceding fiscal year was replaced by its taxation rate for the particular fiscal year.

History: 1994, c. 47, s. 45; 2011, c. 6, s. 73; 2015, c. 21, s. 84.

##### Second basic provisional account.

**46.0.2.** For the purposes of subparagraph *b* of paragraph 1 of section 46, the second basic provisional account of an operator for a fiscal year is its first basic provisional account for the preceding fiscal year.

##### Taxation rate applicable.

For the purpose of determining the second basic provisional account of an operator for a particular fiscal year that ends after 30 March 2010 and begins before 1 January 2014, if its taxation rate for the particular fiscal year is different from the taxation rate that applies for determining its basic provisional account for the preceding fiscal year, the first basic provisional account must be determined as if the taxation rate used for determining it was replaced by its taxation rate for the particular fiscal year.

History: 1994, c. 47, s. 45; 2011, c. 6, s. 74; 2015, c. 21, s. 85.

##### 183-day rule.

**46.0.3.** Notwithstanding section 46.0.1, where the preceding fiscal year of an operator comprises less than

183 days, its first basic provisional account for the fiscal year is equal to the higher of the amount determined under section 46.0.1 and the amount that would be determined thereunder if “preceding fiscal year” were a reference to the last fiscal year of the operator which comprised more than 182 days.

History: 1994, c. 47, s. 45.

**First fiscal year of a new legal person.**

**46.0.4.** Notwithstanding sections 46.0.1 and 46.0.2, for the purposes of the first fiscal year of a new legal person resulting from an amalgamation,

(1) the first basic provisional account of the new legal person for the fiscal year is the aggregate of all amounts each of which would be the first basic provisional account of a predecessor legal person for the fiscal year; and

(2) the second basic provisional account of the new legal person for the fiscal year is the aggregate of all amounts each of which is the first basic provisional account of a predecessor legal person for its fiscal year preceding the fiscal year.

History: 1994, c. 47, s. 45; 1996, c. 4, s. 11; 2011, c. 6, s. 75.

**Second fiscal year of a new legal person.**

**46.0.5.** Notwithstanding sections 46.0.1 and 46.0.3, for the purposes of the second fiscal year of a new legal person referred to in section 46.0.4, where the preceding fiscal year of the new legal person comprised less than 183 days, the first basic provisional account of the new legal person for its second fiscal year is equal to the higher of the amount determined under section 46.0.1 and its first basic provisional account for the preceding fiscal year.

History: 1994, c. 47, s. 45; 1996, c. 4, s. 11.

**183-day rule.**

**46.0.6.** For the purposes of paragraph 1 of section 46.0.4, where the last fiscal year of a predecessor legal person comprises less than 183 days, the first basic provisional account for the first fiscal year of the new legal person is equal to the higher of the amount determined under section 46.0.1 and the first basic provisional account of the predecessor legal person for the preceding fiscal year.

History: 1994, c. 47, s. 45; 1996, c. 4, s. 11.

**Rules applicable where a subsidiary is wound-up.**

**46.0.7.** Subject to section 46.0.8, if a subsidiary, within the meaning of section 556 of the Taxation Act (chapter I-3), is wound up and, in the course of the winding up, all or substantially all of its property is distributed to an operator that is its parent within the meaning of that section 556, the following rules apply:

(1) for the purposes of the operator’s fiscal year in which the distribution of property occurred, the subsidiary’s first and second basic provisional accounts for its fiscal year in which the distribution occurred must be added, respectively, to the operator’s first and second basic provisional accounts; and

(2) for the purposes of the operator’s fiscal year following the operator’s fiscal year referred to in paragraph 1, the proportion of the subsidiary’s first basic provisional account for its fiscal year referred to in paragraph 1 that the number of full months, in the operator’s fiscal year referred to in that paragraph, ending at or before the time of distribution, is of 12 must be added to the operator’s first basic provisional account, and the subsidiary’s first basic provisional account for its fiscal year referred to in paragraph 1 must be added to the operator’s second basic provisional account.

History: 2015, c. 8, s. 60.

**Rules applicable where a subsidiary is wound-up.**

**46.0.8.** A payment that an operator that is a parent, within the meaning of section 556 of the Taxation Act (chapter I-3), is deemed under section 52 to have been required to make for the fiscal year referred to in paragraph 1 of section 46.0.7 must be computed as if section 46.0.7 did not apply to a distribution of property occurring after the date on which the payment was required to be made.

History: 2015, c. 8, s. 60.

**Rules applicable where a subsidiary is wound-up.**

**46.0.9.** If an operator alienates all or substantially all of its property to another operator with which the first operator was not dealing at arm’s length, within the meaning of the Taxation Act (chapter I-3), and section 518 or 529 of that Act applies to the alienation of any of that property, paragraphs 1 and 2 of section 46.0.7 and section 46.0.8 apply to the alienation, with the necessary modifications.

History: 2015, c. 8, s. 60.

**Credit on duties refundable for losses.**

**46.1.** An operator who is entitled to an amount, as a refundable duties credit for losses, for a fiscal year under section 32 is deemed to have paid to the Minister, in respect of its duties payable for the fiscal year, on the last day of the two-month period that follows the end of the fiscal year, an amount equal to that determined as such by the Minister.

History: 1989, c. 43, s. 4; 2011, c. 6, s. 76; 2015, c. 21, s. 86.

**47. (Repealed).**

History: 1975, c. 30, s. 47; 1994, c. 47, s. 46; 2015, c. 8, s. 61.

**47.1. (Repealed).**

History: 1994, c. 47, s. 46; 2015, c. 8, s. 61.

**48.** *(Repealed).*

History: 1975, c. 30, s. 48; 2015, c. 8, s. 61.

**Solidary liability.**

**48.1.** Where section 35.6 applies, for a fiscal year, to an operator and an entity associated with the operator, in relation to all or part of mineral substances and, if applicable, of processing products from the operation of a mine, the operator and the associated entity are solidarily liable for the payment of the duties payable for the fiscal year and reasonably attributable to mining operation work relating to those mineral substances and, if applicable, to those processing products.

History: 2015, c. 21, s. 87.

**49.** *(Repealed).*

History: 1975, c. 30, s. 49; 1994, c. 47, s. 47; 1999, c. 40, s. 111; 2015, c. 8, s. 61.

**DIVISION IV  
INTEREST**

**Interest payable.**

**50.** If, on the date of expiry of the time allowed for paying to the Minister the balance of the duties payable for a fiscal year (in this section referred to as the “balance-due day”), an operator has paid, in respect of its duties payable for the fiscal year, amounts the total of which is less than the total of its duties payable for the fiscal year, the amount by which its duties payable for the fiscal year exceed the total of its payments bears interest at the rate set under section 28 of the Tax Administration Act (chapter A-6.002), for the period extending from the balance-due day to the day of payment.

History: 1975, c. 30, s. 50; 1994, c. 47, s. 48; 2010, c. 31, s. 175; 2011, c. 6, s. 77.

**Interest payable.**

**51.** In addition to the interest payable under section 50, an operator liable to make a payment under section 46 shall pay interest on any payment or part of a payment the operator has not made on or before the date of expiry of the time allowed therefor, at the rate fixed under section 28 of the Tax Administration Act (chapter A-6.002), for the period extending from that date to the day of payment or to the day the operator becomes liable to pay interest under section 50, whichever is earlier.

History: 1975, c. 30, s. 51; 1994, c. 47, s. 48; 2010, c. 31, s. 175.

**Presumption.**

**52.** For the purposes of sections 51 and 52.0.2, an operator required to make a payment for a fiscal year under section 46 is deemed to have been liable to make payments based on the method from among those described in paragraph 1 of section 46 that gives, as the total amount of payments for the

fiscal year, the lowest amount to be paid on or before each of the dates referred to in that paragraph, by reference, depending on the method, to

(1) the duties payable for the fiscal year or the operator’s first basic provisional account within the meaning of section 46.0.1 for the fiscal year; or

(2) the operator’s second basic provisional account within the meaning of section 46.0.2 for the fiscal year and the operator’s first basic provisional account for the fiscal year.

History: 1975, c. 30, s. 52; 1994, c. 47, s. 48; 2011, c. 6, s. 78; 2015, c. 8, s. 62.

**Maximum interest payable.**

**52.0.1.** Notwithstanding sections 51 and 52, the interest payable by an operator under the said sections shall not exceed the amount by which the interest that would be payable by the operator under the said sections if the operator had made no payments exceeds the amount obtained by computing interest at the rate fixed under the first paragraph of section 28 of the Tax Administration Act (chapter A-6.002) capitalized daily on each payment made by the operator, for the period extending from the day of the payment to the day on or before which the operator is required to pay to the Minister the balance of the operator’s duties payable or would be so required if the operator had such a balance.

History: 1994, c. 47, s. 49; 2010, c. 31, s. 175; 2011, c. 6, s. 79; 2015, c. 8, s. 63.

**Additional interest.**

**52.0.2.** Every operator required to make a payment under section 46 shall pay, in addition to interest payable under section 51, additional interest at the rate of 10% per annum, for the period for which interest is payable under section 51, on each unpaid payment or part of a payment that is less than 90% of the payment the operator was required to make.

History: 1994, c. 47, s. 49.

**Maximum interest payable.**

**52.0.3.** Notwithstanding section 52.0.2, the interest payable by an operator under the said section shall not exceed the amount by which the interest that would be payable by the operator under the said section if the operator had made no payments exceeds the amount obtained by computing interest at the rate of 10% capitalized daily on each payment made by the operator, for the period extending from the day of the payment to the day on or before which the operator is required to pay to the Minister the balance of the operator’s duties payable or would be so required if the operator had such a balance.

History: 1994, c. 47, s. 49; 2011, c. 6, s. 80.

**52.0.4.** *(Repealed).*

History: 1994, c. 47, s. 49; 2010, c. 31, s. 175; 2015, c. 8, s. 64.

**52.1.** *(Repealed).*

History: 1985, c. 39, s. 11; 2011, c. 6, s. 81.

**DIVISION V**  
*(Repealed).*

**53.** *(Repealed).*

History: 1975, c. 30, s. 53; 1985, c. 39, s. 12; 1994, c. 47, s. 50; 2015, c. 8, s. 65.

**54.** *(Repealed).*

History: 1975, c. 30, s. 54; 1985, c. 39, s. 13; 1994, c. 47, s. 51; 2015, c. 8, s. 65.

**55.** *(Repealed).*

History: 1975, c. 30, s. 55; 1994, c. 47, s. 52; 2011, c. 6, s. 82; 2015, c. 8, s. 65.

**56.** *(Repealed).*

History: 1975, c. 30, s. 56; 2015, c. 8, s. 65.

**57.** *(Repealed).*

History: 1975, c. 30, s. 57; 2015, c. 8, s. 65.

**DIVISION VI**  
**REFUNDS**

**Refunds.**

**58.** Where an operator has filed a return for a fiscal year and has paid for that year as duties, interest or penalty an amount greater than that which was exigible, the Minister may refund the excess to the operator at the same time as the Minister sends the operator the notice of assessment for that fiscal year.

**Refunds.**

However, the Minister shall make the refund provided for in the first paragraph if the operator applies for it within four years after the end of the fiscal year concerned.

History: 1975, c. 30, s. 58; 1985, c. 39, s. 14; 1994, c. 47, s. 53; 2011, c. 6, s. 83.

**58.1.** *(Repealed).*

History: 1989, c. 43, s. 5; 2011, c. 6, s. 84.

**59.** *(Repealed).*

History: 1975, c. 30, s. 59; 2015, c. 8, s. 66.

**59.0.1.** *(Repealed).*

History: 1994, c. 47, s. 54; 1999, c. 83, s. 18; 2015, c. 8, s. 66.

**59.0.2.** *(Repealed).*

History: 1994, c. 47, s. 54; 1999, c. 83, s. 18; 2015, c. 8, s. 66.

**59.1.** *(Repealed).*

History: 1985, c. 39, s. 15; 2015, c. 8, s. 66.

**59.2.** *(Repealed).*

History: 1985, c. 39, s. 15; 2015, c. 8, s. 66.

**Interest on refunds.**

**60.** Where an overpayment by an operator is refunded or allocated to another liability, interest shall be paid to the operator on the amount of the overpayment for the period ending on the day of such refund or allocation and commencing on the latest of

(1) the day on which the overpayment was made following a notice of assessment;

(2) the forty-sixth day following the day on which the overpayment was made otherwise than following a notice of assessment;

(3) the forty-sixth day following the day on or before which the return giving rise to the overpayment was required to be filed under section 36;

(4) the forty-sixth day following the day on which, pursuant to section 36, the operator filed the return giving rise to the overpayment, except where the return was filed on the day on or before which it was required to be filed; and

(5) where an overpayment is determined for a fiscal year following an application for the amendment of a return filed under section 36, 36.1 or 37 for the fiscal year, the forty-sixth day following the day on which the Minister received the application in writing.

**Rule of application.**

For the purposes of this section, the overpayment referred to in the first paragraph must be reduced by an amount equal to that determined by the Minister as a refundable duties credit for losses.

History: 1975, c. 30, s. 60; 1989, c. 43, s. 6; 1994, c. 47, s. 55; 2015, c. 21, s. 88.

**60.1.** *(Repealed).*

History: 1985, c. 39, s. 16; 2011, c. 6, s. 85.

**60.2.** *(Repealed).*

History: 1985, c. 39, s. 16; 1989, c. 43, s. 7; 2015, c. 8, s. 66.

**60.3.** *(Repealed).*

History: 1994, c. 47, s. 56; 2015, c. 8, s. 66.

**DIVISION VII**  
(Repealed).

**61.** (Repealed).

History: 1975, c. 30, s. 61; 1994, c. 47, s. 57; 2015, c. 8, s. 67.

**62.** (Repealed).

History: 1975, c. 30, s. 62; 1975, c. 83, s. 84; 1980, c. 11, s. 53; 2015, c. 8, s. 67.

**63.** (Repealed).

History: 1975, c. 30, s. 63; 1975, c. 83, s. 84; 2015, c. 8, s. 67.

**64.** (Repealed).

History: 1975, c. 30, s. 64; 2015, c. 8, s. 67.

**65.** (Repealed).

History: 1975, c. 30, s. 65; 1985, c. 39, s. 17; 1994, c. 47, s. 58; 2015, c. 8, s. 67.

**66.** (Repealed).

History: 1975, c. 30, s. 66; 2015, c. 8, s. 67.

**DIVISION VIII**  
(Repealed).

**67.** (Repealed).

History: 1975, c. 30, s. 67; 1988, c. 21, s. 66; 1996, c. 4, s. 13; 2002, c. 40, s. 17; 2015, c. 8, s. 67.

**68.** (Repealed).

History: 1975, c. 30, s. 68; 2015, c. 8, s. 67.

**69.** (Repealed).

History: 1975, c. 30, s. 69; 2015, c. 8, s. 67.

**70.** (Repealed).

History: 1975, c. 30, s. 70; 1979, c. 81, s. 20; 1988, c. 21, s. 66; 1994, c. 13, s. 15; 1997, c. 85, s. 28; 2003, c. 8, s. 6; 2006, c. 3, s. 35; 2010, c. 31, s. 175; 2015, c. 8, s. 67.

**DIVISION IX**  
(Repealed).

**70.1.** (Repealed).

History: 2001, c. 51, s. 8; 2015, c. 8, s. 67.

**CHAPTER VII**  
ENFORCEMENT AND ADMINISTRATION

**DIVISION I**  
(Repealed).

**71.** (Repealed).

History: 1975, c. 30, s. 71; 1994, c. 47, s. 59; 1996, c. 4, s. 14; 2015, c. 8, s. 67.

**72.** (Repealed).

History: 1975, c. 30, s. 72; 2015, c. 8, s. 67.

**73.** (Repealed).

History: 1975, c. 30, s. 73; 2015, c. 8, s. 67.

**74.** (Repealed).

History: 1975, c. 30, s. 74; 1994, c. 47, s. 60; 2015, c. 8, s. 67.

**74.1.** (Repealed).

History: 1994, c. 47, s. 60; 2015, c. 8, s. 67.

**DIVISION II**  
(Repealed).

**75.** (Repealed).

History: 1975, c. 30, s. 75; 1986, c. 95, s. 131; 1992, c. 61, s. 270; 1999, c. 40, s. 111; 2015, c. 8, s. 67.

**75.1.** (Repealed).

History: 1986, c. 95, s. 132; 2015, c. 8, s. 67.

**76.** (Repealed).

History: 1975, c. 30, s. 76; 1979, c. 81, s. 20; 1986, c. 95, s. 133; 1992, c. 61, s. 271; 1994, c. 13, s. 15; 2003, c. 8, s. 6; 2006, c. 3, s. 35; 2015, c. 8, s. 67.

**77.** (Repealed).

History: 1975, c. 30, s. 77; 1986, c. 95, s. 134; 1992, c. 61, s. 272.

**78.** (Repealed).

History: 1975, c. 30, s. 78; 1992, c. 61, s. 273; 2015, c. 8, s. 67.

**79.** (Repealed).

History: 1975, c. 30, s. 79; 1975, c. 83, s. 84; 1999, c. 40, s. 111; 2015, c. 8, s. 67.

**80.** (Repealed).

History: 1975, c. 30, s. 80; 1999, c. 40, s. 111; 2015, c. 8, s. 67.

**80.1.** (Repealed).

History: 1994, c. 47, s. 61; 2015, c. 8, s. 67.

**DIVISION II.1**

*(Repealed).*

**80.2.** *(Repealed).*

History: 1994, c. 47, s. 62; 2003, c. 8, s. 6; 2006, c. 3, s. 35; 2015, c. 8, s. 67.

**80.3.** *(Repealed).*

History: 1994, c. 47, s. 62; 2015, c. 8, s. 67.

**80.4.** *(Repealed).*

History: 1994, c. 47, s. 62; 2015, c. 8, s. 67.

**80.5.** *(Repealed).*

History: 1994, c. 47, s. 62; 2015, c. 8, s. 67.

**80.6.** *(Repealed).*

History: 1994, c. 47, s. 62; 2003, c. 8, s. 6; 2006, c. 3, s. 35; 2015, c. 8, s. 67.

**80.7.** *(Repealed).*

History: 1994, c. 47, s. 62; 2015, c. 8, s. 67.

**DIVISION III**

*(Repealed).*

**81.** *(Repealed).*

History: 1975, c. 30, s. 81; 2015, c. 8, s. 67.

**82.** *(Repealed).*

History: 1975, c. 30, s. 82; 2015, c. 8, s. 67.

**83.** *(Repealed).*

History: 1975, c. 30, s. 83; 1994, c. 47, s. 63; 1996, c. 4, s. 15; 2010, c. 31, s. 175; 2015, c. 8, s. 67.

**83.1.** *(Repealed).*

History: 1994, c. 47, s. 64; 2015, c. 8, s. 67.

**DIVISION IV**

*(Repealed).*

**84.** *(Repealed).*

History: 1975, c. 30, s. 84; 1990, c. 4, s. 399; 1994, c. 47, s. 65; 2015, c. 8, s. 67.

**85.** *(Repealed).*

History: 1975, c. 30, s. 85; 1990, c. 4, s. 399; 1994, c. 47, s. 66; 1999, c. 40, s. 111; 2015, c. 8, s. 67.

**86.** *(Repealed).*

History: 1975, c. 30, s. 86; 1990, c. 4, s. 400; 2015, c. 8, s. 67.

**87.** *(Repealed).*

History: 1975, c. 30, s. 87; 1990, c. 4, s. 401; 2015, c. 8, s. 67.

**88.** *(Repealed).*

History: 1975, c. 30, s. 88; 2015, c. 8, s. 67.

**89.** *(Repealed).*

History: 1975, c. 30, s. 89; 2015, c. 8, s. 67.

**90.** *(Repealed).*

History: 1975, c. 30, s. 90; 1990, c. 4, s. 402.

**91.** *(Repealed).*

History: 1975, c. 30, s. 91; 2015, c. 8, s. 67.

**92.** *(Repealed).*

History: 1975, c. 30, s. 92; 1996, c. 4, s. 11; 2015, c. 8, s. 67.

**93.** *(Repealed).*

History: 1975, c. 30, s. 93; 1990, c. 4, s. 399; 2015, c. 8, s. 67.

**DIVISION V**

**REGULATIONS**

**Regulations.**

**94.** In addition to the powers specifically conferred upon it by this Act, the Government may make the regulations necessary to prescribe the evidence required for the establishment of facts pertaining to assessments and generally, to prescribe the measures required for the application of this Act.

**Effective date.**

The regulations made under this section and those made under other provisions of this Act shall come into force on the date of their publication in the *Gazette officielle du Québec* or on any later date fixed therein; they may also, once published and if they so provide, apply from the commencement of any fiscal year which begins in the calendar year current at the time when they are made.

History: 1975, c. 30, s. 94.

**CHAPTER VIII**

**FINAL PROVISIONS**

**95.** *(Repealed).*

History: 1975, c. 30, s. 95; 2010, c. 31, s. 175; 2015, c. 8, s. 68.

**Application of the Act.**

**96.** The Minister of Revenue shall be responsible for the application of this Act.

History: 1975, c. 30, s. 96; 1979, c. 81, s. 20; 1994, c. 13, s. 15; 1999, c. 83, s. 18; 2015, c. 8, s. 69.

**97.** *(Repealed).*

History: 1975, c. 30, s. 97; 1979, c. 81, s. 20; 1994, c. 13, s. 15; 2003, c. 8, s. 6; 2006, c. 3, s. 35; 2015, c. 8, s. 68.

**98.** *(Repealed).*

History: 1975, c. 30, s. 107; 1989, c. 43, s. 8.

**99.** (This section ceased to have effect on 17 April 1987).

History: 1982, c. 21, s. 1; U. K., 1982, c. 11, Sch. B, Part I, s. 33.

REPEAL SCHEDULE

In accordance with section 17 of the Act respecting the consolidation of the statutes (chapter R-3), chapter 30 of the statutes of 1975, in force on 31 December 1977, is repealed, except sections 98 to 103, 103a, 104 to 106, 108 and 109, effective from the coming into force of chapter D-15 of the Revised Statutes.



**UPDATES**

1975, c. 30, a. 2; 1975, c. 83.	Bill 175 - 2001, c. 51.
1979, c. 45; 1979, c. 74; 1979, c. 81.	Bill 84 - 2002, c. 6; Bill 78 - 2002, c. 40.
1980, c. 11.	Bill 17 - 2003, c. 8.
Bill 24 - 1982, c. 3; R.-U., 1982, c. 11, ann. B, ptie I; Bill 18 - 1982, c. 17; Bill 62 - 1982, c. 21.	Bill 45 - 2004, c. 21.  Bill 100 - 2005, c. 23.
Bill 42 - 1985, c. 6; Bill 3 - 1985, c. 39.	Bill 118 - 2006, c. 3.
Bill 92 - 1986, c. 95.	Bill 2 - 2007, c. 12.
Bill 161 - 1987, c. 64.	Bill 63 - 2009, c. 52.
Bill 10 - 1988, c. 21.	Bill 107 - 2010, c. 31.
Bill 126 - 1989, c. 43; Bill 145 - 1989, c. 54.	Bill 5 - 2011, c. 6; Bill 10 - 2011, c. 18; Bill 130 - 2011, c. 16; Bill 32 - 2011, c. 34.
Bill 12 - 1990, c. 4; Bill 77 - 1990, c. 36.	Bill 5 - 2012, c. 28.
Bill 42 - 1992, c. 61.	Bill 28- 2015, c. 8; Bill 13 - 2015, c. 21.
Bill 4 - 1994, c. 13; Bill 47 - 1994, c. 47.	Bill 106 - 2016, c. 35.
Bill 5 - 1996, c. 4; Bill 8 - 1996, c. 39.	Bill 112 - 2017, c. 1; Bill 146 - 2017, c. 29.
Bill 161 - 1997, c. 85.	Bill 13 - 2019, c. 14.
Bill 5 - 1999, c. 40; Bill 3 - 1999, c. 83.	Bill 32- 2020, c. 12; Bill 42- 2020, c. 16.
Bill 28 - 2000, c. 5.	